

TRANSPORT FOR LONDON

FINANCE COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 27 JANUARY 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 To inform the Finance Committee of approvals given by the Commissioner and Managing Director, Finance in accordance with delegated authority under TfL's Standing Orders.

2 BACKGROUND

- 2.1 The Commissioner (and in his absence, the Managing Director, Finance) currently has the delegated authority to approve expenditure on projects up to a value of £50m that contain less than £25m of unbudgeted expenditure.
- 2.2 The Managing Director, Finance approves projects of under £25m that contain less than £10m of unbudgeted expenditure. Approval of projects of less than £5m that contain less than £2m of unbudgeted expenditure are delegated to Chief Officers and are not reported here.

3 PROJECT APPROVALS BY THE COMMISSIONER

- 3.1 Since the Finance Committee on 20 November 2008, there have been two approvals, namely:
- a) Stratford Station Upgrade; and
 - b) King's Cross Station Modernisation.
- 3.2 Further details on these projects are set out in Appendix 1.

4 PROJECT APPROVALS BY THE MD FINANCE

- 4.1 Since the Finance Committee on 20 November 2008, there have been four approvals, namely:
- a) Heathrow Terminals 1,2,3 Station Enhancements;
 - b) DLR 3-Car East Route;
 - c) Hydrogen Bus Project; and
 - d) Dial-a-Ride Vehicle Purchase.
- 4.2 Further details on these projects are set out in Appendix 2.

5 CONCLUSION AND NEXT STEPS

- 5.1 Planned future requests for project authority for projects of greater than £5m until the end of 2009/10 are listed in Appendix 3. Where the projects have a value in excess of £50m, these requests will be submitted to the Finance Committee for consideration; the approval of smaller projects will be reported to subsequent meetings of the Finance Committee.

6 RECOMMENDATION

- 6.1 The Finance Committee is asked to NOTE the project approvals made by the Commissioner and MD Finance.

7 CONTACT

- 7.1 Contact: Guy Phillips, Interim Director, Investment Programme Management Office
Phone: 020 7126 3050

Summary of the projects approved by the Commissioner

LU-PJ299	Stratford Station Upgrade	Total Approval = £48.409m (of £48.409m)
Authority Request	This authority provides for the procurement, implementation and delivery of the main London Underground Stratford Station Upgrade works. The upgrade is an Olympic deliverable and is funded by the ODA. The project was originally developed to meet projected demand by 2016 but has been accelerated for delivery by August 2010 to meet the Olympics timetable.	
Outputs and Schedule	<p>The key deliverables of the project are:</p> <ul style="list-style-type: none"> • New westbound Central Line platform; • New mezzanine level and supporting structure; • Three new lifts to increase capacity and provide additional step free access routes; • Southern concourse enhancements including a new staircase to relieve congestion; and • Station systems including command and control. <p>The main benefits for the project are:</p> <ul style="list-style-type: none"> • Congestion relief to meet 2016 predicted demand; • Increased capacity for the 2012 Games; • Accessibility improvement for mobility impaired persons; and • Improved integration with other modes. <p>The enabling works were substantially completed in August 2008. The main works are due to commence and will complete in August 2010.</p>	
Approval	The project received approval for additional authority of £27.409m, increasing the total authority from £21m to £48.409m for the completion of the scheme. Project authority expires on 31 December 2010.	

Metronet	King's Cross Modernisation	Total Approval = £35.230m (of £35.230m)
Authority Request	This authority provides for the implementation of modernisation works in the areas of the station not covered by the major King's Cross Redevelopment project.	
Outputs and Schedule	<p>The output of the project will be a station modernisation which includes upgrades or replacement of electrical, mechanical, communication and fire systems. There will be various premises works to the station including new rooms, tiling, floor surfaces, improved lighting, painting and ceilings.</p> <p>The scope covers the Victoria, Piccadilly and Northern line sections of the station.</p> <p>The programme has been brought forward and accelerated in order to coincide with the opening of the Northern Ticket Hall in December 2009. The detailed design is nearing completion and contracts will be let for the various work packages from January 2009.</p>	
Approval	The project received approval for additional authority of £26.347m, increasing the total authority from £8.883m to £35.230m for the completion the detailed design and implementation of the modernisation works for the Victoria, Piccadilly and Northern line sections of the station. Project authority expires on 17 August 2010.	

Summary of the projects approved by the Managing Director, Finance

LU-PJ	Heathrow Terminals 123 Stations Enhancements	Total Approval = £19.435m (of £21.861m)
Authority Request	<p>This authority provides for the completion of the detailed design and build phases for the Heathrow Terminals 1,2,3 Station Enhancement Project, with a Delivery into Service by 31 December 2011.</p> <p>The project is cost reimbursable from BAA / Heathrow Airport Limited (HAL).</p>	
Outputs and Schedule	<p>The purpose of the scheme is an enhancement of the existing step-free access facility by providing 2 lifts from platform level to ticket hall in place of the existing single lift that requires staff assistance. The new lifts will be sited in a more accessible location and easier to use. At present, a significant number of accidents occur at the interchange due to passengers carrying heavy or bulky luggage on the escalators. The project is currently forecasting a 50% reduction in such accidents.</p> <p>While not being an Olympic deliverable, the scheme will be delivered prior to the 2012 Games.</p>	
Approval	<p>The project received approval for additional authority of £19.435m, increasing total authority from £2.426m to £21.861m. The authority expires in June 2012.</p>	

LU-PJ 40C	DLR 3 Car East Route	Total Approval = £18.2m (of £18.2m)
Authority Request	<p>This authority provides for the detailed design and build of the 3 Car East Route between Custom House and Beckton.</p> <p>This project is an addition to the original Olympic agreement and will be externally funded by the ODA, LDA and the Homes and Communities Agency (HCA).</p>	
Outputs and Schedule	<p>The London 2012 Olympic Games intends to include the use of Exhibition Centre for London (ExCel) to host several Olympic events. Planning for the Games has highlighted that a high frequency two-car service would still result in a capacity shortfall to and from ExCel. This has also presented an opportunity to upgrade the entire DLR line from Custom House to Beckton, so that it can cope with the additional demand from development and regeneration in the Royal Docks.</p> <p>The 3 car east route project will include the following enhancements to the network:</p> <ul style="list-style-type: none"> • Lengthening station platforms and associated lighting at Custom House, Prince Regent and Beckton stations; • Additional lifts at Custom House and Prince Regent; • Selective door opening at Royal Albert and Gallions Reach; and • A scissors cross-over west of Prince Regent station. <p>The project will be completed by March 2011.</p>	
Approval	<p>The project received approval for new authority of £18.2m. Project authority expires in August 2012.</p>	

ST-PJ146C	Hydrogen Bus Project	Total Approval = £18.8m (of £18.8m)
Authority Request	<p>This authority provides for completion of the Hydrogen Bus Project following cost increases of £1.3m.</p> <p>The main cost increases comprise:</p> <ul style="list-style-type: none"> a) The proximity of the maintenance building to the Olympics site has required additional design and enhanced aesthetics. b) The fuel cells were contracted for payment in US Dollars and the exchange rate with the Pound has fallen from 2:1 to 1.5:1. c) The forecast price of Hydrogen gas for the life of the project has increased from £2.26/kg to £3.17/kg. 	
Outputs and Schedule	<p>The scheme will deliver 8 fuel cell buses and associated hydrogen fuelling infrastructure on the RV1 route between Tower Gateway and Covent Garden from February 2010 and run the buses to April 2015. The project will test the technology and operating costs of the technology for possible future roll out to other routes.</p> <p>The project originally planned half of the buses to be powered by Hydrogen Internal Combustion engines (HIC). The manufacturer of the HIC engines has withdrawn from the project and the fleet of 8 buses will now be entirely hydrogen fuel cell powered. The original planned fleet was 10 buses, two being used for back up. Due to cost increases associated with the cost of hydrogen and the US dollar exchange rate, the two back up buses will be diesel powered.</p>	
Approval	<p>The project received approval for additional authority of £1.3m, increasing the total authority from £17.5m to £18.8m. Project authority expires in April 2015.</p>	

ST-PJ149	Dial-a-Ride Vehicle Purchase	Total Approval = £7.7m (of £7.7m)
Authority Request	This authority provides for the purchase of 114 replacement vehicles for the Dial-a-Ride fleet. A phased ordering and delivery schedule will take place over the 2008/9 and 2009/10 financial years, so that the purchase can react to any change in the Dial a Ride provision.	
Outputs and Schedule	<p>The output of the project is 114 new vehicles replacing all vehicles over 9 years old. The first vehicles will be delivered by 31 March 2009 and the final vehicles by 31 March 2010.</p> <p>The average vehicle age will be reduced to 4-5 years and allow a steady state fleet age to be maintained. Key benefits will include:</p> <ul style="list-style-type: none"> • Improved vehicle reliability; • Reduced maintenance costs and fuel consumption; • Improvements to the passenger travel environment; and • Lower emissions. 	
Approval	The project received approval for new authority of £7.7m with an expiry date of 31 March 2010.	

PRG Forward Forecast – January 2009 to March 2010.

To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects. This is undertaken at both Corporate and Modal levels. In addition to Modal processes, projects with a total value greater than £2m (unbudgeted) or £5m (budgeted) require authorisation at a corporate level. The Corporate Gate 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 assurances 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.
- 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)
- Gate P – Programme review for annualised programmes of minor schemes

Projects to be Approved by Finance Committee greater than £50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
Northern Line Extension to Battersea Park	0.000	TBC	600.000	A	Apr-09
Paddington (Hammersmith & City Line) Congestion Relief	6.300	69.200	69.200	D	May-09
ThamesLink 2000	21.250	53.250	53.439	B/D	May-09
Victoria Station Upgrade	69.966	638.000	638.000	D	May-09
Baker Street Step Free Access	22.508	74.442	74.442	D	Jun-09
Bank Congestion Relief	4.500	9.7000	800.000	A	Jun-09
Bond Street Congestion Relief	12.676	299.435	299.435	B/D	Jun-09
LU Services & Safeguard of Crossrail	21.000	21.000	91.000	B	Jun-09
Tottenham Court Road Congestion Relief	16.5082	525.138	525.138	D	Jun-09
Cooling The Tube Victoria Line (stations works)	47.257	135.000	429.872	B/D	Jul-09
Sub Surface Line Power Upgrade – Detail Design & Build Package s 2, 3, 4 & 5	226.155	630.400	630.400	D	Sep-09
Piccadilly line Power Upgrade - Scoping & Development	0.100	22.100	162.000	B/D	Oct-09
Sub Surface Line 750v conversion	3.600	53.600	54.400	A	Oct-09
Sub Surface Line High Voltage Signalling Power Upgrade	0.000	15.000	83.000	A	Feb-10
Metronet					
Track Programme	0.000	200.000	200.000	P	Feb-09
Civils Programme	0.000	59.064	59.064	P	Feb-09
Sub Surface Line Upgrade	0.000	260.000	260.000	D	Mar-09
Embankment Station Modernisation	6869	TBC	74.121	C	Oct-09
Surface					
A406 Bounds Green	42.600	69.000	69.000	C	Feb-09
Blackwall Tunnel Northbound Refurbishment	37.000	37.000	60.000	D	Apr-09
Cycle Hire	2.000	58.000	58.000	D	Apr-09
Low Emission Zone	54.000	55.700	72.200	D	Apr-09
A406 Bounds Green	42.600	69.000	69.000	D	Sep-09
London Rail					
East London Line Phase 2b	0.500	4.000	56.000	A/B	Feb-09
East London Line Phase 2b	4.000	15.000	56.000	C	Aug-09

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
East London Line Phase 2b	15.000	37.000	56.000	D	Dec-09
Corporate					
Integrated Ticketing Standards Organisation	0.000	56.000	117.700	D	Feb-09
Interchanges	0.000	7.000	66.500	P	May-09

Projects to be Approved by the Commissioner - £25M-£50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
Cooling the Tube Programme Management	7.512	10.100	26.266	P	Feb-09
Train Crew Accommodation Harrow-on-the-Hill	0.220	26.220	26.000	B/D	Aug-09
Rayners Lane - Specified rights	0.700	3.700	30.000	A	Sep-09
Power System Control	0.000	8.000	32.000	A	Feb-10
Metronet					
Bank/Monument Station Refurbishment	0.000	TBC	29.390	A	Feb-09
Harrow on the Hill Station Enhanced Refurbishment	0.000	TBC	39.545	A	Jul-09
Lifts and Escalators procurement	TBC	TBC	TBC	P	Oct-09
Central Line Rolling Stock Half Life Refurbishment	0.000	TBC	33.614	B	Jan-10
Charing Cross Station Enhanced Refurbishment	0.000	TBC	28.152	A	Feb-10
Surface					
Transport for London Road Network Capital Renewal	0.000	39.000	39.000	P	Mar-09
Countdown II Project	24.400	35.000	35.100	D	Feb-09
Greenwich Waterfront Transit Stage 1	7.600	44.200	44.200	C	May-09
Tottenham Hale Gyratory	3.200	47.270	47.800	C	May-09
Greenwich Waterfront Transit Stage 1	7.600	44.200	44.200	D	Feb-10
Transport for London Road Network Capital Renewal	0.000	45.000	45.000	P	Mar-10

Projects to be Approved by the Managing Director, Finance under £25M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
Future trains requirements	0.000	2.970	2.970	A	Jan-09
Cooling the Tube Business Development	7.650	9.300	17.999	P	Feb-09
Cooling the Tube Out of service fans	1.600	3.400	6.704	D	Feb-09
Cooling the Tube Quick Wins	10.538	11.300	13.501	D	Feb-09
Kingsbury Step Free Access	3.520	13.520	14.043	D	Feb-09
Osterley Step Free Access	3.431	4.431	13.351	D	Feb-09
Railway Timetabling system	5.600	TBC	TBC	D	Apr-09
Central On-Train CCTV Retrofit	0.750	16.250	16.613	B	Apr-09
Train Crew Accommodation Piccadilly Line	0.120	12.120	12.120	B	Apr-09
Training simulators for Sub Surface Railway	0.000	6.820	6.820	A	Apr-09
Connect Resilience	0.000	5.000	10.000	A	Jun-09
Train Crew Accommodation Edgware	1.510	9.510	9.530	B/D	Jul-09
Osterley Step Free Access	3.431	13.351	13.351	D	Aug-09
Victoria Line Upgrade - 4,500 AMP Energy Optimisation	0.500	12.500	12.393	A	Aug-09
Connect - Signalling	0.000	2.000	8.803	A	Mar-10
Connect – Sub Surface Line Signalling Upgrade Project-Provision of Signalling Control Circuits;	0.000	0.180	11.000	A	Mar-10
Connect Type 4 & 5 Radios for Piccadilly & Bakerloo Lines	850	4850	4.850	B/D	Mar-10
Metronet					
Hainault Station Accessibility	0.000	6.998	15.2972	C/D	Jan-09
Edgware Road Hammersmith & City Line Station Modernisation	0.000	TBC	11.983	A	Feb-09
Holland Park Station Modernisation	0.000	TBC	8.477	A	Feb-09
Aldgate Station Enhanced Refurbishment	0.000	TBC	11.613	B	Mar-09
Asset Stabilisation: station communications remedial works Implementation	0.000	TBC	9.756	A	Mar-09
Central Line Depots Traction Switch Replacement	0.000	TBC	7.394	A	Mar-09

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
Ladbroke Grove Station Refurbishment	0.000	TBC	15.585	A	Mar-09
Sloane Square Station Enhanced Refurbishment	0.000	TBC	12.711	A	Mar-09
Victoria Escalators 1-3 replacement (now Refurbishment)	0.000	TBC	5.552	B	Mar-09
Asset Stabilisation: Major Premises work stage 0	0.000	TBC	20.370	A	Apr-09
Decommissioning of Rolling Stock and Train Delivery	0.000	TBC	7.536	B	Apr-09
Kings Cross DC/AC	0.000	TBC	7.656	B	Apr-09
Tunnel Cleaning Train	0.000	TBC	6.585	A	Apr-09
Chancery Lane Station Modernisation	0.000	TBC	12.809	A	May-09
Earls Court Lift No. 3 and 4 Replacement	0.000	TBC	14.939	A	May-09
Signal: Life Extensions due to Bakerloo Line Upgrade delays	0.000	TBC	13.869	A	May-09
Signals: Life Extensions due to Sub Surface Line Upgrade delays	0.000	TBC	17.844	A	May-09
Central & Bakerloo Lines: Low Voltage Mains	0.000	TBC	23.598	A	Jun-09
Earthing & Bonding Compliance	0.000	TBC	13.367	B	Jun-09
Embankment Escalators 5-8 Replacement	0.000	TBC	12.317	A	Jun-09
Paddington(Circle Line) Station Modernisation	0.000	TBC	18.531	A	Jun-09
1992 Tube Stock Half-Life Ambience Upgrade	0.000	TBC	24.056	B	Aug-09
Euston Square Station Enhanced Refurbishment	0.000	TBC	11.121	A	Sep-09
VBAK0387-Edgware Rd: Modifications to Lifts 1 & 2	0.000	TBC	9.098	B	Sep-09
Internal Refurbishment of Lineside and other non-station buildings	0.000	TBC	17.223	B	Nov-09
New Sub Surface Line Depots traction switch compliance	0.000	TBC	6.557	B	Nov-09
High St Kensington Station Enhanced Refurbishment	0.000	TBC	10.043	A	Jan-10
VCEN0810-Holland Park Lifts: Replacement 1 & 2	0.000	TBC	14.323	A	Jan-10

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
Buckhurst Hill Station modifications	0.000	TBC	12.168	A	Feb-10
Newbury Park Station Refurbishment	0.000	TBC	12.412	A	Feb-10
Pimlico Station Refurbishment	0.000	TBC	11.445	A	Mar-10
Seven Sisters Station Enhanced Refurbishment	0.000	TBC	10.297	A	Mar-10
St James Park Station Enhanced Refurbishment	0.000	14.403	14.403	A	Mar-10
Surface					
Olympic Cycle and Walking Routes	0.000	14.000	14.000	D	Feb-09
A406 Henly's Corner Road Safety	0.500	8.000	8.000	B	Mar-09
Traffic Operations	0.000	12.000	12.000	P	Apr-09
Bus Priority	0.000	15.000	15.000	P	Apr-09
Sustainability Transport for London Road Network Cycling & Walking	0.000	9.000	9.000	P	May-09
Infrastructure Development	0.000	7.000	7.000	P	May-09
Olympic Transport Operations Centre	4.100	24.500	24.500	D	Jun-09
East London Transit stage 1b	2.464	10.216	10.216	C	Jun-09
Olympic Transport Operations Centre	2.310	20.600	20.600	C	Oct-09
Olympic Road Network Junctions and Carriageways	2.464	10.216	10.216	D	Dec-09
Olympic Road Network Instrumentation Project	1.200	18.000	18.000	C	Jan-10
Transport for London Road Network Cycle Highways	10.100	16.428	17.240	C	Feb-10
London Rail					
Tower Gateway Entrance	0.000	0.500	TBA	B	May-09
DLR Back Up Security	0.000	0.400	7.800	B	Feb-09
Infrastructure Renewals	0.000	6.157	6.157	P	Jun-09
Tower Gateway Entrance	0.000	5.839	5.839	P	Jun-09
Corporate					
Customer Contact Centre	0.400	7.400	7.800	D	Jul-09
One London GLA Support	0.000	6.000	6.000	D	Jan-09
Barking Royal Docks Busway	0.000	2.000	9.787	A	Jan-09
	TBC	TBC	TBC	A	Aug-09