

Transport for London

Projects and Planning Panel

Subject: Project Monitoring – Project Approvals

Date: 26 February 2014

1 Purpose

- 1.1 To present to the Panel the forward approval programme for projects with a value in excess of £50m, from February 2014 to July 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 February 2014 to July 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 Board for consideration. Following the changes to TfL's Committee and Panel arrangements from April 2014, the approval of projects with an estimated final cost below £50m will be reported to meetings of the Finance and Policy Committee.

Project Approvals by the Commissioner

- 2.5 Since the meeting of the Panel on 9 January 2014, the Commissioner has approved Project Authority on five projects. Further details are set out in Appendix 2.

Project Approvals by the MD Finance

- 2.6 Since the meeting of the Panel on 9 January 2014, the MD Finance has approved Project Authority on four 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

- 4.1 Contact: Andy Eastaugh, Head of Programme Management Office
Number: 020 3054 8234
Email: Andy.Eastaugh@tube.tfl.gov.uk

Forward Approval Programme – February 2014 to July 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												
					FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board			
					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	Jun-15	Jul-15	Jul-15	Sep-15	Oct-15	Nov-15	Nov-15	Dec-15			
Corporate																													
Future Ticketing Project - Phase 4	Customer Experience	27	Initiation				✓																						
Future Ticketing Project - Phase 5	Customer Experience	3	Initiation																								✓		
Crossrail 2	Planning	20,000	Option						✓	✓																			
Overground Station at Old Oak Common	Planning	500	Initiation					✓	✓																				
Gallions Reach Project	Planning	150	Option										✓	✓															
Silvertown River Crossing	Planning	753	Option		✓	✓																							
Silvertown River Crossing	Planning	753	Interim	1														✓	✓										
Rail & Underground																													
JNP Civils	Infrastructure	54	Annual	2							✓																		
JNP Track Programme	Infrastructure	144	Annual	3		✓																					✓		
Croxley Rail Link	Overground	TBC	Contract Award			✓	✓																						
Bank Bloomberg Place	Stations	58	Contract Award	4																									
Bank Station Capacity Upgrade	Stations	581	Pre TWAO			✓	✓																						
Paddington Bakerloo Line Link Project	Stations	68	Contract Award			✓																							
Stations Stabilisation Programme	Stations	363	Annual			✓	✓																				✓	✓	
Future Stations Programme - Holborn or Camden	Stations	TBC	Option					✓	✓																				
New Tube for London (Formerly Deep Tube Programme)	Upgrades	16,500	Pre Tender	5									✓	✓															
Jubilee Line World Class Capacity	Upgrades	251	Option							✓	✓																		
Northern Line Extension to Battersea	Upgrades	1,044	Contract Award	6		✓	✓																						
SUP - ATC signalling system	Upgrades	>>	Pre Tender	7																									
SUP - ATC signalling system	Upgrades	>>	Contract Award	7																									
SUP - Neasden Heavy Maintenance Facilities	Upgrades	56	Option					✓																					
Surface																													
Structures and Tunnels Investment Portfolio (STIP)	Assets	242	Interim		✓	✓																							
TLRN Capital Renewals Programme	Assets	60	Annual		✓													✓											
Bus Pinch Points Programme	Buses	100	Initiation						✓	✓																			
High Quality Bus Corridors Programme	Buses	100	Initiation						✓	✓																			
Cycling Vision Portfolio	Cycling	913	Annual											✓	✓														
Cycle Hire Transition	Cycling	>>	Option							✓	✓																		
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	TBC	Option							✓																			
Brent Cross s278 Highway Works	Highways Enhancements	TBC	Initiation			✓	✓																						
Vauxhall Cross Road Improvement Scheme	Highways Enhancements	TBC	Option													✓													
Wandsworth Improvement Scheme	Highways Enhancements	TBC	Option					✓																					
RSM SCOOT	Network Performance	58	Annual							✓																			
Surface Intelligent Transport System (SITS)	Network Performance	93	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. May be incorporated into LU civils

3. May be incorporated into LU track

4. Project dependant on over-site development which has been delayed by up to 12 months.

5. Pre-tender review for rolling stock procurement.

6. 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.

7. Dates to be confirmed.

Summary of projects approved by the Commissioner

BC-PJ143C Victoria Line World Class Capacity			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£37,152k	£395k	£3,774k	£36,500k
Additional Authority Approval	Additional Project Authority of £3,379k was granted in January 2014 following an Option Integrated Assurance Review, to deliver the concept and detailed design by October 2014.		
Outputs and Schedule	<p>The feasibility phase has concluded that the optimal solution is a 36 trains per hour peak service and 27 trains per hour off peak service, on the whole line from Brixton to Walthamstow.</p> <p>The scope includes relatively small modifications to signalling, fleet, power and cooling assets, together with adjustments to the operating and maintenance regimes.</p> <p>The project will deliver the new train frequency by April 2016.</p>		

LU-PJ830C & LU-PJ855C Fit For The Future – Stations			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£93,201k	£10,213k	£12,378k	£93,201k
Additional Authority Approval	Additional Project Authority of £2,165k was granted in January 2014, for the development of additional Passenger Operated Machine (POM) functionalities.		
Outputs and Schedule	<p>The scope of the proposal is to enable all Multi-Fare Machines (MFMs) to provide low value refunds, to issue free Oyster cards for customers with a failed card and to change the Oyster card registration process.</p> <p>The POM changes support the Simpler Ticketing proposition, which is a critical enabler to successful delivery of the Fit for the Future Stations (FftFS) programme.</p> <p>All new functionalities will be installed by July 2014.</p>		

LU-PJ830C & LU-PJ855C Fit For The Future – Stations			
Financial Authority in Business Plan £93,201k	Previous Project Authority Granted £12,378k	Total Project Authority Granted £14,339k	Estimated Final Cost £93,201k
Additional Authority Approval	Additional Project Authority of £1,961k was granted in February 2014 following an Option Integrated Assurance Review, to support the delivery of the Fit for the Future Stations Change Readiness Programme.		
Outputs and Schedule	<p>The programme aims to reduce London Underground operating costs and improve customer experience.</p> <p>The scope of the proposal covers the procurement of the external services associated with the delivery of management development and selection programme for in-scope roles; the operational costs associated with providing cover resource to enable the release of staff for the management development and selection programme for in-scope roles; the Change Management costs such as support activities for staff and managers and HR logistics costs to deliver critical people activities (such as correspondence sent to all relevant staff and resources to support selection.</p> <p>It is expected that the selection of staff to fill the proposed new roles will be completed in October 2014. The “go live” phase for the new staffing model would begin in November 2014.</p>		

Oracle Cost Centre 2147-2148 Jubilee Line Fleet – First Major Overhaul			
Financial Authority in Business Plan £31,658k	Previous Project Authority Granted £26,446k	Total Project Authority Granted £31,658k	Estimated Final Cost £31,658k
Additional Authority Approval	Additional Project Authority of £5,212k was granted in February 2014, for scope and cost increases.		
Outputs and Schedule	<p>The cost increase amounts to £7,858k and is due to the condition of the assets being worse than originally envisaged (£2,783k), to scope omissions and revisions (£643k), to the alignment of agency workers rates with permanent staff (£512k), to the higher complexity of the wheel set and gearbox works (£984k), to material cost prices (£415k), to the provision for inflation (£1,021k), and to the acceleration of works to improve fleet resilience prior to the Olympics (£1,500k).</p> <p>The cost increase is partly offset by using the full risk monies (£1,446k) and by descoping (£1,200k).</p>		

SS- PJ139C Track Plant & Servicing Depot			
Financial Authority in Business Plan £54,483k	Previous Project Authority Granted £0k	Total Project Authority Granted £4,639k	Estimated Final Cost £4,639k
Authority Approval	Following an Annual Integrated Assurance Review, Project Authority of £4,639k was granted in January 2014 for the Points & Crossings Maintenance and Renewal Package (P&C MRP).		
Outputs and Schedule	<p>The Project Authority covers the procurement, design and technical approvals of the tampers, cranes and tilt deck wagons.</p> <p>In addition, Procurement Authority of £9,000k was granted to purchase the tampers via an operating lease contract. The project will request Procurement Authority for the rail cranes and wagons by July 2014.</p> <p>The Financial Authority of £54,483k included the cost of purchasing the equipment but a change in approach to leasing which offers better value for money has reduced the estimated cost of the project to £4,639k. The Financial Authority now covers the operating lease cost of the tampers, cranes and wagons as well as other machinery required to support the Track Plant Strategy.</p> <p>The machinery will be delivered in the following order:</p> <ul style="list-style-type: none"> • tampers in November 2015; • cranes in June 2016; and • tilting wagons in November 2016. 		

Summary of projects approved by the MD Finance

LR-PJ41C DLR Becton Depot Shed Extension			
Financial Authority in Business Plan £14,501k	Previous Project Authority Granted £2,863k	Total Project Authority Granted £14,501k	Estimated Final Cost £14,501k
Authority Approval	Following a Pre-Award Integrated Assurance Review in December 2013, the DLR is seeking £11,638k to increase Project Authority to £14,501k for the contract award and delivery phase. This will extend the train maintenance depot facility at Becton Depot.		
Outputs and Schedule	<p>Project Authority of £2,863k was granted in March 2013 to progress the project through detailed design and up to contract award.</p> <p>The extended train maintenance depot will allow trains to be kept in fixed 3-car formations, which will significantly improve maintenance efficiency. The extension will also increase maintenance capacity, allowing more vehicles to be maintained concurrently.</p> <p>The project will complete in February 2015.</p>		

ST-PJ351C Hammersmith Flyover Strengthening Works Phase 1			
Financial Authority in Business Plan £19,082k	Previous Project Authority Granted £17,740k	Total Project Authority Granted £18,780k	Estimated Final Cost £18,780k
Authority Approval	Additional Project Authority of £1,040k was granted following agreement to the main contractor's final account.		
Outputs and Schedule	<p>The Hammersmith Flyover was closed on 22 December 2011 when intrusive inspection revealed fully corroded pre-stressed tendons. The programme to mitigate the lost load bearing capacity on the five most critical piers (K, L, M, N and O) commenced in January 2012 and was completed in September 2012.</p> <p>The main contractor's final account has now been agreed, resulting in a total outturn cost of £18,780k, £1,040k higher than the previous £17,740k forecast but within the £19,082k budget.</p> <p>The main items of scope were:</p> <ul style="list-style-type: none"> • Installation of additional post tensioning • Waterproofing of the central reserve area ensuring a suitable lap with the existing waterproofing membrane • Localised modifications to the drainage to facilitate the strengthening • Provision of a suitable road restraint system to protect the new post tensioning • Completion of post tensioning special inspection • Investigation of bearing pit drainage and any necessary repairs required to ensure that it is functioning adequately • Temporary maintenance of the bearing assembly • Installation of acoustic monitoring to the western section of the Flyover. Modifications to the monitoring system installed in the eastern section. 		

BR-PJ12C ST-PJ127C Traffic Infrastructure 2014/15 Programme ST-PJ85C ST-PJ86C			
Financial Authority in Business Plan £19,071k	Previous Project Authority Granted £0k	Total Project Authority Granted £19,071k	Estimated Final Cost £19,071k
Authority Approval	Project Authority of £19,071k was granted for the 2014/15 programme of works following an Annual Integrated Assurance Review.		
Outputs and Schedule	<p>The Traffic Infrastructure programme replaces aged and obsolescent traffic management equipment throughout London, for example traffic signals, over height vehicle detectors (OVD), variable message signs (VMS) and closed-circuit television (CCTV).</p> <p>The programme manages assets both on the Transport for London Road Network (TLRN) and on roads managed by the local London borough.</p> <p>The main items of scope for 2014/15 are:</p> <ul style="list-style-type: none"> • Replacement of traffic signals at 225 sites • Replacement of CCTV equipment at 66 sites • Replacement of VMS equipment at 10 sites • Replacement of OVD equipment at 4 sites <p>The 2014/15 programme will complete by March 2015.</p>		

ST-PJ26C ST-PJ27C ST-PJ46C			
Bus Infrastructure 2014/15 Programme			
Financial Authority in Business Plan £8,292k	Previous Project Authority Granted £0k	Total Project Authority Granted £8,292k	Estimated Final Cost £8,292k
Authority Approval	Project Authority of £8,292k was granted for the 2014/15 programme of works following an Annual Integrated Assurance Review.		
Outputs and Schedule	<p>The Bus Infrastructure programme undertakes works to ensure that assets related to the bus network are maintained to an optimum level. This programme encompasses assets on both the Transport for London Road Network (TLRN), land managed by the London Boroughs, bus stations, garages and stands owned by TfL and assets which are used by London buses but exist on land owned by other third parties.</p> <p>The main items of scope for 2014/15 are:</p> <ul style="list-style-type: none"> • Installation of 20 new bus shelters • Replacement of 350 life expired bus shelters • Refurbishment of 7 bus stations/stands • Refurbishment/upgrade of 6 bus staff welfare facilities • Renewal of lighting at 4 bus stations/stands <p>The 2014/15 programme will complete by March 2015.</p>		