

**Transport For London**  
**Projects and Planning Panel**

**Subject: Project Monitoring – Project Approvals**

**Date: 31 May 2012**

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**1 Purpose and Decision Required**

- 1.1 To inform the Panel of project authority given by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL's Standing Orders.

**2 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 not reported here.
- 2.3 The governance arrangements put in place following the acquisition of Tube Lines (Holdings) Limited require that the project authority on projects over £5m and up to £50m is granted by the Tube Lines (Holdings) Limited Board.

**3 Project Approvals by the Tube Lines (Holdings) Limited Board**

- 3.1 No project authorities have been approved since the meeting of the Tube Lines (Holdings) Limited Board held on 5 January 2012.

**4 Project Approvals by the Commissioner**

- 4.1 Since the meeting of the Finance and Policy Committee held on 1 March 2012, the Commissioner has approved one project authority. Further details of this project are set out in Appendix 1.

**5 Project Approvals by the MD Finance**

- 5.1 Since the meeting of the Finance and Policy Committee held on 1 March 2012, the MD Finance has approved project authority on seven projects. Further details of these projects are set out in Appendix 2.

## **6 Conclusion and Next Steps**

- 6.1 Planned future requests, over the next 12 months, for project authority for projects with a value in excess of £5m are listed in Appendix 3. 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 for consideration. The approval of projects with an estimated final cost below £50m will be reported to subsequent meetings of the Projects and Planning Panel.

## **7 Recommendation**

- 7.1 The Panel is asked to note the paper.

## **8 Contact**

- 8.1 Contact: Stephen Critchley, Chief Finance Officer  
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## Summary of projects approved by the Commissioner

<b>SS-PJ049C/ S0000394 BC-PJ044C/ B0000414</b>			
<b>Plant and Depot Development</b>			
<b>Financial Authority in Business Plan</b> £58,749k	<b>Previous Project Authority Granted</b> £0k	<b>Total Project Authority Granted</b> £961k	<b>Estimated Final Cost</b> £49,301k
<b>Authority Approval</b>	Initial project authority of £961k was granted following a Corporate Gate A review. Further authority will be sought at Gate B in March 2013.		
<b>Outputs and Schedule</b>	<p>Undertake feasibility studies to determine the requirements for new and replacement track and engineering vehicles. The decisions made on plant requirements also have an impact on the depot requirements to maintain the plant.</p> <p>The key objective from the feasibility studies is to determine the requirements for track and engineering plant across the LU network. This will include:</p> <ul style="list-style-type: none"> <li>(a) Whole network signalling capability</li> <li>(b) Grinding vehicles</li> <li>(c) Ballast cleaning/tamping machinery</li> <li>(d) Materials transfer vehicles</li> <li>(e) Depot Infrastructure requirements</li> </ul> <p>User requirement specifications for the different potential developments.</p> <p>The initial stage of the programme is due to complete in March 2013</p>		

## Summary of projects approved by the MD Finance

LR-PJ28C DLR Infrastructure Capital Investment Programme – Financial Year 12/13			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£19,079k	N/A	£19,079k	£19,079k
<b>Authority Approval</b>	Full project authority of £19,079k was granted.		
<b>Outputs and Schedule</b>	<p>The project authority covers the 2012/13 Docklands Light Railway (DLR) Infrastructure Capital Investment Programme.</p> <p>Throughout 2011/12 and looking forward into 2012/13, DLR has been focussed on the objective of delivering a reliable and resilient service during the Games, which is reflected in the proposed programme. In addition, regular infrastructure renewals projects from the closing of the Games through to the end of the financial year have also been included in the programme.</p> <p>Within the programme there are 98 projects of which 86 are already approved and in delivery or complete.</p> <p>The programme is due to complete in March 2013.</p>		

LU-PJ424C/ UIP1973 Deep Tube Programme			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£45,667k	£3,573k	£5,475k	£45,362k
<b>Authority Approval</b>	Additional project authority of £1,902k was granted to maintain programme momentum before a CGAP Gate A+ review in May 2012.		
<b>Outputs and Schedule</b>	<p>The proposal is to fund the outcome definition stage of the Deep Tube Programme Foundation phase, to define programme requirements.</p> <p>Further project authority for feasibility will be requested at the Finance and Policy Committee in July 2012, concluding with a single system option at Gate B in mid 2013.</p> <p>This phase of the project is due to complete in July 2012.</p>		

LU-PJ115C/ UIP8741 Heathrow Terminals 1,2,3 Congestion Relief			
<b>Financial Authority in Business Plan</b> £19,432k	<b>Previous Project Authority Granted</b> £19,731k	<b>Total Project Authority Granted</b> £24,257k	<b>Estimated Final Cost</b> £24,257k
<b>Authority Approval</b>	Additional project authority of £4,526k was granted following a Corporate Gate D review. £18,750k will be recovered from British Airport Authorities (BAA).		
<b>Outputs and Schedule</b>	<p>Additional project authority has been granted to complete works at Heathrow Terminals 1, 2 and 3.</p> <p>The proposed scheme was to provide new, higher-capacity lifts between ticket hall and platforms plus a package of ambience works.</p> <p>Works at Heathrow T123 are in various phases of completion and so in order to complete the physical works, additional funding over what is recoverable from BAA is now required.</p> <p>The project is due to complete in August 2012.</p>		

LU-PJ769C/UI P2150 Bromley By Bow Step Free Access			
<b>Financial Authority in Business Plan</b> £2,000k	<b>Previous Project Authority Granted</b> £0k	<b>Total Project Authority Granted</b> £710k	<b>Estimated Final Cost</b> £6,561k
<b>Authority Approval</b>	Initial project authority of £710k was granted following a Corporate Gate B review. £3,750k will be recovered from London Borough of Tower Hamlets.		
<b>Outputs and Schedule</b>	<p>Project authority has been granted to undertake intrusive surveys and commence design.</p> <p>The project will introduce step free access to both platforms of the station together with moderate capacity enhancement through a widened gate line and a remodelling of the ticket hall.</p> <p>The project is due to complete in February 2015.</p>		

<b>ST-PJ351 Hammersmith Flyover Safety Measures - Phase 1</b>			
<b>Financial Authority in Business Plan</b> £56,340k	<b>Previous Project Authority Granted</b> £4,700k	<b>Total Project Authority Granted</b> £17,740k	<b>Estimated Final Cost</b> £17,740k
<b>Authority Approval</b>	Additional project authority of £13,040k was granted.		
<b>Outputs and Schedule</b>	<p>The Flyover was closed on 22 December, as intrusive inspection revealed previously unknown fully corroded pre-stressed tendons. The programme to replace the lost load bearing capacity prior to the Games started in January.</p> <p>These Phase 1 works include all of the investigation, design, implementation and independent checking required for the five bridge spans in the Eastern section of the flyover that have reached a critical level of deterioration.</p> <p>Completion is on target for June 2012.</p>		

<b>ST-PJ New NOx Abatement – Bus Retrofit Programme</b>			
<b>Financial Authority in Business Plan</b> £10,000k	<b>Previous Project Authority Granted</b> N/A	<b>Total Project Authority Granted</b> £9,800k	<b>Estimated Final Cost</b> £9,800k
<b>Authority Approval</b>	Full project authority of £9,800k was granted.		
<b>Outputs and Schedule</b>	<p>Buses and coaches account for 44 per cent of road transport NOx emissions in central London and are a major contributor to poor air quality and exceedance of EU limit values.</p> <p>This project will reduce tailpipe NOx emissions by 70 per cent through the fitment of the Selective Catalytic Reduction (SCR) systems. The programme has prioritised the bus routes for implementation in order to maximise emissions reduction.</p> <p>The project is due to complete in April 2014.</p>		

<b>ST-PJ332 TLRN Capital Development Programme</b>			
<b>Financial Authority in Business Plan</b> £14,400k	<b>Previous Project Authority Granted</b> N/A	<b>Total Project Authority Granted</b> £11,800k	<b>Estimated Final Cost</b> £11,800k
<b>Authority Approval</b>	Project authority of £11,800k was granted following a Corporate Gate P review.		
<b>Outputs and Schedule</b>	<p>The Transport for London Road Network (TLRN) Capital Development Programme is a portfolio of projects that align with, and contribute to, Mayoral and Surface Transport strategic objectives. It includes cycle parking, bus stop improvements, yellow box rationalisations and a number of individual improvement schemes.</p> <p>The project is due to complete in March 2013.</p>		

## Forward Approval Programme – May 2012 to April 2013

To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects.

Projects with a total value greater than £2m (unbudgeted) or £5m (budgeted) require authorisation by the MD Finance. The Corporate Gateway Approval Process (CGAP) sets the requirements for the review of these projects prior to approval.

Each gate applies 'challenges' to the project to assess whether it is in a suitable state to move through the gate. The Gate Review provides 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.

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

- Gate A – Project commencement (compulsory gate);
- Gate B – Single option selection\*;
- Gate C – Pre-tender;
- Gate D – Contract award\*;
- Gate E – Project close (compulsory gate); and
- Gate P – Programme review for annualised programmes of minor schemes.

All figures shown in the following tables are in accordance with the approved TfL Business Plan unless otherwise indicated.

\* If there is more than two years between gates, projects will be reviewed again at an interim point, e.g. Gate B+ or Gate D+.



## Projects to be submitted to the TfL Board over £100M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Board Date
<b>Rail and Underground</b>					
Deep Tube Programme	23.0	TBC	TBC	B	Mar-13
Bank Station Upgrade	13.6	TBC	625.0	C	Jul-13
<b>Corporate</b>					
Crossrail 2	0.0	TBC	TBC	A	Dec-12
Northern Line Extension	2.4	TBC	307.0	A+/B	Jan-13

### Notes

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

## Projects to be submitted to the Finance and Policy Committee (FPC) between £50M and £100M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed FPC Date
<b>Rail and Underground</b>					
Deep Tube Programme	5.5	23.0	TBC	A+	Jul-12
Bank Station new control room and Walbrook Square	58.2	TBC	73.7	C	Oct-12
<b>Surface</b>					
A4 Hammersmith Flyover Phase 2 and other structures	0.0	TBC	TBC	A	Jul-12
<b>Corporate</b>					
Future ticketing phases 3 and 4 and 5	66.0	TBC	TBC	B	Oct-12

### Notes

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

## Projects to be approved by the Commissioner between £25M and £50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
<b>Rail and Underground</b>					
Vauxhall Station Capacity and SFA	0.3	40.0	40.0	B	Jul-12
SSR Major Power Works (Signalling) (Package 1)	48.0	N/A	48.0	D	Sep-12
Baker Street Station Refurbishment and overall station programme	3.7	TBC	31.5	B	Sep-12
Track Plant Programme	0.0	TBC	49.3	P	Mar-13
<b>Surface Transport</b>					
Safety Camera Replacement Programme	27.2	N/A	27.2	B/C	Jul-12
Cycle Hire Phases 2 and 3	20.0	60.0	60.0	D+/D	Sep-12

Notes

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

N/A: Not Applicable, as no further authority is to be sought.

### Projects to be approved by the MD Finance under £25M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
<b>Rail and Underground</b>					
Power SCADA	0.2	TBC	24.8	A	Jun-12
Operational Support System (OSS)	0.0	6.0	6.0	B	Jun-12
Finsbury Park Capacity and SFA	12.8	N/A	12.8	B	Jul-12
Chancery Lane Station Refurbishment	0.0	6.6	6.6	B	Jul-12
Embankment Station Refurbishment	0.0	10.6	10.6	B	Jul-12
Power Sourcing	0.0	7.0	7.0	B	Sep-12
<b>Surface Transport</b>					
Systems Relocation	24.2	N/A	24.1	D+	Jul-12
Split Cycle Offset Optimisation Technique (SCOOT)	27.4	N/A	21.9	D+	Jul-12
21 <sup>st</sup> Century Traffic Signal Communications	16.0	TBC	TBC	Var	Jul-12
10 Cycle Super Highways – Tranche 2*	105.6	N/A	105.6	C	Nov-12
<b>Corporate</b>					
Service Stabilisation High Value	8.0	N/A	20.0	P	Feb-13

Notes

\* The full cost of the projects (£145m) was authorised by the Board in October 2009. Approval of individual phases is being provided by the MD Finance through the Corporate Gateway Approval Process (CGAP). Figures shown are cumulative authorities for all routes.

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

N/A: Not Applicable, as no further authority is to be sought.

## Interim Gate (D+/P) Project Close reviews to be submitted to the PPP

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
<b>Rail and Underground</b>					
Victoria Station Upgrade	661.2	N/A	598.5	D+	Jul-12
Track BCV/SSR programme 2011/12	124.1	N/A	124.1	P	Jul-12
Bond Street Station Upgrade	293.4	N/A	285.2	D+	Oct-12
SUP-S7 Infrastructure	TBC	N/A	TBC	D+	Oct-12
SUP-Rolling Stock	1,837.0	N/A	1,828.0	D+	Nov-12*
Paddington Station Upgrade	62.9	N/A	62.9	D+	Dec-12
Victoria Line Upgrade	990.7	N/A	973.9	D+	Jan-13
SUP-ATC*	981.7	N/A	981.7	D+	Mar-13
Track BCV/SSR programme 2012/13	124.1	N/A	124.1	P	Mar-13
<b>Corporate</b>					
Future ticketing Phase 2	72.7	N/A	72.7	D+	Oct-12

### Notes

\* Subject to coordination with IIPAG interim review programme.

N/A: Not Applicable, as no further authority is to be sought.

## Gate E Project Close reviews to be submitted to the PPP over £100M

Project Title	Current Project Authority (£m)	Estimated Final Cost (£m)	Proposed Approval Date
<b>Rail and Underground</b>			
Connect Enabling	260.0	260.0	Jul-12
Major Power Works (Victoria Line Upgrade)	142.8	141.7	Jul-12
SUP ELLCCR	»	»	Sep-12
East London Line Extension	1,044.3	1,018.9	Oct-12
SUP-S8 Infrastructure	»	»	Jan-13
Stratford International DLR Extension	188.9	180.5	Mar-13
North London Railway Infrastructure Project	252.0	252.0	TBC
<b>Tube Lines</b>			
Jubilee Line Upgrade	»	»	Sep-12

### Notes

» Costs are excluded for reasons of commercial confidentiality.

## Gate E Project Close reviews to be approved by the MD Finance

Project Title	Current Project Authority (£m)	Estimated Final Cost (£m)	Proposed Approval Date
<b>Rail and Underground</b>			
DLR 3 Car New Vehicles	43.8	43.8	May-12
Green Park Station Upgrade	80.8	47.9	Sep-12
Beckton Depot Offices	21.2	21.2	Oct-12
Earl's Court Lifts 3 and 4 Replacement	5.0	5.0	Oct-12
Future ticketing Phase 1	72.7	72.7	Oct-12
92TS Bogie Replacement and Gearbox Repair	64.7	64.7	Oct-12
Cable Car	62.6	62.6	Jan-13
Paddington Station Upgrade	62.9	62.9	Apr-13
<b>Surface Transport</b>			
Cycle Hire Phase 1	81.7	77.0	Jun-12
Congestion Performance Network Improvement Programme	8.7	7.3	Jun-12
Olympic Cycle and Walking Routes	9.9	9.3	Jun-12
A406 Bounds Green	52.7	52.7	Jul-12
Dial a Ride Renewal	10.0	10.0	Jul-12
Hydrogen Transport Programme	19.7	19.7	Sep-12
Energy Efficient Lighting – Central Management	7.6	7.6	Sep-12
10 Cycle Super Highways – Phase 1	21.4	21.4	Sep-12
New Bus for London	11.1	11.1	Oct-12