

Transport for London

Projects and Planning Panel

Subject: Project Monitoring – Project Approvals

Date: 9 January 2014

1 Purpose

- 1.1 To present to the Panel the forward approval programme for projects with a value in excess of £50m, from January 2014 – June 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 January 2014 to June 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 or the Board 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 13 November 2013, the Commissioner has approved Project Authority on three projects. Further details are set out in Appendix 2.

Project Approvals by the MD Finance

- 2.6 Since the meeting of the Panel on 13 November, the MD Finance has approved Project Authority on six 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 – January 2014 to June 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 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 will be reviewed again at an interim point.

Forward Schedule of Project Approvals

Project	Programme / Asset Group	Estimated Final Cost £m	Approval	Note	2014												2015											
					PPP	FPC	Board	PPP	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board				
					Jan-14	Jan-14	Feb-14	Feb-14	Mar-14	Mar-14	Jun-14	Jul-14	Jul-14	Sep-14	Oct-14	Nov-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Mar-15	Apr-15	Apr-15	May-15	May-15	Jun-15	Jun-15
Corporate																												
Future Ticketing Project - Phase 2	Customer Experience	69	Close																									
Future Ticketing Project - Phase 3	Customer Experience	10	Contract Award																									
Future Ticketing Project - Phase 4	Customer Experience	27	Initiation																									
Future Ticketing Project - Phase 5	Customer Experience	3	Initiation																									
ITSO	Customer Experience	67	Close																									
Crossrail 2	Planning	TBC	Option																									
Gallions Reach Project	Planning	150	Option																									
Silvertown River Crossing	Planning	700	Option																									
Silvertown River Crossing	Planning	700	Interim	1																								
Rail & Underground																												
Cable Car	DLR	63	Close																									
BCV/SSL Track Programme	Infrastructure	623	Annual																									
Baker to Bond Street Tunnel	Infrastructure	34	Annual																									
JNP Civils	Infrastructure	54	Annual																									
JNPTrack Programme	Infrastructure	144	Annual																									
Croxley Rail Link	Overground	TBC	Contract Award																									
East London Line	Overground	1,125	Close																									
London Overground Capacity Improvement Programme	Overground	175	Delivery																									
Bank Bloomberg Place	Stations	58	Contract Award	2																								
Bank Station Capacity Upgrade	Stations	581	Pre TWAO																									
Bond Street Station Upgrade	Stations	294	Annual																									
Paddington Station Upgrade	Stations	63	Close																									
Stations Stabilisation Programme	Stations	363	Annual																									
Victoria Station Upgrade	Stations	590	Delivery																									
Future Stations Programme	Stations	TBC	Option																									
92TS Bogie Replacement & Gearbox Repair	Trains	65	Annual																									
New Tube for London (Formerly Deep Tube Programme)	Upgrades	16,500	Option																									
New Tube for London (Formerly Deep Tube Programme)	Upgrades	16,500	Pre Tender	3																								
Jubilee Line Upgrade	Upgrades	>>	Close																									
Jubilee Line World Class Capacity	Upgrades	251	Option																									
Northern Line Extension to Battersea	Upgrades	1,044	Contract Award	4																								
SUP - Neasden Heavy Maintenance Facilities	Upgrades	56	Option																									
Victoria Line Upgrade	Upgrades	1,029	Close																									
Surface																												
Structures and Tunnels Investment Portfolio (STIP)	Assets	242	Interim																									
TLRN Capital Renewals Programme	Assets	60	Annual																									
Hammersmith Flyover Phase 2	Assets	76	Annual																									
New Bus for London	Buses	220	Annual																									
London Road User Charging Contract Relet	Congestion Charging	>>	Annual																									
Cycling Vision Portfolio	Cycling	913	Option																									
Cycling Vision Portfolio	Cycling	913	Annual																									
Cycle Hire Transition	Cycling	>>	Option																									
Cycle Hire Scheme (Expansion and Intensification)	Cycling	37	Close																									
Cycle Hire Scheme (Phase 2)	Cycling	117	Close																									
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	TBC	Option																									
Vauxhall Cross Road Improvement Scheme	Highways Enhancements	TBC	Option																									
Wandsworth Improvement Scheme	Highways Enhancements	TBC	Option																									
RSM SCOOT	Network Performance	58	Annual																									
Network Instrumentation Programme	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. Project dependant on over-site development which has been delayed by upto 12 months.

3. Pre-tender review for rolling stock procurement.

4. NLE was granted full Project Authority by the TfL Board on 06 November 2013. Approval to award the contract will be requested in this submission.

Summary of projects approved by the Commissioner

ST-PJ184C		Tottenham Hale Gyratory	
Financial Authority in Business Plan £34,000k	Previous Project Authority Granted £29,610k	Total Project Authority Granted £30,940k	Estimated Final Cost £30,940k
Authority Approval	Additional Project Authority of £1,330k was granted following an interim Integrated Assurance Review, to finish project delivery.		
Outputs and Schedule	<p>The project will improve the Tottenham Hale Gyratory and the associated transport interchange.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Highway improvements to return the traffic to two way operation; and • Creation of a new bus station and public square at Tottenham Hale station. <p>External funding totalling £19,200k was provided by the London Borough of Haringey, the Homes and Communities Agency and the London Development Agency. An additional £14,800k is budgeted under the TfL Business Plan bringing total Financial Authority to £34,000k.</p> <p>Agreed and forecast compensation events on the main construction contract have now increased the project's Estimated Final Cost by £1,330k from £29,610k to £30,940k. The project remains within its £34,000k budget.</p> <p>The project will complete by October 2014.</p>		

ST-PJ360C Safety Camera Replacement Programme			
Financial Authority in Business Plan £39,507k	Previous Project Authority Granted £250k	Total Project Authority Granted £14,406k	Estimated Final Cost £39,507k
Authority Approval	Additional Project Authority of £14,156k was granted for the delivery of Lot 2 – Red Light Cameras following a Contract Award Integrated Assurance Review.		
Outputs and Schedule	<p>The Safety Camera Replacement Programme will replace all of the obsolete wet-film safety cameras on London borough roads and the TLRN with modern digital equivalents. The work is being tendered as three lots, Lot 1 – Spot Speed, Lot 3 – Average Speed and Lot 2 – Red Speed which relates to this approval.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Procurement of new equipment supply, installation and maintenance contracts; • Replacement of the red light, spot speed and average speed safety cameras with digital equivalents. <p>The programme will complete by April 2016.</p>		

LU- PJ781C Finsbury Park Western Ticket Hall and Step Free Access Project			
Financial Authority in Business Plan £45,000k	Previous Project Authority Granted £0k	Total Project Authority Granted £9,238k	Estimated Final Cost £47,775k
Authority Approval	Following a Design Integrated Assurance Review to complete the design and enabling works, known as Phase One, Project Authority of £7,952k was granted and £1,286k was transferred from the Spiral Stair Congestion Relief Project at Finsbury Park.		
Outputs and Schedule	<p>The station will have a new western station entrance to be delivered as part of the oversight development.</p> <p>The Estimated Final Cost (EFC) is £47.775m, exceeding the budget by £2.775m. A developer contribution of £1.5m is included in the Development Agreement (DA), which reduces the shortfall to £1.275m.</p> <p>The prime cost increase covers additional London Underground (LU) scope at the Western Station Entrance which is estimated at £1.640m.</p> <p>The budget shortfall will be covered with savings from other projects in the stations capacity programme, principally Paddington.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Connect and integrate the new western station entrance to the rest of the station, including extending the disused passageway and incorporating associated finishes and systems integration; • Fit out the new western station entrance including improved staff accommodation; • The project will introduce step free access from street level to LU platforms. <p>The project is due for completion in 2018.</p>		

Summary of projects approved by the MD Finance

LU-PJ689C Tower Hill Station Development			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£6,524k	£3,916k	£6,524k	£6,524k
Authority Approval	Additional Project Authority of £2,608k was granted following a Contract Award Integrated Assurance Review, to procure, install and commission two lifts.		
Outputs and Schedule	<p>The Tower Hill Station project will enable step-free access (SFA) from street to platform, by installing two new 16-person lifts and redesigning the approach to the station.</p> <p>The project is partly delivered by a third party developer (Citizen M), who will build the two lift shafts under a Development Agreement.</p> <p>LU is responsible for the site enabling works, the fit out and commissioning of the lifts, once the developer has built the shafts.</p> <p>Since the project inception in 2006, the scope has been optimised, leading to a reduction in the estimated final cost from £31,042k to £11,924k. LU will fund £6,524k of the project and the cost of the works delivered by the developer is estimated at £5,400k.</p> <p>The lifts will be fully operational by the end of December 2015.</p>		

SS- PJ141C		Farringdon Train Shed Roof	
Financial Authority in Business Plan £14,4784k	Previous Project Authority Granted £7,603k	Total Project Authority Granted £12,606k	Estimated Final Cost £12,606k
Authority Approval	Additional Project Authority of £5,003k was granted following a Contract Award Integrated Assurance Review, to carry out Phase Two of the train shed roof refurbishment at Farringdon Station.		
Outputs and Schedule	<p>The project is split into two phases. Phase One covered the installation of a protection deck underneath the roof, from which the bulk of the repairs will be carried out and is now complete.</p> <p>Project Authority was granted for Phase Two, to implement the refurbishment of the train shed roof.</p> <p>The main items of work are:</p> <ul style="list-style-type: none"> • To provided a new roof and glazing over both LUL and NR platforms, and to repair and strengthen the cast iron trusses across the roof span; • To provide safe access route inspection and maintenance of the gutters and roof structure; • To return the roof space to its original design utilising newer materials and current techniques, including the historic “Lantern” roof detail above the Network Rail tracks. <p>The project is due for completion in 2015.</p>		

CS-PJ51C		IMSS Delivery Programme	
Financial Authority in Business Plan £18,473k	Previous Project Authority Granted £2,962k	Total Project Authority Granted £5,067k	Estimated Final Cost £18,473k
Authority Approval	Additional Project Authority of £2,105k was granted to complete the feasibility stage following an Initiation Integrated Assurance Review.		
Outputs and Schedule	<p>The IM Strategic Sourcing (IMSS) Delivery Programme will reorganise the way IT services are bought and delivered to internal users to improve efficiency and better meet business requirements.</p> <p>The IT services such as networking, applications development and desktop support will be structured as separate 'towers' – essentially logical groupings of functions which can each be efficiently delivered by a single service provider. A separate Service Integration And Management (SIAM) function (which could be internal or contracted out) is responsible for managing the various towers and integrating the services they provide into a coordinated IT offering to the business.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Design of a new target operating model (TOM) for the provision of IT services based on the SIAM / Towers model; • Procurement of the necessary externally sourced services; • Re-organisation of the internal IM structure to align with the new operating model. <p>The project will complete by April 2016.</p>		

ST-PJ92C Operational Modelling & Visualisation Capability Development			
Financial Authority in Business Plan £5,152k	Previous Project Authority Granted £0k	Total Project Authority Granted £5,152k	Estimated Final Cost £5,152k
Authority Approval	Project Authority of £5,152k was granted to deliver the implementation phase following an Option Integrated Assurance Review.		
Outputs and Schedule	<p>The Operational Modelling & Visualisation Capability Development project will upgrade Surface Transport's road network modelling capability to support the development and delivery of the programme of road improvements forming TfL's response to the Roads Task Force recommendations.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Expanding the existing higher level 'tactical' models to cover the whole of the TLRN, and bringing them up to a consistent standard; • Upgrading the existing detailed 'micro-simulation' models on the 23 main corridors to include cycling, pedestrians and freight; • Adding a 3D visualisation capability to the micro-simulation models. <p>The project will complete by March 2015.</p>		

IP-FP-PJ48C Future Ticketing Programme – Phase 3			
Financial Authority in Business Plan £9,703k	Previous Project Authority Granted £380k	Total Project Authority Granted £ 9,703k	Estimated Final Cost £ 9,703k
Authority Approval	Following a Pre-Tender Integrated Assurance Review held in September 2013, Phase 3 was granted Project Authority of £9,323k in November 2013 taking the total authority to £9,703k.		
Outputs and Schedule	<p>The acceptance of Contactless Payment Cards (CPCs) is a first step towards a new ticketing system that will replace the existing Oyster platform, which is expensive to administer.</p> <p>Future Ticketing Phase 1 introduced the CPC platform on the bus network, to work in parallel with Oyster. Phase 2 will expand coverage to the Rail and Underground networks and is underway. Phase 3 will expand the functionality to include adult season tickets.</p> <p>The project is due to complete in June 2015.</p>		

SS- PJ049C Depot Track Review			
Financial Authority in Business Plan £45,670k	Previous Project Authority Granted £0k	Total Project Authority Granted £13,443k	Estimated Final Cost £13,443k
Authority Approval	<p>Project Authority of £13,443k was granted for the delivery of the five year programme to completion following an Annual Integrated Assurance Review.</p> <p>The Financial Authority of £45,670k extends to March 2023 and will be reduced in the 2014/15 Business Plan to £27,128k following a reassessment of the scope. The approved authority (£13,443k) covers the planned work to March 2018, with the remainder covering up to March 2023.</p>		
Outputs and Schedule	<p>The scope is to undertake renewal and refurbishment of track in depots and sidings across the LU network that cannot be delivered through routine maintenance.</p> <p>The programme of works is due for completion in 2018.</p>		