

Transport for London

Projects and Planning Panel

Subject: Project Monitoring – Project Approvals

Date: 26 February 2013

1 Purpose

- 1.1 To present to the Panel the forward approval programme for projects with a value in excess of £50m, from February 2013 to December 2013 and 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 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 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.

Forward Approval Programme

- 2.4 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 2013 to December 2013, for projects with a value in excess of £50m, is set out in Appendix 1.
- 2.5 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 Panel.

Project Approvals by the Commissioner

- 2.6 Since the meeting of the Panel on 8 January 2013, the Commissioner has not approved any Project Authority.

Project Approvals by the MD Finance

- 2.7 Since the meeting of the Panel on 8 January 2013, the MD Finance has approved Project Authority on three projects. Further details of these projects are set out in Appendix 2.

Project Approvals by the Tube Lines (Holdings) Limited Board

- 2.8 Since the last meeting of the Panel on 8 January 2013, the Tube Lines (Holdings) Limited Board has approved Project Authority for one project. Further Details are provided in Appendix 3.

3 Recommendation

- 3.1 The Panel is asked to NOTE the paper.

4 Contact

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Forward Approval Programme – February 2013 to December 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.

All figures shown in the following table 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+.

Forward Schedule of Project Approvals / CGAP Gates

Project	Programme / Asset Group	Estimated Final Cost £m	PPP	FPC	Board	PPP	FPC	Board	FPC	Board	PPP	FPC	Board	PPP	FPC	Board
			Feb-13	Mar-13	Mar-13	May-13	May-13	Jul-13	Jul-13	Sep-13	Oct-13	Oct-13	Nov-13	Nov-13	Nov-13	Dec-13
Corporate																
Crossrail 2	Crossrail	TBC		A	A											
Future Ticketing Project - Phase 2	Customer Experience	69				D+	D+									
Future Ticketing Project - Phase 3	Customer Experience	TBC				A	A									
Future Ticketing Project - Phase 4a	Customer Experience	TBC				A	A									
Woolwich Ferry Replacement	River	150									B	B	B			
Silvertown River Crossing	Streets	600									B	B	B			
Rail & Underground																
Cable Car	DLR	63				E	E									
Customer Service Transformation Programme	LU other	73				B	B									
Croxley Rail Link	Overground	172									B	B	B			
East London Line - Phase 2	Overground	75									E					
Bank Station Capacity Upgrade	Stations	625				D	D	D								
Stations Stabilisation Programme	Stations	363	P	P	P											
92TS Bogie Replacement & Gearbox Repair	Trains	65				D+	D+									
Bank Bloomberg Place	Upgrades	54	C													
Jubilee Line Upgrade	Upgrades	>>				E	E	E								
Major Power (Victoria Line Upgrade)	Upgrades	142				E										
Northern Line Extension to Battersea	Upgrades	TBC		B	B										D+	
SUP - Infrastructure	Upgrades	95														
SUP - ATC (IIPAG interim review)	Upgrades	1,058	IIPAG								IIPAG					
SUP - Neasden Heavy Maintenance Facilities	Upgrades	56									B	B				
Northern Line Upgrade	Upgrades	>>				D+										
Victoria Line Upgrade	Upgrades	1,029				E	E	E								
Surface Transport																
New Bus for London	Buses	220				D+	D+	D+								
Project Nimbus (iBus contract relet and bus ticket machine replacement)	Buses	>>				A	A	A								
London Road User Charging Contract Relet	Congestion Charging	>>												D	D	D
Cycle Hire Operating Contract Relet	Cycling	>>				A	A	A								
Cycle Superhighways 10 Routes	Cycling	113	D	D	D											
Strategic Cycle Network Portfolio	Cycling	TBC				A	A	A								
Structures and Tunnels Investment Portfolio	Streets	194	A+	A+	A+											
SCOOT (upgrade of 1,500 traffic signal sites)	Streets	TBC				A	A									
TCMS2 Traffic Signals Maintenance Contract Relet (IIPAG interim review)	Streets	>>				IIPAG										
TLRN Capital Renewals 2013/14 Programme	Streets	55	P	P												
Safety Camera Replacement Programme	Streets	>>		C												

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.

Summary of projects approved by the MD Finance

LU-PJ215C Railway Timetable System (RTS)			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£13,582k	£7,470k	£13,582k	£13,582k
Authority Approval	Additional Project Authority of £6,112k was granted following a Corporate Gate D+ review, to complete and fully implement the new system, with an extension of life from 14 September 2012 to 21 March 2015.		
Outputs and Schedule	<p>The scope is to replace the existing, life expired, 38-year-old Computer Aided Railway Timetabling system (CART) with a modern equivalent Railway Timetabling System (RTS).</p> <p>The budgeted project authority of £6.112m consists of £5.117m base cost and £995k risk.</p> <p>The project will develop and implement RTS over a series of sprint phases.</p> <p>Full transition from CART to RTS (Go Live) is expected by March 2015.</p>		

LU-PJ690C CCTV Improvements Stage 5			
Financial Authority in Business Plan £12,380k	Previous Project Authority Granted Nil	Total Project Authority Granted £2,788k	Estimated Final Cost £7,515k
Authority Approval	Initial Project Authority of £2,788k was granted following a Corporate Gate A review, to carry out surveys, feasibility studies, concept designs for the expansion of networked CCTV to all LU operated stations.		
Outputs and Schedule	<p>The project scope is to extend the provision of networked CCTV to all LU stations, in order to improve operational management of incidents at stations by the LU Control Centre (LUCC) in Palestra.</p> <p>The completed Phases 1 to 4 provided a connection and enhanced functionalities between 111 LU stations, the LU Network Operations Centre (NOC) and British Transport Police (BTP) centre. The objective was to improve security on LU network in time for the 2012 Games.</p> <p>The project authority will be used for station surveys and feasibility studies of the options for data recording, transmission and storage.</p> <p>Single option selection based on the station surveys and feasibility studies is planned for March 2014. Delivery into service of the full system is expected by end of March 2016.</p>		

LU-PJNew Additional Advanced Fare Machines			
Financial Authority in Business Plan £4,268k	Previous Project Authority Granted Nil	Total Project Authority Granted £4,268k	Estimated Final Cost £4,268k
Authority Approval	Project Authority of £4,268k was granted to convert all remaining Few Fare machines (FFMs) on the network to Advanced Fare Machines (AFMs).		
Outputs and Schedule	<p>The project will enhance Oyster vending, top up and ticket selling capacity at stations where ticketing demand exceeds capacity today.</p> <p>It will also support the proposed Customer Service Transformation Programme (CSTP) across the network, by increasing customer's ability to self-serve.</p> <p>Full delivery into service is expected by end of December 2013.</p>		

Summary of projects approved by the Tube Lines (Holdings) Limited Board

LU-PJ215C Enterprise Asset Management System (Maximo 7.5)			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£14,900k	£3,860k	£14,900k	£14,900k
Authority Approval	Additional Project Authority of £11,040k was granted following a Corporate Gate D+ review, to complete the upgrade to the Maximo Asset Management System. The project will complete in April 2014.		
Outputs and Schedule	<p>The Maximo system provides asset registration, work/asset management, cost information, planning and scheduling, productivity analysis, materials management and other functions across all asset areas within the TLL business.</p> <p>This project will upgrade the hardware and software to fully supported systems. Additional functionality includes the facility to use mobile devices for data collection and distribution, alongside remote monitoring.</p> <p>The new system will be implemented by April 2014.</p>		