

Transport for London

Projects and Planning Panel

Subject: Project Monitoring – Project Approvals

Date: 8 May 2013

1 Purpose

- 1.1 To present to the Panel the forward approval programme for projects with a value in excess of £50m, from May 2013 to October 2014 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.
- 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 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 May 2013 to October 2014, 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 26 February 2013, the Commissioner has approved Project Authority on two projects. Further details of these projects are set

out in Appendix 2.

Project Approvals by the MD Finance

- 2.7 Since the meeting of the Panel on 26 February 2013, the MD Finance has approved Project Authority on eight projects. Further details of these projects are set out in Appendix 3.

Project Approvals by the Tube Lines (Holdings) Limited Board

- 2.8 Since the last meeting of the Panel on 26 February 2013, the Tube Lines (Holdings) Limited Board has not approved any Project Authority.

Project Approval Matrix

- 2.9 In 2010, the TfL Board approved a Project Approval Matrix that clarified the required stage of project development at which authority should be requested from the Finance and Policy Committee or the Board.
- 2.10 With the establishment of the Projects and Planning Panel and the introduction of the Pathway Single Project Management Methodology, the matrix needs to be updated and approved. In particular, the references to the Corporate Gateway Approval Process (CGAP) Gates are replaced by Integrated Assurance Review (IAR) Gates under Pathway. The majority of reviews will take place at the same stages of a project and the review reports will be largely unaffected.
- 2.11 Under the revised matrix the Projects and Planning Panel will have earlier sight of projects (at Initiation) as recommended by the Independent Investment Programme Advisory Group (IIPAG). The revised matrix is attached at Appendix 4.

3 Recommendation

- 3.1 The Panel is asked to NOTE the paper and that the Finance and Policy Committee will be asked to RECOMMEND that the Board APPROVES the revised Project Approval Matrix.

4 Contact

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Forward Approval Programme – May 2013 to October 2014

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	Note	2013									2014																		
				PPP May-13	FPC May-13	Board Jul-13	FPC Jul-13	Board Sep-13	PPP Oct-13	FPC Oct-13	Board Nov-13	PPP Nov-13	FPC Nov-13	Board Dec-13	PPP Jan-14	FPC Jan-14	Board Feb-14	PPP Feb-14	FPC Mar-14	Board Mar-14	PPP May-14	FPC May-14	Board Jun-14	PPP Jul-14	FPC Jul-14	Board Sep-14	PPP Oct-14	FPC Oct-14	Board Nov-14		
Corporate																															
Crossrail 2	Crossrail	TBC																										B	B	B	
Future Ticketing Project - phase 1	Customer Experience	73							E																						
Future Ticketing Project - phase 2	Customer Experience	69							D+	D+																					
Future Ticketing Project - phase 3	Customer Experience	TBC							A/B	A/B																					
Future Ticketing Project - phase 4	Customer Experience	TBC							A	A																					
Gallions Reach Project	River	150																B	B	B											
Silvertown River Crossing	Streets	600							B	B	B																				
Rail & Underground																															
Cable Car	DLR	63							E																						
Croxley Rail Link	Overground	TBC							B	B	B																				
East London Line - Phase 2	Overground	75							E																						
London Overground Capacity Improvement Programme	Overground	175	1	C/D	C/D			D	D																					D+	
Bank Bloomberg Place	Stations	58												D	D	D															
Bank Station Capacity Upgrade	Stations	625		D	D	D																									
Paddington Station Upgrade	Stations	63		D+																											
Stations Stabilisation Programme	Stations	363																		P											
Victoria Station Upgrade	Stations	654																	D+	D+											
92TS Bogie Replacement & Gearbox Repair	Trains	65							D+																						
Deep Tube Programme	Upgrades	12,618																B	B	B											
Jubilee Line Upgrade	Upgrades	>>							E																						
Jubilee Line Upgrade Improvements	Upgrades	250							A	A	A																				
Major Power (Victoria Line Upgrade)	Upgrades	142							E																						
Northern Line Extension to Battersea	Upgrades	TBC							C	C	C									D	D	D									
Northern Line Upgrade (IIPAG Interim Review)	Upgrades	>>		IIPAG																											
SUP ATC (IIPAG Interim Review)	Upgrades	1,058							IIPAG																						
SUP - Infrastructure	Upgrades	95											D+																		
SUP - Programme Management (IIPAG Interim Review)	Upgrades	4,224		IIPAG																											
SUP - Neasden Heavy Maintenance Facilities	Upgrades	56							B	B								C												D	
Victoria Line Upgrade	Upgrades	1,029							E																						
Victoria Line Upgrade Improvements	Upgrades	40 (UB)							A	A	A																				
Surface																															
New Bus for London	Buses	220		D+																											
London Road User Charging Contract Relet	Congestion Charging	>>												D	D	D															
Cycle Hire Transition	Cycling	>>																			A/B	A/B	A/B								
Cycle Hire Expansion and Intensification	Cycling	37																						E							
Better Junctions	Streets	100																													
Hammersmith Flyover Phase 2	Streets	77														D+	D+														
SCOOT (Upgrade of 1500 Traffic Signal Sites)	Streets	TBC	2							A-D																					
TLRN Capital Renewals Programme	Streets	60																			P	P									

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

Notes

- London Overground Capacity Improvement Programme: Initial Gate C/D for the East London Line scope element, followed by Gate D for the North London Line.
- SCOOT (Upgrade of 1500 Traffic Signal Sites): Project is seeking approval to proceed with delivery of the first tranche of an additional 1500 SCOOT sites.

Summary of projects approved by the TfL Commissioner

LT/M/12/024 Wimbledon Tramlink Project (Tramlink)			
Financial Authority in Business Plan £30,000k	Previous Project Authority Granted £0	Total Project Authority Granted £12,800k	Estimated Final Cost £30,000k
Authority Approval	This project underwent a Corporate Gate B review where it was granted £12,800k partial funding to progress the procurement of the trams while the design for the track and station progress.		
Outputs and Schedule	<p>The Wimbledon Tramlink Project will enable a twelve trams per hour service along the entire route between Wimbledon and Croydon, increasing the frequency and capacity on the line by 50 per cent.</p> <p>The project comprises three packages of work; a second platform at Wimbledon station, twin tracking of existing single track from Beddington Lane to Mitcham Junction, and the procurement of four new trams.</p> <p>Project completion is expected by the delivery of the last tram in September 2015.</p>		

PVEA 3057 Earth Structures Renewal Programme 2013/14 & 2014/15			
Financial Authority in Business Plan £24,018k	Previous Project Authority Granted £21,854k	Total Project Authority Granted £24,018k	Estimated Final Cost £24,018k
Authority Approval	This is an annualised programme where a Corporate Gate P review was carried out. The review concluded that the programme was mature and well managed and should therefore be granted authority of £24,018k to complete the programme of work over the next two years.		
Outputs and Schedule	<p>The cuttings and embankments that make up the Earth Structures assets underpin and provide structural integrity for the track and station structures, and are needed to ensure the railway remains safe and operational in the open sections of the LUL Network. The main scope includes:</p> <ul style="list-style-type: none"> • Design and implementation of strengthening works to 15 sub-standard Earth Structures. • Re-assessment of 17 Earth Structures. A potential for a saving of up to £12,885k has been identified, if it can be shown that strengthening works are not required for some or all of these Earth Structures. <p>The work will complete in March 2015.</p>		

Summary of projects approved by the MD Finance

LU-PJ740C Cooling the Tube Programme (CTP) Further Out Of Service Fans			
Financial Authority in Business Plan £7,500k	Previous Project Authority Granted £194k	Total Project Authority Granted £3,111k	Estimated Final Cost £7,500k
Authority Approval	Additional Project Authority of £2,917k was granted following a Corporate Gate B/D review, to undertake design and build of three out of service fans and design of a further three fans, with an extension of life from 22 February 2013 to 31 January 2015.		
Outputs and Schedule	<p>The scope comprises three “Quick Win” fans and three complex fans. Full project authority was approached for the Quick Wins, and design authority only for the complex fans.</p> <p>The Quick Wins fans will be in beneficial use by October 2014. Project authority for the complex fans will be requested by Summer 2014.</p>		

LU-PJ682C Piccadilly Line Interim Signalling Control			
Financial Authority in Business Plan £28,142k	Previous Project Authority Granted £352k	Total Project Authority Granted £1,662k	Estimated Final Cost £24,667k
Authority Approval	Additional Project Authority of £1,310k was granted following a Corporate Gate D Review, to commence the detail design of an interim Supervisory Control And Data Acquisition (SCADA) system for the Piccadilly line signalling control.		
Outputs and Schedule	<p>The existing Piccadilly line signalling control system suffers from obsolescence. It is not due for replacement before the Piccadilly line Upgrade, in 2023 at the earliest.</p> <p>The project will deliver an interim system, in order to mitigate the operational risk.</p> <p>The remaining project authority will be requested in June 2013.</p> <p>The new system will be fully operational in 2017.</p>		

ST-PJ328C Euston Circus Urban Realm Improvements			
Financial Authority in Business Plan £7,495k	Previous Project Authority Granted £1,060k	Total Project Authority Granted £7,495k	Estimated Final Cost £7,495k
Authority Approval	Additional Project Authority of £6,435k was granted following a Corporate Gate D review, to complete the scheme. The project will close in April 2014.		
Outputs and Schedule	<p>Euston Circus is the junction of Tottenham Court Road, Hampstead Road and Euston Road. The scheme will deliver a more unified, rationalised and improved public space, providing simpler and more direct routes for pedestrians across the junction and benefits for cyclists and bus users.</p> <p>The project is externally funded for £3,402k.</p> <p>The works will be complete in February 2014.</p>		

SS-PJ138C/PS Moorgate Asset Stabilisation / Sterilisation EA0495			
Financial Authority in Business Plan¹ £5,612k	Previous Project Authority Granted £0k	Total Project Authority Granted £10,707k	Estimated Final Cost £10,707k
Authority Approval	Project authority of £10,707k was granted following a Corporate Gate D review to upgrade the life-expired communications systems to digital and replace the old ceilings at the station and to remove asbestos. The Project Authority exceeds the Financial Authority in the Business Plan by £5,095k, which will be recovered from Crossrail.		
Outputs and Schedule	<p>The Crossrail programme provides an integrated ticket hall at Moorgate Station. This project covers enabling and upgrade works to enable the new combined ticket hall to be completed in Crossrail's timescale. London Underground is funding communications systems works to ensure that Moorgate can continue to operate effectively during and after Crossrail's Integrated Ticket Hall construction works. While Crossrail is paying LU to sterilise the Metropolitan ticket hall by moving rooms either temporarily or permanently to facilitate the construction of the Integrated Ticket Hall.</p> <p>The project is due to complete by September 2014.</p>		

ST-PJ127C Traffic Signals Modernisation 2013/14 Programme			
Financial Authority in Business Plan £16,458k	Previous Project Authority Granted £0k	Total Project Authority Granted £16,458k	Estimated Final Cost £16,458k
Authority Approval	Project Authority of £16,458k was granted following a Corporate Gate P review for the 2013/14 programme of work.		
Outputs and Schedule	<p>The purpose of the programme is to maintain London's on-street traffic signal infrastructure in a good state of repair by replacing end of life assets on a rolling basis.</p> <p>The programme is responsible for all signals across Greater London – specifically those on the Transport for London Road Network (TLRN) and on borough managed roads.</p> <p>The scope of the 2013/14 programme is to modernise 225 traffic signal sites.</p> <p>The 2013/14 programme will complete by April 2014.</p>		

ST-PJ332C TLRN Capital Development 2013/14 Programme			
Financial Authority in Business Plan £13,230k	Previous Project Authority Granted £0k	Total Project Authority Granted £13,230k	Estimated Final Cost £13,230k
Authority Approval	Project Authority of £13,230k was granted following a Corporate Gate P review for the 2013/14 programme of work.		
Outputs and Schedule	<p>The purpose of the programme is to improve the Transport for London Road Network (TLRN) through an integrated programme of small capital improvement schemes, London-wide enhancement programmes (e.g. accessibility improvements) and schemes delivered in coordination with other programmes of work.</p> <p>For the 2013/14 programme, the main items of scope include:</p> <ul style="list-style-type: none"> • Prioritised TLRN improvement schemes; • Bus stop accessibility improvements; • Installation of additional cycle parking stands on the TLRN; and • Installation of blind spot cycle safety mirrors. <p>The 2013/14 programme will complete by April 2014.</p>		

LR-PJ28C DLR Infrastructure Renewals 2013/14 Programme			
Financial Authority in Business Plan £15,946k	Previous Project Authority Granted £0k	Total Project Authority Granted £15,946k	Estimated Final Cost £15,946k
Authority Approval	Project Authority of £15,946k was granted following a Corporate Gate P review for the 2013/14 programme of work.		
Outputs and Schedule	<p>The purpose of the programme is to maintain the physical infrastructure of the Docklands Light Railway (DLR) in a state of good repair.</p> <p>The scope covers a range of assets:</p> <ul style="list-style-type: none"> • Permanent way including trackside environment; • Structures and buildings; • Communications; and • Signalling, train control and electrical and mechanical infrastructure. <p>The 2013/14 programme will complete by April 2014.</p>		

ST-PJ410C Bus Stop Accessibility Programme			
Financial Authority in Business Plan £18,000k	Previous Project Authority Granted £0k	Total Project Authority Granted £3,100k	Estimated Final Cost £18,000k
Authority Approval	Project Authority of £3,100k was granted to deliver the first year of the Bus Stop Accessibility Programme following a review of Corporate Gates A to D.		
Outputs and Schedule	<p>The purpose of the Bus Stop Accessibility (BSA) Programme is to increase the proportion of accessible bus stops on TLRN and borough roads to a minimum of 95 per cent.</p> <p>70 per cent of London's bus stops currently meet accessibility criteria. To achieve the 95 per cent target, an additional 400 stops on the TLRN and 4,350 on borough roads need to be improved. The scope of this programme is to improve accessibility at 300 stops on the TLRN and 2,630 on borough roads with the remainder funded and delivered in coordination with existing business-as-usual (BAU) programmes.</p> <p>The programme aims to reach the 95 per cent target by December 2016.</p>		

Project Approvals Matrix

Estimated Final Cost of Budgeted Project (EFC)	Gates				
	Initiation IAR (formerly CGAP A)	Option IAR (formerly CGAP B)	Pre-tender IAR (formerly CGAP C)	Contract Award IAR (formerly CGAP D)	Close IAR (formerly CGAP E)
>£100m	Projects & Planning Panel*	Board	Projects & Planning Panel*	Board	Projects & Planning Panel*
£50m - £100m	Projects & Planning Panel*	Finance and Policy Committee	Projects & Planning Panel*	Projects & Planning Panel* #	Projects & Planning Panel*
£25m - £50m	Commissioner	Commissioner	MD Finance*	Commissioner	MD Finance*
£5m - £25m	MD Finance	MD Finance	MD Finance	MD Finance	MD Finance
<£5m	Modal MD	Modal MD	Modal MD	Modal MD	Modal MD

This guidance assumes that Project Authority is normally granted at Option and Contract Award. Should Project Authority be required at any other gates, it should be sought from the highest applicable authorising body.

All approvals for budgeted projects over £5m EFC requiring approval by the Board, Finance & Policy Committee, Projects & Planning Panel, Commissioner or MD Finance are subject to review under the risk-based Integrated Assurance Review process (IAR).

Projects over £50m EFC or high risk projects may also be subject to scrutiny by the Independent Investment Programme Advisory Group (IIPAG).

Some projects may require additional gates, where the duration between the standard gates is long. Gates may also be required for TWAO issue or handover between different parts of the organisation. Where appropriate, Annual IAR gates and approvals provided in accordance with this table.

* If the estimated final cost or project completion date (including agreed level of tolerance) increases from the authority given by the approving body or postholder, then approval must be given by the original approving body.

Where Procurement authority is requested, the Commissioner must give approval because the PPP is an advisory body.