

**Date: 11 March 2015**

## **Item 10: Project Monitoring – Project Approvals**

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

### **1 Summary**

- 1.1 To present to the Committee the forward approval programme for projects with a value in excess of £50m, from January 2015 to June 2016, and to inform the Committee of Project Authority granted by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority 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 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 March 2015 to July 2016, for projects with a value in excess of £50m, is set out in 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 22 January 2015, the Commissioner has approved Project Authority on one project. Further details are set out in Appendix 2.

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

- 4.4 Since the last meeting of the Committee, on 22 January 2015, the MD Finance has approved Project Authority on seven projects. Further details of these projects are set out in 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 – March 2015 to July 2016

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 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.

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

- 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 are more than two years 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	2015												2016				
					FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC
					Mar-15	Mar-15	Jun-15	Jul-15	Jul-15	Sep-15	Oct-15	Nov-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Mar-16	Jun-16	Jul-16	Jul-16
<b>Corporate</b>																					
Crossrail 2	Planning	20,000	Annual									✓	✓								
London Overground extension to Barking Riverside	Planning	190	Option					✓	✓												
Gallions Reach Project	Planning	150	Option										✓	✓							
Silvertown River Crossing	Planning	753	Interim	1				✓	✓												
Silvertown River Crossing	Planning	753	Interim	2									✓	✓							
Ultra Low Emission Zone	Planning	TBC	Option					✓													
<b>Rail &amp; Underground</b>																					
Central Line 92TS Heavy Overhaul Programme Lift	Trains	123	Option		✓	✓															
Central Line 92TS AC conversion	Trains	150	Option																✓	✓	
Bakerloo line 72TS life extension	Trains	67	Option		✓																
BCV/SSL/JNP Track Programmes	Infrastructure	767	Annual		✓	✓												✓	✓		
Emergency Services Network	Infrastructure	100	Initiation	UB				✓	✓												
Bank Station Capacity Upgrade	Stations	>>	Annual		✓	✓												✓	✓		
Bank Bloomberg Place	Stations	>>	Annual							✓											
Camden Town Station Capacity Upgrade	Stations	>>	Option															✓	✓		
Integrated Stations Programme	Stations	242	Contract Award		✓	✓															
New Train for Docklands	Upgrades	320	Initiation				✓	✓													
New Tube for London	Upgrades	16,071	Annual															✓	✓		
New Tube for London	Upgrades	16,071	Contract Award	4																✓	✓
Jubilee Line World Class Capacity	Upgrades	261	Pre Tender															✓	✓		
Jubilee & Northern lines additional trains	Upgrades	>>	Pre Tender				✓	✓													
Jubilee & Northern lines additional trains	Upgrades	>>	Contract Award																✓	✓	
Northern Line Extension to Battersea	Upgrades	1,044	Annual				✓												✓		
SUP - ATC signalling system	Upgrades	>>	Contract Award	5																	
Crossrail Stations Upgrade	Stations	105	Options				✓	✓													
<b>Surface</b>																					
Structures and Tunnels Investment Portfolio - Package 3	Assets	101	Interim																		
Asset Renewal Programmes	Assets	93	Annual		✓														✓		
Cycling Vision Portfolio	Cycling	913	Annual		✓	✓													✓	✓	
Cycle Hire Transformation	Cycling	>>	Option				✓	✓													
Cycle Superhighways Programme	Cycling	213	Design																		
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	TBC	Option										✓								
Wandsworth Improvement Scheme	Highways Enhancements	67	Concept Design										✓								
RSM SCOOT	Network Performance	58	Annual										✓								
Surface Intelligent Transport System (SITS)	Network Performance	TBC	Option					✓	✓												

### 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. Prior to statutory consultation.

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

3. Pending confirmation of Government funding

4. Contract award for the Piccadilly line rolling stock

5. Timing of contract award to be confirmed

Summary of projects approved by the Commissioner

<b>BC-PJ146C Victoria Line World Class Capacity</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>
£37,152k	£3,774k	£36,640k	£36,640k
<b>Authority Approval</b>	Additional Project Authority of £32,866k was granted for the delivery phase of the Victoria Line World Class Capacity project, following a Contract Award Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will maximise the line capacity by increasing the morning and evening peak service from 33 trains per hour (tph) to 36tph.</p> <p>This project will deliver modifications to signalling, fleet, power and cooling infrastructure to enable the increases in peak services to be introduced through two timetable changes, in April 2016 and 2017.</p> <p>The project will complete by October 2018.</p>		

## Summary of projects approved by the MD Finance

<b>BC-PJ131C Central &amp; W&amp;C Line 92TS Bearing Replacement</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>
£19,566k	£12,395k	£19,483k	£19,483k
<b>Authority Approval</b>	Additional Project Authority of £7,088k was granted to deliver the second tranche of the 92TS Bearing Replacement project, which will complete the Central Line fleet gearbox bearing replacements, following a pre-ITT Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will replace the bearings in 2910 gearboxes on the 1992 Tube Stock' (92TS) following instances of the bearings failing in service.</p> <p>The first tranche was approved in May 2013, to overhaul the first 1943 gearboxes with stronger input bearings. By the 24 January 2015, 1624 gearboxes had been replaced.</p> <p>The second tranche will continue the gearbox overhaul, completing as many bearing replacements as possible prior to the start of Heavy Overhaul Programme Lift in June 2015, which will incorporate the remaining gearboxes, estimated at 967.</p> <p>The project will complete by November 2017.</p>		

<b>LR-PJ605C Dingwall Road Loop Extension</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>
£17,880k	£730k	£2,230k	£23,800k
<b>Authority Approval (Additional)</b>	<p>Additional Project Authority of £1,500k was granted in January 2015, to prepare a Transport and Works Act Order application, following an Option Integrated Assurance Review.</p> <p>There is a funding gap of £5,920k. The sponsor is pursuing a potential GLA contribution of £5m, and considering de-scoping options.</p>		
<b>Outputs and Schedule</b>	<p>A new Tramlink turnback loop will be created to the east of Croydon town centre, which will mitigate the negative service impact from the new Westfield shopping development.</p> <p>The project will complete in summer 2019.</p>		

<b>LR-PJ755C Workforce Planning</b>			
<b>Financial Authority in Business Plan</b> £14,800k	<b>Previous Project Authority Granted</b> £700k	<b>Total Project Authority Granted</b> £14,800k	<b>Estimated Final Cost</b> £14,800k
<b>Authority Approval (Additional)</b>	Additional Project Authority of £14,100k was granted in December 2014, to deliver the project to completion, following a Contract Award Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will create a software rostering system for LU station staff, train crews and other roles. It is required to support the Fit for the Future Stations programme and will also support other programmes.</p> <p>The Project Authority will be used to fund the following activities:</p> <ul style="list-style-type: none"> <li>• Discovery phase requirements assessment</li> <li>• Software development</li> <li>• Testing and roll-out</li> </ul> <p>The project will complete in quarter 1 2016.</p>		

<b>LU-PJ740C CTP Further Out Of Service Fans</b>			
<b>Financial Authority in Business Plan</b> £7,491k	<b>Previous Project Authority Granted</b> £3,112k	<b>Total Project Authority Granted</b> £7,370k	<b>Estimated Final Cost</b> £7,370k
<b>Authority Approval (Additional)</b>	Additional Project Authority of £4,258k was granted to reinstate a further three tunnel ventilation fans, following a pre-ITT Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will reinstate five out-of-service underground tunnel ventilation fans.</p> <p>Initial Project Authority of £3,112k was approved in March 2013 to reinstate an initial batch of three fans with simpler requirements, and complete the design of three more that are more complex.</p> <p>Two of the simpler fans have been delivered to date with the third cancelled as the higher than expected estimate for the works showed it to be a poor investment.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Re-instatement of two fans with simpler requirements at Redbridge Lane and Cromwell Curve.</li> <li>• Replacement of three fans with more complex requirements at Waterloo, Baker Street and Carlton Square.</li> </ul> <p>The project will complete by December 2016.</p>		

<b>LU- IPO1049      Secondary Means of Vertical Transportation (SMVT) Lifts Replacement Programme</b>			
<b>Financial Authority in Business Plan</b> £20,146k	<b>Previous Project Authority Granted</b> £0k	<b>Total Project Authority Granted</b> £12,755k	<b>Estimated Final Cost</b> £12,755k
<b>Authority Approval</b>	<p>Project Authority of £12,755k was granted for the replacement of nine SMVT lifts on the London Underground network at four stations, including maintenance costs until 2034, following an Integrated Assurance Review.</p> <p>The Financial Authority is £20,146k which includes other lift works yet to be authorised.</p>		
<b>Outputs and Schedule</b>	<p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Replacement of nine hydraulic lifts with KONE ‘machine-room-less’ traction units with gearless drive in line with the Lifts and Escalators Strategy.</li> <li>• Project management of Capex interventions for the 20 year contract life until 2034.</li> <li>• Enabling works including modifications to lift shafts and improvements to ‘ancillary’ services.</li> </ul> <p>The project will complete by May 2019.</p>		

<b>ST-PJ460C      Information Management and Modelling</b>			
<b>Financial Authority in Business Plan</b> £4,882k	<b>Previous Project Authority Granted</b> £0k	<b>Total Project Authority Granted</b> £1,236k	<b>Estimated Final Cost</b> £4,882k
<b>Authority Approval</b>	<p>Project Authority of £1,236k was granted to deliver the concept design for process and business changes, following an Option Integrated Assurance Review.</p>		
<b>Outputs and Schedule</b>	<p>The project will deliver a Level 2 Building Information Modelling (BIM) capability in Surface Transport to meet Government guidance on BIM in the public sector.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Definition of the information requirements and standards</li> <li>• Design and implementation of the necessary processes and business changes needed to embed the use of BIM in Surface Transport</li> <li>• Specification, procurement and installation of the necessary supporting IT systems</li> </ul>		



The project will complete by July 2017.

<b>TL-PJ011C Cockfosters Train Crew Accommodation</b>			
<b>Financial Authority in Business Plan</b> £6,599k	<b>Previous Project Authority Granted</b> £5,300k	<b>Total Project Authority Granted</b> £6,599k	<b>Estimated Final Cost</b> £6,599k
<b>Authority Approval</b>	Additional Project Authority of £1,299k was granted to complete the build of new Train Crew Accommodation at Cockfosters Station.		
<b>Outputs and Schedule</b>	<p>The project is part of the network-wide operational accommodation improvement programme aimed at replacing large 'super depots' with smaller facilities.</p> <p>The project will deliver new train crew accommodation at Cockfosters in time for the new working time-table due to be introduced May 2015.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Installation of a modular accommodation building.</li> <li>• Construction of a staircase and walkways to allow the train operators to walk from the accommodation to the front of the trains, and from the platforms to the depot, to pick up and stable trains.</li> </ul> <p>The project will complete by May 2015.</p>		