

Date: 17 October 2013

Item 10: Victoria Station Upgrade – District and Circle line Refurbishment

This paper will be considered in public

1 Summary

- 1.1 This paper requests that the Committee recommends to the Board that it grants project authority to undertake refurbishment of the District & Circle line (D&C) parts of Victoria station as part of the Victoria Station Upgrade (VSU) programme.
- 1.2 The amount requested is within the funding budgeted in the Business Plan for the works.
- 1.3 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendations

2.1 The Committee is asked to:

- (a) note the paper and the supplemental paper on Part 2 of the agenda; and**
- (b) recommend that the Board grants Project Authority in respect of the Victoria Station Upgrade Project, as detailed in the supplemental paper included on Part 2 of the agenda.**

3 Background

Previous Authority

- 3.1 In October 2009, the Board approved project authority for VSU. The VSU was originally a capacity enhancement project, however, the scope was expanded to include refurbishment of the rest of the station in early 2008. During the business planning process of 2009 the budget allocated for the station refurbishment was capped based on affordability. As the budget was limited, the D&C refurbishment was no longer affordable and de-scoped, with scoping priority given to accessibility and safety system compliance, together with refurbishment of the Victoria line parts of the station. The VSU project authority granted in October 2009 did not include the D&C refurbishment which was deferred for later implementation.

- 3.2 The Board approved an increase in the VSU authority in January 2012 when funding was transferred from the Cooling the Tube Programme (CTP) to implement cooling measures on the Victoria line platforms, thus increasing the project authority.

Station refurbishment

- 3.3 In the 2012 Business Plan, a budget allocation was made to reprioritise the previously de-scoped and deferred elements of the D&C station refurbishment. The refurbishment project has therefore been budgeted although it is not included in the Project Authority. In part, this was because it became clear that, in delivering the system upgrades associated with the congestion relief scheme, parts of the D&C finishes would be damaged beyond cost effective repair. The D&C ticket hall ceiling has already been removed, including the frame, to run electrical cables to the new switchrooms, relocated as part of early enabling work. The platform ceilings and tiling will be similarly damaged when the walls are broken through for new passageways and the new safety systems are chased in. A revised scope has been developed to improve the ambience of the public areas of the D&C, provide basic improvements to the D&C staff accommodation and generally stabilise assets where necessary to provide a further 10 years of life.
- 3.4 Tentative plans exist for the future capacity enhancement of the D&C parts of the station and potential commercial redevelopment of the island block which sits above the D&C tracks. However, such a scheme will only materialise as a result of significant commitment to further development of the Victoria area, and/or a significant commitment for the execution of the Crossrail 2 scheme. As such, the business case for the refurbishment has been constrained to a maximum 10 year time horizon.

4 Proposal and opportunity

- 4.1 It is proposed to extend the refurbishment of the Victoria line areas of the station by re-introducing the deferred D&C elements taking the opportunity to implement an integrated station design using a fully mobilised contractor. The extended refurbishment will include the replacement of D&C finishes and fittings in the ticket hall, platform access routes and platform areas. The intent is to provide a quality of finish that matches that being provided in the new build areas of the station and on the Victoria line platforms which will be more efficient than returning at a later date to complete the refurbishment.
- 4.2 Staff accommodation not impacted by the congestion relief project will be provided with a basic refurbishment and asset stabilisation works will also be undertaken in D&C back-of-house rooms. At this stage, the scope is flexible to take account of proposals for the LU future operational staffing model. A full refurbishment will help mitigate the existing problems of water ingress and poor slip resistance on the D&C platforms. There were three instances of the train service being disrupted, including non-stopping of trains, in 2012 and five instances in 2011 all caused by water ingress.
- 4.3 There is an opportunity to deliver efficiencies by varying the existing contract with Taylor Woodrow Bam Nuttall (TWBN) to implement an integrated refurbishment design. The design will be developed by TWBN's designer Mott MacDonald using a team including architects, Weston Williamson, all of whom are on site embedded with the TWBN team.

5 Financial

- 5.1 LU is currently undertaking major construction work at Victoria which is causing disruption to the local area and to users of the station. There is an opportunity to avoid the reputational risk associated with only partially completing a refurbishment with major tidemarks with the rest of the station.

Operational Costs

- 5.2 The D&C refurbishment will not introduce any operational changes or assets requiring extra operational resource but will have a marginal reduction on maintenance costs through improved finishes and asset stabilisation.

Estimate and Benchmarking

- 5.3 The Project Estimate is based on a cost plan prepared by EC Harris, an external cost consultant, and updated by LU to reflect the latest scope and the Contractor's rates. TWBN has been instructed to provide a quote for the refurbishment which will be reviewed on receipt against the LU cost estimate.

Efficiencies and cost recoveries

- 5.4 As part of value engineering, the finishes proposed for the new build and the Victoria line areas of the station, TWBN has already identified efficiencies. VSU is also seeking further efficiencies as part of a contribution to savings identified in the Quarter 1 2013/14 forecasts. These efficiencies in the design of the finishes will be carried through to the D&C areas of the station.
- 5.5 In addition, it is considered more efficient implementing the design and implementation of the D&C refurbishment as a variation to the existing Contract.

6 Commercial and resources

Procurement Strategy

- 6.1 The strategy is to procure the design and implementation of the station refurbishment by varying the existing Contract with TWBN.
- 6.2 The alternative would be to bring in another contractor, importing greater risks through the interfaces that would then arise. LU has existing rates to cover the nature of this work and under the Contract is able to limit risk of undue cost escalation.

Procurement Authority

- 6.3 Procurement Authority is being sought through a separate paper on the agenda.

Resource/Staffing requirements

- 6.4 The works are an extension to the VSU programme. The LU team on site will absorb the works and no additional resources will be required. The proposed approach will secure the ongoing utilisation of the existing key personnel on the programme, who have knowledge of the type of work and of the overall programme.

7 Milestones

- 7.1 TWBN has confirmed that the works will be incorporated in the VSU programme and therefore the key dates of opening the North ticket hall (2016) and completion of the VSU programme (2018) will not be impacted.

8 Benefits

- 8.1 The Net Financial Effect (NFE) of the scheme comprising of the costs and cost savings from avoiding non-stopping the train service because of water ingress on the platforms, measured against social benefits yields a benefit cost ratio (BCR) of 3.8:1. The social benefits of the scheme have been derived from two sources:
- (a) **Ambience benefits** derived from comparing current and projected mystery shopping scores at 2013 prices for improved station finishes and lighting resulting from the refurbishment. The projected scores were benchmarked against other refurbishment schemes at recently completed stations; and
 - (b) **Safety benefits** obtained from reduced trips, slips, falls and injuries by eliminating safety hazards through repairing and refurbishing damaged and non compliant assets in the D&C station, particularly in the platform areas. The final value of removing the cause of an injury was derived by reducing the injuries to the line average.

9 Options

- 9.1 **Do nothing:** This will risk losing or detracting from the potential ambience benefits of the new build elements. It would leave finishes and fittings damaged by movement monitoring equipment, by break-through for new adits or during their removal to allow new cable management systems to be installed all as part of the congestion relief works. Doing nothing will also not address the problems of water seepage in some of the public areas. **Not recommended**
- 9.2 **Defer refurbishment:** This option would deliver the D&C refurbishment as a separate project at some point after the completion of VSU. It will incur extra costs of delivery by failing to exploit the synergies of a joint programme and losing cost efficiencies. By deferring the works until after the completion of VSU this option also undermines the initial ambience benefits of the VSU scheme – presenting an aesthetically discordant interface between the old D&C areas and the rest of the newly refurbished station. **Not recommended**

10 Views of the Projects Panel

- 10.1 At its meeting on 3 October 2013, the Projects and Planning Panel noted the proposals in this paper and supported the recommendations. Members were informed of all the issues raised by the TfL Programme Management Office and actions have been taken to address these.

List of appendices to this report:

A paper on Part 2 of the agenda contains exempt supplemental information.

List of Background Papers:

None

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