

**Date:** 21 January 2016

**Item:** Project Monitoring – Project Approvals

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**This paper will be considered in public.**

## **1 Summary**

- 1.1 This paper presents to the Committee the forward approval programme for projects with a value in excess of £50m from January 2016 to October 2017 and informs the Committee of Project Authority granted by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authorities under TfL's Standing Orders.

## **2 Recommendation**

- 2.1 **The Committee is asked to note the paper.**

## **3 Background**

- 3.1 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.
- 3.2 The MD Finance has delegated authority to approve 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.

## **4 Forward Approval Programme**

- 4.1 To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects. The forward approval programme for January 2016 to October 2017, for projects with a value in excess of £50m, is set out at Appendix 1.
- 4.2 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 and, where appropriate, to the Board for consideration. Those projects with an estimated final cost of £50m or below, which have been approved by the Commissioner or the MD Finance, will be reported to subsequent meetings of the Committee.

### **Project Approvals by the Commissioner**

- 4.3 Since the last meeting of the Committee on 2 December 2015, the Commissioner has approved Project Authority for four projects. Further details are set out at Appendix 2.

## **Project Approvals by the MD Finance**

- 4.4 Since the last meeting of the Committee on 2 December 2015, the MD Finance has approved Project Authority for seven projects. Further details of these projects are set out at Appendix 3.

### **List of appendices to this report:**

Appendix 1: Forward Approval Programme

Appendix 2: Summary of project approvals by the Commissioner

Appendix 3: Summary of project approvals by the MD Finance

### **List of Background Papers:**

None

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## **Forward Approval Programme – January 2015 to October 2017**

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 IAR applies 'challenges' to the project to assess whether it is in a suitable state to move through the gate, providing assurance that a project or programme is:

- deliverable – it is likely to deliver the expected benefits.
- 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.

IARs normally apply to a project at the following stages of its project lifecycle:

- Initiation\* (compulsory gate);
- Option Selection\*;
- Pre-Tender;
- Design;
- Contract Award\*;
- Project Close (compulsory gate); and
- 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 one year between gates, projects may also be reviewed at an interim point.

## Forward Schedule of Project Approvals

Project	Programme / Asset Group	Estimated Final Cost £m	Approval	Note	2016												2017									
					Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	
					Feb-16	Mar-16	Mar-16	Jun-16	Jul-16	Jul-16	Sep-16	Oct-16	Nov-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Mar-17	Jun-17	Jun-17	Jul-17	Jul-17	Jul-17	Jul-17	Sep-17
<b>Planning</b>																										
Crossrail 2	Planning	27,000	Interim	1				✓																		
Overground Station at Old Oak Common East of Silvertown	Planning	280	Interim					✓	✓																	
	Planning	200	Interim					✓	✓																	
<b>Rail &amp; Underground</b>																										
London Overground extension to Barking Riverside	Infrastructure	261	Option			✓	✓																			
Bakerloo line 72TS life extension	Rolling Stock	67	Contract Award					✓																		
Central Line 92TS AC conversion	Rolling Stock	166	Pre Tender					✓	✓																	
New Trains for Docklands	Rolling Stock	472	Option					✓	✓																	
Bank Station Capacity Upgrade	Stations	>>	Design			✓	✓																			
Camden Town Station Capacity Upgrade	Stations	>>	Pre Tender									✓	✓													
Holborn Station Capacity Upgrade	Stations	>>	Pre Tender											✓	✓											
Elephant and Castle Northern Line Ticket Hall	Stations	>>	Option									✓	✓													
Metropolitan Line Extension	Upgrades	301	Contract Award			✓	✓																			
Northern Line World Class Capacity	Upgrades	561	Option			✓	✓																			
Jubilee Line World Class Capacity	Upgrades	261	Contract Award			✓	✓																			
Jubilee & Northern lines additional trains	Upgrades	>>	Contract Award														✓	✓								
New Tube for London	Upgrades	16,511	Interim	2		✓	✓																			
New Tube for London	Upgrades	16,511	Contract Award	3																		✓	✓			
STAR	Upgrades	53	Contract Award			✓																				
<b>Surface</b>																										
Silvertown River Crossing	Assets	1,050	Interim	4	✓																					
Silvertown River Crossing	Assets	1,050	Pre Tender	5										✓	✓							✓	✓			
Asset Renewal Programmes	Assets	93	Annual			✓												✓								
STIP 2	Assets	378	Initiation	6																						
Cycling Vision Portfolio	Cycling	913	Annual			✓	✓											✓	✓							
Cycle Hire Re-Let	Cycling	>>	Contract Award																							
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	66	Pre Tender															✓								

### Notes:

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

>>: Costs are excluded for reasons of commercial confidentiality.

UB: Unbudgeted

1. Timing of further submissions to be confirmed following the National Infrastructure Commission's determination early 2016.

2. Programme management resources and development of the signalling system requirements. The Railway Control System ITT will be reviewed in mid 2016 and it is not currently planned for submission to F&PC.

3. Piccadilly line Rolling Stock contract award.

4. Prior to the submission of a Development and Consent Order (DCO) application.

5. ITN to be issued in December 2016, with an addendum in October 2017 after the results of the DCO application.

6. Forward approvals for STIP 2 to be defined.

## Summary of projects approved by the Commissioner

<b>B0000609 Tranche 2 Escalator Refurbishment Programme 2015/18</b>			
<b>Financial Authority in Business Plan</b> £35,155k	<b>Previous Project Authority Granted</b> Nil	<b>Total Project Authority Granted</b> £35,155k	<b>Estimated Final Cost</b> £35,155k
<b>Authority Approval</b>	Project Authority of £35,155k was granted to deliver a three year programme of works, following an Annual Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The existing programme to refurbish 19 BCV/SSL escalators is due to complete in July 2016. Tranche 2 will deliver a new three year programme.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>To undertake the half-life refurbishment of 17 escalators, two passenger conveyors and the electrical upgrade of three escalators, across BCV/SSL stations.</li> </ul> <p>The programme will complete by April 2018.</p>		

<b>UIP3023 South Kensington Station Master Plan: Capacity Upgrade (Phase 1)</b>			
<b>Financial Authority in Business Plan</b> £3,250k	<b>Previous Project Authority Granted</b> £250k	<b>Total Project Authority Granted</b> £2,120k	<b>Estimated Final Cost</b> £16,250k
<b>Authority Approval</b>	<p>Additional Project Authority of £1,870k was granted to develop concept designs, following an Option Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £13,000k, which will be included in the next TfL Business Plan.</p>		
<b>Outputs and Schedule</b>	<p>The Master Plan will increase capacity (Phase 1) and provide step free access at South Kensington Station (Phases 2 and 3).</p> <p>The main items of scope in Phase 1, which aims to safeguard station operation during later works, are:</p> <ul style="list-style-type: none"> <li>Expansion of the ticket hall.</li> <li>Refurbishment of the existing disused platform.</li> </ul> <p>The project will complete by January 2018.</p>		

<b>LR-PJ45C Docklands Light Railway (DLR) Double Tracking Phase 2</b>			
<b>Financial Authority in Business Plan</b> £48,800k	<b>Previous Project Authority Granted</b> £1,000k	<b>Total Project Authority Granted</b> £4,000k	<b>Estimated Final Cost</b> £48,800k
<b>Authority Approval</b>	Additional Project Authority of £3,000k was granted to undertake the concept design for the preferred option and to prepare the Transport and Works Act Order application, following a Pre-Tender Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will deliver double tracking to Pudding Mill Lane and Stratford allowing 20 trains per hour to operate between Stratford and Canary Wharf.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• New retaining wall and/or viaduct structures.</li> <li>• Bridges where required or modification to existing infrastructure.</li> <li>• A second track and associated power and signalling.</li> <li>• Relocation of existing Network Rail Overhead Line Equipment and signal gantries to the north of the existing DLR right of way.</li> <li>• Relocation of emergency access or ventilation shafts on the Central Line.</li> <li>• Noise mitigation.</li> </ul> <p>The project will complete by May 2021.</p>		

<b>UIP3008 Moorgate Over Station Development – TfL Elected Works</b>			
<b>Financial Authority in Business Plan</b> £7,620k	<b>Previous Project Authority Granted</b> £1,100k	<b>Total Project Authority Granted</b> £7,620k	<b>Estimated Final Cost</b> £7,620k
<b>Authority Approval</b>	<p>Additional Project Authority of £6,520k was granted to deliver the enabling works as part of the Moorgate Over Station Development following an Option Integrated Assurance Review.</p> <p>The project is funded by the third party developer.</p>		
<b>Outputs and Schedule</b>	<p>The project will alter and relocate London Underground owned infrastructure and staff accommodation within the Moorgate Underground Station to allow foundation piles to be sunk through the substructure as part of the construction of an Over Station Development.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Diversion of mechanical, electrical, fire and communications infrastructure.</li> <li>• Construction and commissioning of two electrical switch rooms.</li> <li>• Relocation of staff accommodation.</li> </ul> <p>The project will complete by September 2019.</p>		

## Summary of projects approved by the MD Finance

LU-PJ149C Access Planning System Replacement			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£7,990k	£4,420k	£7,990k	£7,990k
<b>Authority Approval</b>	Additional Project Authority of £3,570k was granted to procure and implement a new IM system for Access Planning following a Contract Award Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will improve engineering access processes in London Underground.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Improvements to access processes and standards.</li> <li>• Organisational changes within the Access Controls team.</li> <li>• A new access planning information system that replaces a number of legacy systems.</li> </ul> <p>The project will complete by November 2016.</p>		

UIP2201 UIP2275 Networking of CCTV Phase 5			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£7,498k	Nil	£7,797k	£7,797k
<b>Authority Approval</b>	<p>Project Authority of £7,797k was granted to deliver the project to completion, following a Contract Award Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £299k, which will be funded from the CCTV Core Asset Refresh budget.</p>		
<b>Outputs and Schedule</b>	<p>Real-time CCTV streaming to the London Underground Control Centre from existing cameras was installed at 111 stations under Phases 1 to 4 of the project. The current project will extend the real-time streaming to a further 119 LU stations, providing the capability for live and replay of CCTV to the London Underground Control Centre at Palestra.</p> <p>The project will complete by February 2017.</p>		



<b>ST-PJ124C River Bus Ticketing Solution Project</b>			
<b>Financial Authority in Business Plan</b> £4,626k	<b>Previous Project Authority Granted</b> £310k	<b>Total Project Authority Granted</b> £4,626k	<b>Estimated Final Cost</b> £4,626k
<b>Authority Approval</b>	Additional Project Authority of £4,316k was granted in September 2015 to complete delivery of the scope, following an Initiation Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will bring payment methods for the Thames Clipper river buses into line with other TfL services.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• The installation of Oyster validators at all piers served by Thames Clipper river buses, and the associated software changes.</li> <li>• The introduction of contactless payment card functionality.</li> </ul> <p>The project will complete by October 2016.</p>		

<b>UIP3004 JNP ERP Integration Programme</b>			
<b>Financial Authority in Business Plan</b> £15,000k	<b>Previous Project Authority Granted</b> £250k	<b>Total Project Authority Granted</b> £1,750k	<b>Estimated Final Cost</b> £15,000k
<b>Authority Approval</b>	Additional Project Authority of £1,500k was granted to select a single preferred option.		
<b>Outputs and Schedule</b>	<p>The JNP and TfL/LU business processes and IT systems will be fully aligned which will remove the requirement to operate dual processes which generate operational and management inefficiencies.</p> <p>The programme has completed the mobilisation phase which identified the business integration requirements.</p> <p>The main items of scope are for the next phase:</p> <ul style="list-style-type: none"> <li>• Testing the requirements for technical feasibility and affordability.</li> <li>• Development of delivery options.</li> <li>• Procurement of detailed design.</li> </ul> <p>The project will complete by December 2017.</p>		

<b>PSEC0103 Metropolitan Line Rail Adhesion Trains</b>			
<b>Financial Authority in Business Plan</b> £8,471k	<b>Previous Project Authority Granted</b> £895k	<b>Total Project Authority Granted</b> £7,147k	<b>Estimated Final Cost</b> £7,147k
<b>Authority Approval</b>	Additional Project Authority of £6,252k was granted to deliver two Rail Adhesion Trains (RATs) for the Metropolitan line, following a Contract Award Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will deliver leaf fall mitigation to support the introduction of Automatic Train Control on the Metropolitan line.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Conversion of 2 x D78 Stock trains to 5-car formations and overhaul to provide an additional 30 years of life.</li> <li>• Modification of the 2 x D78 Stock trains to deliver Sandite and therefore operate as Rail Adhesion Trains (RAT).</li> <li>• Modification of the refilling platform at Neasden to support the operation of the RATs.</li> <li>• Provision of training to both test train operators and maintenance staff to support the operation of the new D78 Stock RATs.</li> </ul> <p>The project will complete by August 2018.</p>		

<b>FP-PJ36C      New PIN Entry Device Project</b>			
<b>Financial Authority in Business Plan</b>	<b>Previous Project Authority Granted</b>	<b>Total Project Authority Granted</b>	<b>Estimated Final Cost</b>
£12,319k	£8,500k	£13,240k	£13,240k
<b>Authority Approval</b>	<p>Additional Project Authority of £4,740k was granted to complete the PIN Entry Device Project following a Contract-Award Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £921k, which relates to the first year of the operational costs. The capital forecast remains at £12,319k. The first year's operational cost of £0.92m is currently included in the project cost centre.</p>		
<b>Outputs and Schedule</b>	<p>The project will deliver a Point to Point Encryption tool to meet the acceptance criteria for the use of contactless credit and debit cards.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Hardware including the installation of PIN Entry Devices for the encryption of payment card information in approximately 1,200 LU ticket machines.</li> <li>• A back-office software application that de-encrypts the received payment information.</li> </ul> <p>The project will complete by February 2017.</p>		

<b>UIP2150 Bromley by Bow Step Free Access</b>			
<b>Financial Authority in Business Plan</b> £9,970k	<b>Previous Project Authority Granted</b> £2,251k	<b>Total Project Authority Granted</b> £3,049k	<b>Estimated Final Cost</b> £9,975k
<b>Authority Approval</b>	<p>Additional Project Authority of £798k was granted to issue the invitation to tender and to deliver enabling works, following an Option Integrated Assurance Review.</p> <p>The TfL Business Plan includes third-party funding of £4,900k, of which £4,200k has been received. The remaining £700k depends on a Section 106 agreement for a development which has not started.</p>		
<b>Outputs and Schedule</b>	<p>The project will provide step free access from the street to the trains, and small capacity and ambience improvements.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Expansion of the ticket hall by 16%.</li> <li>• Installation of two new lifts.</li> <li>• Installation of platform humps.</li> </ul> <p>The project will complete by September 2017.</p>		