

TRANSPORT FOR LONDON

BOARD

SUBJECT: 2011/12 - 2014/15 BUSINESS PLAN AND 2011/12 BUDGET

DATE: 30 MARCH 2011

1 PURPOSE AND DECISION REQUIRED

- 1.1 TfL's proposed Business Plan for the years 2011/12 to 2014/15 and the Budget for 2011/12 are attached in Appendix 1 and 2 respectively.
- 1.2 The new Business Plan updates the previous Plan, published in October 2009, for the significant changes that have occurred over the course of the last 18 months, including reflecting the revised TfL funding agreement with the Department for Transport (DfT) in October 2010.
- 1.3 The Business Plan document sets out:
 - (a) the principal outputs that are delivered over the Plan years, both services (measured by a range of key performance indicators) and key capital projects;
 - (b) the forecast costs of those outputs; and
 - (c) the sources of funding, which are sufficient to meet forecast costs over the life of the Plan.
- 1.4 The TfL Budget gives further detail for the first year of the new Business Plan and largely reflects the Mayor's consolidated budget for 2011/12 which was approved by the Assembly in February 2011.
- 1.5 This covering paper highlights:
 - (a) The key **financial pressures and mitigations** that have been reflected in the updated Plan and Budget; and
 - (b) A number of **risks** to which this Plan is known to be exposed.
- 1.6 The Business Plan and Budget documents will be published on the TfL website.
- 1.7 The draft Business Plan and Budget were considered by the Finance and Policy Committee at its meeting on 17 March 2011, who supported the recommendations.
- 1.8 The Board is asked to approve the Business Plan to 2014/15 and Budget for 2011/12.

2 FINANCIAL PRESSURES AND MITIGATIONS

- 2.1 TfL's Business Plan to 2014/15 has been updated in two phases, the first of which was as part of the process leading to the announcement on 20 October 2010 on how TfL would meet the reduced funding in its revised settlement from the DfT. While the revised settlement meant, amongst other things, Crossrail was to go ahead with full scope, Tube upgrades were secured and London's bus network protected, a number of mitigations were announced in broad terms. These were detailed in the Commissioners' Report to the meeting of the Board on 4 November 2010.
- 2.2 As the announcement of TfL's response was made on the day of the Spending Review, this needed to be reflected in detail, in a revised Business Plan and Budget. Further changes have also been incorporated, including the latest cost estimates of projects and Mayoral announcements.

3 KEY RISKS

- 3.1 The previous Business Plan identified a number of key risks, including the PPP periodic review, which has been resolved by the acquisition of Tube Lines by TfL. In this updated plan, key risks include:
- (a) the future performance of the economy and its effect on fares and secondary income. Weaker economic growth could have a significant impact on passenger demand. A further risk would be a sustained period of high inflation or marked increase in the cost of borrowing;
 - (b) a total of £7.6bn of efficiencies and other cost savings that are assumed in this updated Business Plan. This includes significant underlying initiatives involving organisational change and restructuring;
 - (c) delivery of milestones set out in TfL's Spending Review settlement to cost and time;
 - (d) TfL's plans to sell property and other assets. These are dependent on market conditions and other factors; and
 - (e) unexpected events or acts of terrorism that could have a larger impact than the reserves included in the Business Plan to cover such attacks.
- 3.2 TfL will manage these and other risks by regularly reviewing the assumptions underpinning the Business Plan and, where appropriate, adopting risk-specific mitigation strategies such as financial instruments to limit TfL's exposure.

4 CONCLUSION

- 4.1 Despite the significant challenges ahead – including delivering the savings and other key assumptions set out – the draft Business Plan has managed to protect the vast majority of the key projects and programmes needed to help deliver the Mayor's vision for London as 'the best big city on earth'. This has been achieved despite the impact of a 21 per cent reduction in TfL funding as a result of the Spending Review.

5 RECOMMENDATIONS

5.1 The Board is asked to:

- (a) APPROVE the Business Plan to 2014/15 and Budget for 2011/12; and
- (b) DELEGATE to the Managing Director, Finance, the authority to make any editorial or other minor changes prior to their publication.

6 CONTACT

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Business Plan

2011/12 – 2014/15

Subject to Board approval



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Message from the Mayor

This is Transport for London's (TfL's) first Business Plan since the Government's deficit-busting Spending Review of last year.

Happily, this is not a document punctuated by phrases like 'de-scoping' or 'down-sizing' or any other weaselly euphemisms for swingeing cutbacks. Instead, it is a bold and confident plan for investing in London's future.

In my negotiations with Government I drew three lines in the sand:

- London must have the transport investment it needs - in particular Crossrail and the Tube upgrades
- Our comprehensive bus network had to be protected
- Fare and taxpayers must get even more value for money from transport services

Many people told me that I would have to sacrifice either Crossrail or the Tube upgrades, that fare concessions would have to go and that bus services would need to be cut. In short, I was told that London would need to endure significant pain.

But, through tough negotiations and the support of Londoners, business and a wide range of other stakeholders, our case for the Capital prevailed.

Crossrail will be built, the Tube upgrades will be progressed as fast as possible and the bus service has been protected. New investment in London's rail network will continue, including further improvements to TfL's

London Overground network, and my cycling revolution continues apace.

I was able to hold fare rises in line with what I promised prior to the Spending Review. And, crucially in these difficult economic times, I protected in full concessionary fares for the most vulnerable.

I am determined also to further improve the reliability and resilience of the Tube and our roads, including making driving in London a more predictable and smoother experience.

I know how important reducing the burden of congestion is to Londoners, particularly for thousands of families living in the suburbs. That is why we have reviewed thousands of traffic signal timings, trialled innovative countdown technology and committed to rip out signals where they could be replaced by an alternative type of crossing. We are also working with industry and partners to improve the coordination of road works and pursuing a lane rental scheme that would ease the scourge of roadworks.

With the 2012 Games on the horizon we have an extra incentive to ensure congestion is eased on our roads. Much like an Olympic athlete you have to build up to these things so we have put in a lot of hard work, there is a lot more to come and we are committed to making sure our roads flow as smoothly as possible when the world comes to London next year.



We are, of course, playing our part in tackling the unsustainable levels of debt this Government was left to face. The reduction in our core grant means an eight per cent reduction in our spending power overall. As we announced at the time, this means that some of our programmes have been scaled back and others will have to find new streams of funding.

TfL's efficiency drive has stepped up yet another gear. We have revised our savings target from £5bn to an even more staggering £7.6bn, and will ensure that this is delivered while protecting front line services.

The transformation of London's transport infrastructure and our efforts to drive down unnecessary costs will not distract us from other equally important tasks.

The London 2012 Games will be a triumph for our city and Londoners are already benefiting from an early legacy of major improvements to transport.

More than anywhere else in the country, London relies on a reliable and efficient transport system. In 2010 London won the argument over transport spending because it is the engine of the UK economy and because TfL has a long history of effective delivery.

This Business Plan tells the story of how we will further modernise that system to support both London's position as a world-leading city and the UK's wider economic prosperity.

A handwritten signature in black ink, which appears to be 'Boris Johnson'. The signature is fluid and cursive, with a long horizontal line extending to the right.

Boris Johnson

Mayor of London and
Chairman of Transport for London

Commissioner's foreword

The next four years will be among the busiest and most exciting in the history of London's transport network.

We are meeting ever increasing demand across the Tube, buses, London Overground, trams, Docklands Light Railway (DLR) and the strategic road network, while delivering the largest programme of investment in London's transport system for 80 years.

This is happening at the same time as a radical efficiency drive and preparing for the 2012 Games, when the eyes of the world will be on London.

Our day-to-day job is operating a reliable and efficient transport system, getting people into work, children to school and giving Londoners and visitors easy access to the city's services and attractions.

The Tube is busier than at any time in its 148 year history – the system is on course to carry 1.1 billion passengers this year. There are nearly as many journeys on the Tube as there are across the entire UK rail network and, with around 2.2 billion passengers, London's buses account for nearly half of all bus journeys in the entire country. At the same time, operational performance has continued its long-standing trend of improvement.

On the Tube, we are on course to run around 70 million train kilometres this year, up 27 per cent on 15 years ago; we are operating over 95 per cent of our scheduled services; and

delays caused by infrastructure failures are down by 40 per cent. The work described in this plan will further improve operational performance and further increase train kilometres as the Tube upgrades come on stream.

We will also continue to use the range of tools at our disposal to further improve the reliability of the road network. This includes maximising the operational effectiveness of London's 6,000 sets of traffic signals and continuing to press the case for a lane rental scheme, which we regard as vital to reducing disruption from roadworks and smoothing traffic flows.

With demand forecast to grow yet further, continued investment in the capacity and reliability of the transport system remains absolutely vital for London and the UK economy.

The Tube upgrades and Crossrail represent the backbone of the investment programme. Together, they will increase TfL's rail transport capacity by 30 per cent.

The Tube upgrades mean modern signalling, operating more trains and further improving reliability. They also mean new trains (air-conditioned in the case of the Metropolitan, Hammersmith & City, Circle and District lines), new power systems, replacement track and renewal of other life-expired infrastructure, some of which dates back to the 1920s and 1930s.



Now that we have freed London from the scandalously costly, disruptive and wasteful Tube Public Private Partnership (PPP), we will move forward with the programme more effectively and at reduced cost and disruption to passengers. In particular, we will complete the Jubilee line upgrade, having quickly got to grips with the mess left by the PPP arrangements. Newer, faster trains are being introduced on the Victoria line that will increase capacity on our busiest line by 20 per cent. On London Overground, the orbital rail route in London will be completed with the final phase linking Surrey Quays and Clapham Junction by the end of 2012.

Crossrail is making great progress, with major tunnelling contracts let and significant progress at work sites across London.

We are two years in advance of the rest of the public sector in delivering massive efficiency savings. We will save some £7.6bn over the course of this plan and in future years and have already secured a third of these savings. This includes a fundamental review of our back office and corporate functions to make us more efficient, ensuring that we can protect the front line services on which the people of London rely.

Transport planning for the London 2012 Games is well advanced. Some £6.5bn of investment in an area which was once seen as a weakness for London as a host city now makes it a core strength. New transport

infrastructure serving Stratford, the Olympic Park and London as a whole, is either already complete or will open in 2011, delivering a substantial transport legacy well ahead of the Games.

The Games are the equivalent of hosting 26 simultaneous world championships. Quite simply, this means that the transport system will be very much busier than normal and all of London's communities and businesses will be affected.

We have already begun an extensive programme of engagement with businesses and will step up our information and travel advice for passengers and road users as we get closer to the Games to ensure that this is managed effectively.

In short, we will support a spectacular London 2012 Games while keeping London moving, with the transport improvements already delivered benefiting London and the UK for decades to come.

Peter Hendy
Commissioner
Transport for London



Delivering the Mayor's Transport Strategy

The Mayor's Transport Strategy (MTS), published in May 2010, sets out the transport improvements necessary to support the Capital's growth over the period to 2031, and realise the Mayor's vision for London as the 'best big city on earth'.

This Business Plan explains how TfL intends to implement that strategy over the period covered by its new funding settlement with Government. It defines the projects and programmes to be delivered, how they will be funded, and outcomes to be achieved.

The Business Plan is focused on the six MTS goals:

- Supporting economic development and population growth
- Enhancing the quality of life for all Londoners
- Improving the safety and security of all Londoners
- Improving transport opportunities for all Londoners
- Reducing transport's contribution to climate change and improving its resilience
- Supporting the delivery of the London 2012 Olympic and Paralympic Games and its legacy

Supporting economic development and population growth

London is the engine of the UK's economy, and is driving the UK's recovery from the deepest recession in recent history. Despite the economic downturn, passenger volumes are at record levels.

With London's employment forecast in the MTS to grow by around 750,000, and population by around 1.25 million by 2031, the transport system needs to accommodate this growth sustainably to keep London moving and retain its global competitiveness. 'High Speed Two' will place further demands on the system once operational, in particular with regard to onward distribution from the proposed London stations.

TfL is continuing its major programme of investment to increase capacity and improve reliability across the network.

Key initiatives include:

- Crossrail, which will increase London's rail capacity by 10 per cent, relieving congestion on many Tube and rail lines, and reducing journey times between the Capital's key economic centres
- Replacing life-expired track, rolling stock and signalling systems across the Tube network. Once complete, the upgrade programme will have delivered a capacity increase of around 30 per cent

- Major schemes to relieve congestion at some of London's busiest stations, including key interchanges with Crossrail and the Thameslink programme such as Bond Street, Tottenham Court Road and Farringdon
- A 50 per cent increase in DLR capacity through network extensions and expanding trains, from two to three cars, due for completion in summer 2011

The Capital's bus network is vital to support growth and employment, particularly in Outer London town centres. The bus network has grown by around 40 per cent over the last decade and usage has gone up by around 60 per cent. Overall network kilometres operated will remain broadly constant over the Business Plan.

More than 80 per cent of passenger journeys are made on the Capital's road network, and almost all freight movement into and out of the city is by road. The efficient management, operation and maintenance of London's strategic road network is therefore of significant economic importance.

In addition to schemes at specific locations, such as Bounds Green on the A406, TfL will contribute to smoothing traffic flow by further reviewing signal timings and removing unnecessary signals, rolling out dynamic traffic signal technology to 50 per cent of signals sites by 2014, and working with partners to tackle the disruption caused by roadworks. TfL is also working with the Department for Transport (DfT) to implement a lane rental system for works promoters needing to dig up the busiest roads at the busiest times, which would have a significant

impact on journey time reliability and the disruption caused by roadworks.

As a result, over the course of the Business Plan period, journey time reliability is planned to be improved by 1.4 per cent from current forecast levels of 88.6 per cent. This will result in 10,000 more road journeys a day being completed on time.

Table 1
Key performance indicators: supporting economic development and population growth

	Units	Plan projections			
		2011/12	2012/13	2013/14	2014/15
Service volume					
London Underground: train kilometres	Million	72.4	76.4	77.9	82.4
London Buses: bus kilometres	Million	489	490	489	489
Docklands Light Railway: train kilometres	Million	5.3	5.5	5.5	5.5
London Overground: train kilometres	Million	4.9	5.5	5.5	5.5
London Trams: train kilometres*	Million	2.7	2.7	2.7	2.7
Passenger journeys					
London Underground	Million	1,133	1,180	1,205	1,245
London Buses	Million	2,304	2,307	2,334	2,348
Docklands Light Railway	Million	82.1	88.1	97.2	103.7
London Overground	Million	77.7	85.7	90.1	94.1
London Trams	Million	28.1	28.1	28.2	28.4
Dial-a-Ride	Million	1.4	1.4	1.4	1.4
Reliability					
London Underground: excess journey time	Mins	6.2	5.9	5.6	5.6
London Underground: lost customer hours	Million	17.7	17.8	16.5	15.7
London Buses: excess wait time	Mins	1.1	1.2	1.2	1.2
Docklands Light Railway: on-time performance	Per cent	97.0	97.0	97.0	97.0
London Overground: passenger performance measure	Per cent	94.0	94.2	94.2	94.2
TfL road network: journey time reliability (morning peak)	Per cent	89.0	89.3	89.6	90.0
TfL road network: serious and severe disruption (planned and unplanned events)	Hours	2110	2060	2030	1995
TfL road network: percentage of carriageway in state of good repair**	Per cent	90	90	91	91

*Excludes the impact of the proposed additional tram capacity.

**The State of Good Repair (SOGR) on red routes has been adversely affected by recent severe winters. Future levels of investment in carriageway resurfacing have been reviewed and amended accordingly, but it will take a number of years to return fully to previous SOGR levels.

Enhancing the quality of life for all Londoners

London's public transport system plays a fundamental role in enhancing quality of life in the Capital, by increasing mobility and providing access to employment, education, leisure, healthcare and other services.

Crossrail and the Tube upgrade programme will reduce overcrowding and improve reliability, journey time and quality by introducing more comfortable, air-conditioned trains, with better customer information and high standards of customer care.

There will be further improvements in information provided to bus passengers, with real-time arrival information available over the internet and mobile phones for all 19,000 bus stops during 2011. Upgraded Countdown signs will be provided at 2,500 key bus stops. The iconic New Bus for London will be introduced, with the first five prototype vehicles due to enter service in early 2012.

TfL's website is already extremely popular with the travelling public, with nearly eight million unique users per month. New developments during the Business Plan period will include improvements to key areas such as live travel news, Oyster information, and the service accessed by mobile smartphone users. TfL will also continue its policy of making its data openly available to developers, enabling private sector development of applications and other products.

Journeys by public transport, walking and cycling all help reduce the number of private vehicles on the roads, contributing to a cleaner environment. The Mayor has set out his vision for a cycling revolution, and the number of cycle journeys is constantly growing.

Key measures to promote healthier active travel include:

- The extension of Barclays Cycle Hire to East London in spring 2012, the completion of a programme of 12 Barclays Cycle Superhighways by 2015, 66,000 new cycle parking spaces by 2012, and working with the police and other partners to improve the safety of cyclists
- The extension of 'Legible London', a map-based pedestrian information system that provides high-quality and consistent information to help people navigate the Capital on foot, already installed at all Barclays Cycle Hire docking stations
- The completion by 2012 of a number of Better Streets flagship schemes, designed to make streets and public spaces safer, encourage walking and cycling, and enhance the quality of the local environment

TfL is also introducing a series of measures over the next few years to improve air quality, including extending the Low Emission Zone (LEZ) to larger vans and minibuses in 2012, broadly doubling the impact of the earlier phases in reducing pollution. It is also working with partners to identify and implement a range of measures targeting local areas with particular problems.


Table 2
Key performance indicators: quality of life

	Units	Plan projections			
		2011/12	2012/13	2013/14	2014/15
Cycling					
TfL road network cycling index	Index	262	272	289	305
Customer satisfaction surveys*					
London Underground	Score	79	80	81	81
London Buses	Score	79	78	78	78
Docklands Light Railway	Score	81	81	81	81
London Overground	Score	78	78	80	80
London Trams	Score	86	86	86	86
Dial-a-Ride	Score	93	93	93	93
Congestion Charging scheme	Score	84	85	85	86
Air quality					
Total NOx emissions from TfL services	Tonnes	7,640	7,360	7,090	6,680
Total PM10 emissions from TfL services	Tonnes	124	116	110	102
Low Emission Zone: phase 2 compliant vehicles	Per cent	96	97	98	99

* Projections for TfL road network customer satisfaction (including car users, cyclists and pedestrians) are not available for the Business Plan period, but are included in the 2011/12 Budget and will be included in future Business Plans.



Improving the safety and security of all Londoners

London's public transport network remains a safe, low-crime environment. Levels of crime are at their lowest since records began more than six years ago. In the last three years, overall crime has fallen by 30 per cent on the buses and 20 per cent on the Tube. Violent crime has fallen by 19 per cent on the buses and 15 per cent on the Tube, and surveys show that confidence in personal security, which impacts the use of public transport, has improved.

The new trains being introduced on the Victoria and sub-surface lines will have CCTV in every carriage, station upgrades will include improvements to CCTV and communication systems, and all buses are fitted with on-bus CCTV. In addition, TfL will:

- Work with the London Transport Community Safety Partnership to deliver the actions set out in The Right Direction, the Mayor's strategy to improve transport safety and security in London to 2013, which covers public transport, cycling, road safety and walking. TfL will publish a Community Safety Plan setting out its actions over the next year
- Work to achieve the most effective structure and deployment of police resources, including establishing additional strategic 'hub' locations, strengthening police capability and improving TfL's ability to respond to additional policing and security challenges, such as those presented by London 2012

- Further improve the safety of cabs and travelling at night, building on the Safer Travel at Night initiative, and measures to combat illegal touting
- TfL is committed to work in partnership with the police, boroughs and other stakeholders to ensure further improvements in safety and security, including road safety

Road safety has also improved, with the number of fatalities and serious injuries falling in all categories except cycling, where there has been a slight increase but in a period that has seen a far greater rise in the numbers taking up cycling.

In 2011, TfL will publish its new Road Safety Plan for London, setting out how a continued reduction in casualties should be achieved based on three themes: making it safer for cycling, walking and motorcycling, in support of the Mayor's cycling revolution; partnership working; and managing speeds. TfL will report annually on progress to achieve further reductions in road casualties in London.

Table 3

Key performance indicators: safety and security

	Units	Plan projections			
		2011/12	2012/13	2013/14	2014/15
London Underground and Docklands Light Railway: recorded crime per million passenger journeys	No.	11.5	11.5	11.5	11.4
London Buses: recorded crime per million passenger journeys	No.	10.2	10.2	10.2	10.1
Londoners whose use of public transport is significantly affected by crime and disorder concerns	Per cent	29	29	28	28
Cumulative reduction in killed and seriously injured Londonwide (from 2004-08 base)	Per cent	4.7	9.4	14.1	18.9

Improving transport opportunities for all Londoners

TfL's aim is to address the barriers – physical, communication or financial – that may deter people from using the transport network and ensure that development of the network supports London's regeneration aspirations.

Both Crossrail and Phase 2 of the East London line extension to Clapham Junction, which will complete London's orbital railway in 2012, will open up new transport and employment opportunities to some of the Capital's most deprived areas. TfL will continue to work closely with the Greater London Authority (GLA), boroughs and other stakeholders to develop opportunity area planning frameworks, to ensure the appropriate level of transport capacity and connectivity is provided to support the growth targets set out in the London Plan.

Much has been and is continuing to be done to make services accessible to all. More than 90 per cent of Londoners live within 400 metres of a bus stop, and the Capital's entire fleet of more than 8,000 buses (except Heritage Routemasters) are accessible for mobility-impaired people, providing vital links for vulnerable groups. DLR and Croydon Tramlink services are all accessible from street to carriage. On the streets, more than two-thirds of signalised pedestrian crossings are accessible to disabled people.

Further planned accessibility improvements include:

- All new central London Crossrail stations will be step-free, meaning that 93 per cent of all passenger trips on Crossrail will both start and end at a station with step-free access
- Step-free access schemes are being introduced as part of all major Tube station developments at key locations including Victoria and Tottenham Court Road. The number of step-free access stations on London Overground will increase from 18 to 20 by 2012/13
- Wide-aisle gates will be installed at a further 60 stations, making travel easier for disabled passengers and those with pushchairs or luggage. In addition, frontline staff will be deployed to areas where they can be of greatest assistance to customers

Reducing transport’s contribution to climate change and improving its resilience

The MTS confirms that transport will be required to contribute to a target of reducing London’s carbon dioxide (CO₂) emissions by 60 per cent by 2025 from a 1990 base. Ground-based transport accounts for about 22 per cent of London’s CO₂ emissions.

TfL is taking action in a variety of ways. By providing a fast, safe and reliable public transport service, and investing in sustainable modes, such as walking and cycling, TfL aims to ensure a real alternative to private car journeys is available, contributing to ‘mode-shift’ and a reduction in emissions.

Measures being taken by TfL to reduce the environmental impact of the services it provides include:

- Trialling 56 diesel-electric hybrid buses with 300 in service by the end of 2012. In addition, the New Bus for London will be hybrid

- Eight zero-emission hydrogen hybrid buses will be introduced on route RV1, which runs from Covent Garden to the Tower of London
- Energy-efficiency measures on all new rolling stock, including utilising regenerative braking, which recycles up to 25 per cent of energy, and trialling a range of energy-efficient and renewable energy measures at stations to showcase the CO₂ and cost reduction possibilities
- TfL is supporting the Mayor’s programme to encourage car clubs and electric vehicles, including through supporting the installation of 1,300 charging points across London by 2013
- As a result of TfL’s measures, it is expected that CO₂ levels per passenger-kilometre on TfL’s services will have decreased by 2015

TfL recently reviewed the risks of climate change impacting on its assets and services, for example through increased temperatures or flooding. These risks are considered as part of the investment planning process and inform strategies to maintain and renew TfL’s assets, including rolling stock, infrastructure and the bus fleet.

Table 4

Key performance indicators: climate change

	Units	Plan projections			
		2011/12	2012/13	2013/14	2014/15
CO ₂ per passenger-kilometre from TfL services	Grammes	75	74	74	73



Supporting the delivery of the London 2012 Olympic and Paralympic Games and its legacy

More than 800,000 spectators are expected to make their way to the Games each day, presenting a unique challenge for London's transport network. One of the aims of the London 2012 Games is to ensure that every spectator can travel to the venues by public transport, walking or cycling. Plans are also being put in place for disabled spectators who need more help to get to venues.

All 2012 transport improvements are on track to be delivered well ahead of the Games, and many are already delivering an early legacy of enhanced service and infrastructure to Londoners.

TfL is now actively leading the delivery of transport operations for the Games, working closely with the Olympic Delivery Authority (ODA) and all Games partners to develop the operational transport plans necessary to support a spectacular Games and to keep London moving. With the Olympic Games being the equivalent of hosting 26 simultaneous world championships, and the Queen's Diamond Jubilee and a host of cultural celebrations taking place across London and the UK, it will be 'business as unusual' during summer 2012. The transport network will be busier than normal and TfL is already working with businesses to ensure they plan ahead, to keep on running and ensure they make the most of all the Games have to offer. TfL will be communicating with Londoners and commuters to advise them what they need to do closer to the event.



TfL is confident it will meet the Games transport challenge, and also help deliver a behavioural legacy from which future generations will benefit. To help achieve this TfL is overseeing infrastructure schemes, improvements to greenway routes for cyclists and pedestrians, and leading the delivery of transport operations outlined below:

- The upgrade of the Jubilee line, delivering 33 per cent additional capacity
- Step-free access and interchange at Green Park and step-free access at Southfields
- Major work at Stratford Regional station including a second platform for the Central line, a reopened subway, new step-free access lifts and two new ticket halls in partnership with Westfield's Stratford City shopping centre
- DLR extension from Canning Town to Stratford International
- New trains and signalling on the extended London Overground network
- Three-car capacity increase on the DLR network
- Extension of Barclays Cycle Hire to east London
- Enhanced walking and cycling routes into the Olympic Park and improvements to Greenwich and Tower piers for river services



Getting to the Games

The aim is for all spectators to get to the Games by public transport, or by walking or cycling. TfL is leading the delivery of transport operations and is working with other transport providers to achieve this, by integrating plans with those of National Rail, including Javelin services. For example, there will be no planned engineering works on the Tube or National Rail during the Games.

The Jubilee, Central, Hammersmith & City and District lines, London Overground and the DLR all serve the Olympic Park and will be critical to transport customers to the Games. Lines will have a 'third peak' on days when the Olympic Stadium is in use. This provides an increase in the frequency of trains in the evening to transport spectators home when the events finish. An increase in the evening train frequency will also be made during the Paralympics.

All lines will close later throughout the Olympic Games, ensuring that everyone can take full advantage of the night-time activities taking place across London.

In addition to the investment at Stratford, West Ham will have a temporary walking route to connect the District and Hammersmith & City lines directly to the Greenway, the main walking route to the Olympic Park for spectators arriving from the south.

To help achieve the aim of 100 per cent of spectators to access venues by public transport, walking or cycling, TfL is managing enhancements to routes for cyclists and pedestrians, linking the Olympic Park and River Zone venues across a number of London's boroughs. Supporting this is an Active Travel Programme to promote cycling and walking and encourage Londoners and visitors to adopt these forms of travel.

To ensure journey times are maintained and that passengers have reliable trips across the road network, TfL is working with utilities companies and boroughs to minimise planned roadworks during the Games and implementing temporary road space management schemes.



These include:

■ **Olympic Route Network and Paralympic Route Network (ORN/PRN)**

The aim is to ensure that journey times for athletes and the people who make the Games happen remain reliable across the network, that journey times required by the Host City Contract on the ORN/PRN are delivered, and that events are run and incidents are responded to in a timely and effective manner on the network.

■ **Road events**

TfL has a responsibility for delivering the road closures to facilitate the road events such as the marathons and road cycling, planning and managing movements in central London.

■ **Movement management**

The road events and other Games-related activities will bring thousands of people to the streets of London. Movement management aims to ensure that pedestrians and spectators are able to move around in central London in safety and that access is maintained to premises for those living or working in the area.

Games family transport

TfL staff have been seconded to the London Organising Committee of the Olympic Games (LOCOG) transport team to procure, plan and contract manage Games family transport services for 26,000 athletes and team officials, 26,000 media and 1,500 technical officials.

Locking in legacy

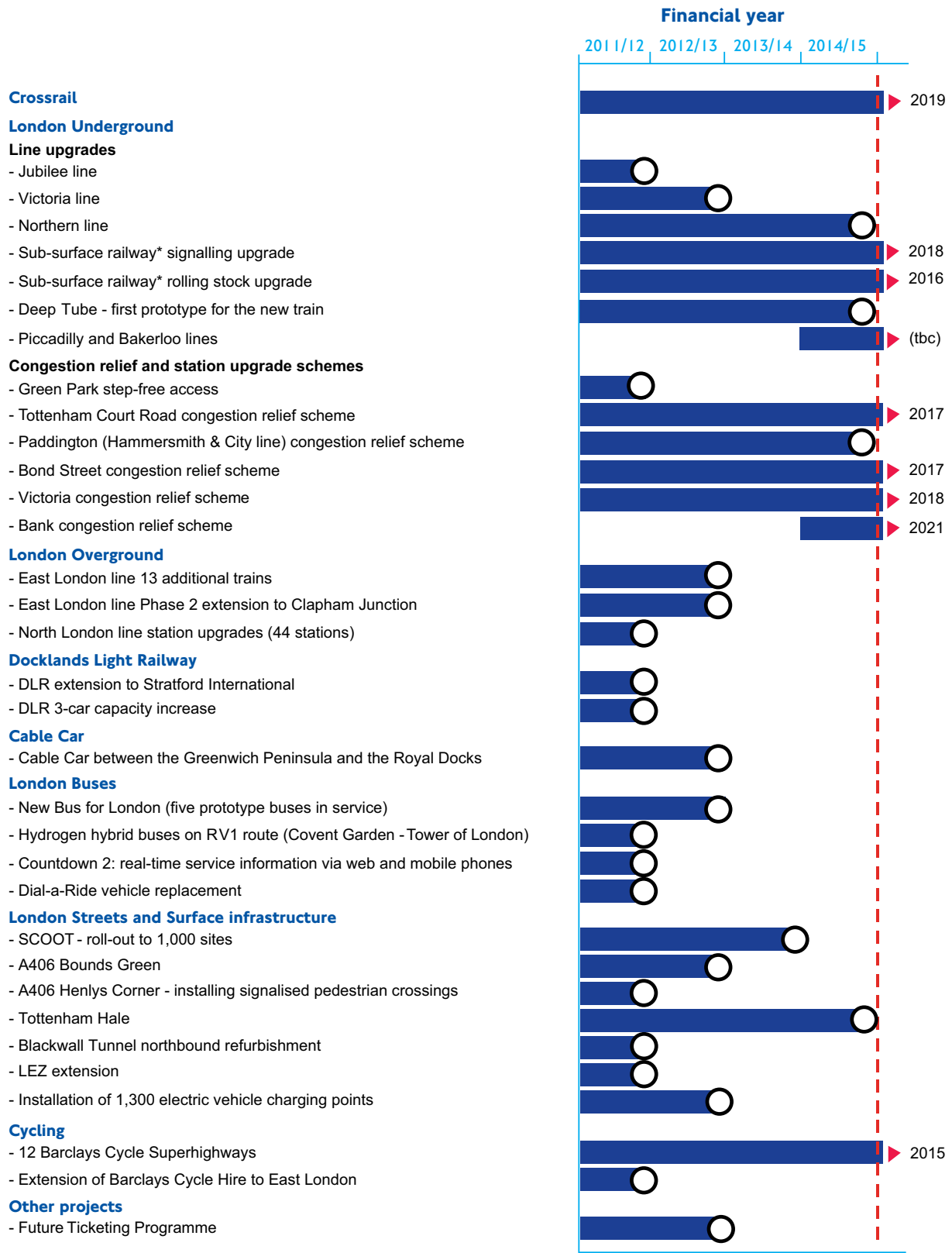
Millions of Londoners are already benefiting from a transport legacy before the Games begin. On behalf of the Mayor, TfL is developing, in partnership with the six host boroughs, the Olympic and Paralympic Transport Legacy Action Plan, for publication later this year. This will help ensure that the transport legacy supports ‘convergence’: the aspiration that within 20 years, the communities who host the 2012 Games will have the same social and economic chances as their neighbours across the Capital.



Figure A

Delivery schedule summary for key TfL infrastructure schemes

This diagram sets out the planned delivery timetable for key TfL infrastructure schemes supporting delivery of the MTS, which are funded and for which significant activity is planned during the period of this Business Plan.



*Sub-surface railway includes the District, Circle, Hammersmith & City and Metropolitan lines.

Efficient and effective business operations

TfL successfully made the case for a Spending Review settlement that secured key outcomes such as Crossrail and the Tube upgrade. A key element of TfL's case was that TfL has led the public sector in its efforts to improve value for money, year on year.

Starting with the sharing of finance and Human Resources (HR) transactional services across the TfL Group, the programme has since grown to incorporate successive reviews of TfL's operations and costs. This represents an ambitious cost reduction programme that covers all areas of TfL, with a particular focus on back office and support function. The savings target has grown to £7.6bn, net of implementation costs, over the period to 2017/18.

Around one third of the £7.6bn target has already been secured through initiatives that have already been implemented, for example:

- Integrating Metronet with London Underground (LU), saving 1,000 roles
- Packaging nearly 100 separate maintenance service contracts into four main contracts, generating economies of scale, reducing administrative costs and increasing competition
- The re-letting of the Congestion Charge and Oyster ticketing contracts
- The removal of 800 operational roles in LU and deployment of front-line staff to more visible roles, following the success of Oyster, enabling a reduction in ticket office opening hours and the rationalisation of operational management structures

- Bus network contract savings contributing to a 40 per cent reduction in bus subsidy by 2014/15 compared with 2008 forecast with overall network kilometres operated remaining broadly constant
- Accommodation savings, including a move to cheaper locations and a reduction in desk capacity by more than 1,300 workstations during 2010/11
- Reductions in marketing spend
- A two-year pay freeze for senior managers

The reduction in funding following the Spending Review necessitates further action, including a 20 per cent saving in non-operational staff costs (in addition to pre-existing savings programmes) if vital investment is to continue as planned.

To ensure that this stretching target is met, the Commissioner has launched a fundamental review of TfL's structure. 'Project Horizon' is looking to streamline decision-making and eliminate duplication, improve accountabilities and adopt new and flexible ways of working, to ensure that TfL is well placed to protect front-line services and deliver further value for money. Implementation is planned for later this year.

Table 5**Savings targets**

(£m)	Prior years	2011/12 Budget	2012/2013	2013/2014	2014/2015	2015/16 -2017/18	Total 2009/10 -2017/18
London Underground	440	423	521	535	601	1,694	4,215
Surface Transport	238	226	248	257	271	664	1,904
Corporate and Group-wide	220	173	234	232	235	669	1,762
London Rail	12	14	14	14	16	59	130
Total Gross Savings	910	837	1,017	1,038	1,123	3,086	8,011
Less one-off implementation costs							(378)
Total Net Savings							7,633

The remainder of the target comprises several hundred costed initiatives, all of which are either under way or planned, for example:

■ London Underground

- A reduction of around 800 back office roles following a review of support services
- Use of more efficient maintenance practices to drive down unit costs
- Capital programme savings, in part by taking advantage of the flexibility offered by the acquisition of Tube Lines to maximise synergies between the line upgrade programmes

■ Surface Transport

- Reduced staffing levels following an organisational redesign in the Better Routes and Places Directorate
- Better commercial exploitation of assets through developing roadside space for advertising on the Transport for London Road Network (TLRN)
- Reduced bus service monitoring costs through the use of technology delivered under the iBus programme
- Introducing pan-London road maintenance contracts, in partnership with the boroughs

■ Corporate and Group-wide

- Savings in HR through moving to a single HR function, developing a strategic resourcing function to help drive the continued reductions in temporary workers and consultants, and developing a talent management capability to reduce recruitment costs
- Continued disposal of surplus office space
- Commercial savings from all parts of the organisation, particularly through better coordination of TfL's buying requirements in key categories
- Reducing the cost of customer contact centres, including through the use of natural language technology

Although undoubtedly challenging, the determined leadership and culture of cost-consciousness across TfL means the organisation can be confident that the savings target will be delivered. Savings achieved will continue to be reported publicly, as part of TfL's quarterly Operational and Financial Reports.

Crossrail

Go-ahead for the vital Crossrail project was secured by the Mayor under the October 2010 Spending Review. Crucial to London's future, Crossrail will generate an estimated £42bn boost for the UK economy.

The project supports the goals set out in the MTS in three important respects. It will:

- Support sustainable economic development and population growth by increasing transport capacity and reducing congestion on the existing transport network
- Improve transport journey-time savings through connectivity
- Bring wider benefits such as regeneration and enhanced accessibility (particularly for people with restricted mobility), and through reducing car journeys, leading to fewer road accidents and environmental improvements

The new railway will link the Outer suburbs east and west of London with fast, frequent,

high-capacity services to the City, the West End, Heathrow Airport and Docklands.

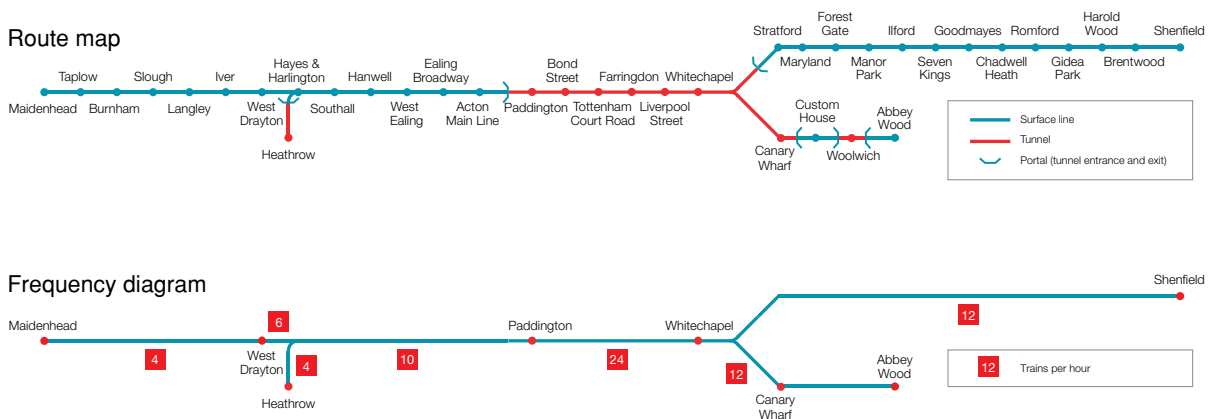
Crossrail benefits Outer and Inner boroughs and also provides a new river crossing in east London, benefiting the Thames Gateway and south east London.

A total of 21 km of new tunnels will be built. New central London stations will integrate with LU at Paddington, Bond Street, Tottenham Court Road, Farringdon, Liverpool Street and Whitechapel. There will be also new stations at Canary Wharf, Custom House and Woolwich.

Following a review of plans undertaken as part of the Spending Review, services will begin in phases, with the first new trains coming into passenger service by the end of 2016 on existing Network Rail suburban services into Liverpool Street station. Crossrail services will start operating in the central tunnel section during 2018.

Figure B

Crossrail route map and frequency diagram

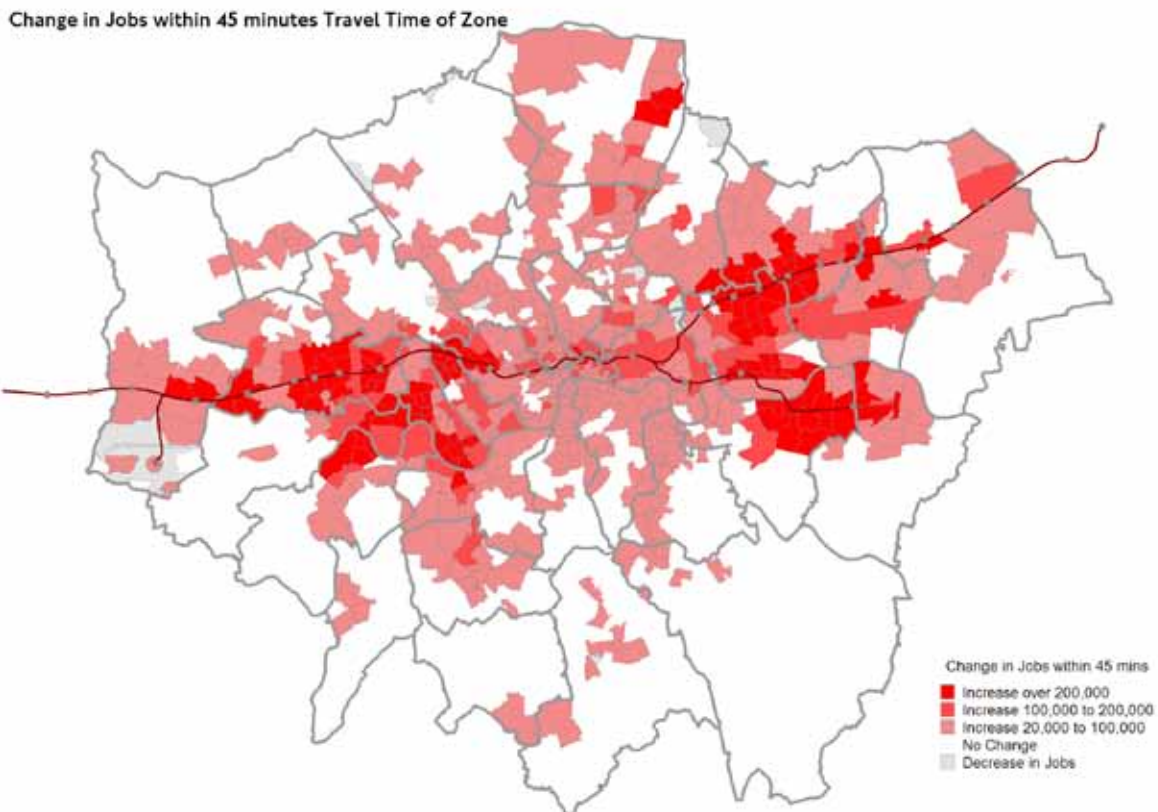


Supporting London's growth and relieving congestion

London's existing transport network is already highly congested, particularly during peak periods, with further growth in population and employment exacerbating conditions. Crossrail will expand London's rail network capacity by 10 per cent – the biggest single increase in the Capital's transport capacity since 1945 – and reduce crowding by up to 60 per cent on many Underground lines, as well as on DLR and Southeastern train services.

Crossrail will have a broader impact on the Capital too, supporting growth and regeneration and making it a more attractive place in which to live, work and do business. More than 35 per cent of the future employment growth in London is expected to occur in areas served by Crossrail and it will provide more than 1.5 million additional people with quick, direct access to the heart of the Capital (Figure C below). Furthermore, Crossrail will support economic growth across London, increasing earnings for individuals and businesses that are not directly on the route, as set out in the Mayor's proposals for a new Community Infrastructure Levy (CIL).

Figure C



Improving connections and reducing journey times

Crossrail will significantly improve connections between different parts of the transport network across London and the South East. Crossrail will link with nine Underground lines as well as the DLR, Overground and a number of National Rail

services, particularly at Paddington and Liverpool Street stations. It will directly connect Outer London suburbs to central London without the need to change trains, leading to shorter journey times and improved accessibility.

Table 6

Crossrail - impacts on example journey times

Example journeys	2010 existing journey time	Crossrail journey time
Slough to Tottenham Court Road	55 minutes	36 minutes
Ilford to Bond Street	35 minutes	22 minutes
Heathrow to Liverpool Street	55 minutes	36 minutes
City/Liverpool Street to Abbey Wood	40 minutes	22 minutes
Paddington to Canary Wharf	30 minutes	17 minutes



An artist's impression of Whitechapel Crossrail station

Wider benefits

All new Crossrail stations in central London will have step-free access from street level to the Crossrail platforms, and 30 of the 38 stations will be step-free. It is estimated that 93 per cent of all passenger trips on the new link will start and end at a station with step-free access. The new trains will meet or exceed current accessibility requirements, with wide doors and aisles, plenty of handles and dedicated spaces for wheelchairs.

All Crossrail stations will be well lit, CCTV monitored and staffed throughout the day to provide a safe and secure environment. It is also expected to reduce the need for car trips to central London, Canary Wharf and Heathrow, reducing pressure on road traffic by two per cent overall across London. As a result, London's total carbon emissions will be reduced by more than 1,300 tonnes a year, contributing to the wider goal of reducing carbon emissions in the Capital.

Improvements to the wider public realm at Crossrail stations will include better pavements, crossings and cycling facilities. Joint urban realm planning studies will be carried out with local authorities. Crossrail's construction will support regeneration in places such as Ealing, Whitechapel, Custom House, Woolwich and Stratford.

Crossrail implementation

Construction of the Crossrail project officially began on 15 May 2009 with the start of building works at the Canary Wharf station. Enabling works in a number of locations across London have commenced.

Crossrail is currently in the middle of the procurement stage for the main works. Main tunnelling contracts were awarded in December 2010, and tunnelling starts in 2011. Tender processes are under way for rolling stock, depot works and other central section works such as stations.

Work on stations and tracks on the existing surface railway which will be served by Crossrail will be carried out by Network Rail. The exact start and duration will vary.

At the peak of construction, between 2013 and 2015, up to 14,000 people will be employed on the project.

The construction of Crossrail will generate waste and excavated material, mainly from the tunnels, with the remainder arising from demolition and construction activities. Crossrail is committed to reduce, reuse and recycle waste and has committed to halving the amount of construction, demolition and excavation waste going to landfill by 2012.

Crossrail has adopted an objective to remove, where reasonably practicable, excavated material by rail and water transport and to import construction materials by rail. Current projections show that on a tonne per kilometre basis, 85 per cent of excavated material will be transported by rail and river.

Crossrail has carried out flood risk modelling for 2100 to establish flood design levels for stations, portals and shafts. Plans to mitigate these risks include raising entry or egress levels, raising track, or extending portal walls. Where there is still some residual flood risk at certain points then appropriate active flood protection measures and procedures have been identified, such as flood gates and stop logs.



An artist's impression of Paddington Crossrail station

Crossrail funding

As part of the Comprehensive Spending Review, more than £1bn in project savings has been identified through station and engineering improvements and a more efficient construction timetable.

Crossrail is the responsibility of Crossrail Ltd (CRL), a wholly owned subsidiary of TfL, and is jointly sponsored by TfL and the Department for Transport (DfT).

Crossrail is fully funded within TfL's Business Plan. This is set out, including the DfT's funding commitment, in Table 7. The remainder of the construction cost will be met by third-party finance, including from Network Rail.

The Mayor introduced a Business Rate Supplement in 2010/11 of two pence in the pound. This will support the cost of servicing

£3.5bn of debt raised by the GLA, as well as providing a direct contribution to the project during the construction period.

The Mayor is also expecting to raise almost £600m in contributions from property development, through a new Section 106 policy implemented during 2010, as well as from the CIL to be applied to developments across the Capital, primarily in Central London and Docklands. Around £440m is expected to be raised through sale of surplus land and property developments on top of the new stations.

Table 7
Crossrail financial summary

(£m)	Prior years	2011/12 Budget	2012/13	2013/14	2014/15	2015/16 -2018/19	Total 2008/09 -2018/19
Income	(0)	(0)	(0)	(0)	(0)	444	444
Operating expenditure	(0)	(0)	(1)	(1)	(11)	(901)	(914)
Net operating expenditure	(0)	(0)	(1)	(1)	(11)	(457)	(469)
Sponsors' funding commitment	(2,246)	(1,205)	(1,904)	(2,247)	(2,002)	(2,652)	(12,257)
Cash required (incl. Crossrail train operations)	(2,246)	(1,205)	(1,905)	(2,248)	(2,013)	(3,109)	(12,727)
Funded by:							
External funding sources of which:	1,394	1,390	2,059	2,068	1,693	1,638	10,242
- DfT committed funding	392	517	1,205	1,123	1,082	800	5,119
- GLA funding (incl. Crossrail Business Rate Supplement)	1,002	868	829	886	518	(0)	4,103
- Developer contributions	(0)	5	25	59	93	394	576
- Sale of surplus land	(0)	(0)	(0)	(0)	(0)	444	444
Cash funding from TfL Group	852	(185)	(154)	180	320	1,471	2,485
Total funding	2,246	1,205	1,905	2,248	2,013	3,109	12,727

London Underground and London Rail

London Underground

The growth of London and its economy means the Tube carries ever more passengers and must seek continual improvements in reliability and volume of service to support them. This in turn means that ongoing investment in London's transport infrastructure is vital for the Capital and the wider UK economy.

In the past year more than 1.1 billion journeys were made on the Underground; the busiest year in the Tube's 148-year history. An even greater number of trips will be made in 2011 and this impressive increase is occurring despite the recent recession. To support this growth, it is critical that life-expired systems are renewed. As a result, investment during the period of this Business Plan is in:

- Upgrades to trains and stations to replace life-expired assets and increase capacity
- Improving the condition of the core assets (track, civil infrastructure, lifts, escalators and stations) to increase reliability and allow the benefits from the upgrades to be realised

To enable this essential investment to continue in the face of reduced funding, substantial new programmes of operational cost savings have been developed. For the first time in years, total income is forecast to exceed operating expenditure by the end of the Business Plan period, unlocking investment which will help produce a fast, frequent and reliable train service that provides the capacity needed for London to grow.





Upgrades

As the world's oldest metro system, the Tube has infrastructure that dates back to the 1860s and some signalling equipment that is almost 90 years old. In recent years, LU has made substantial progress in its programme to replace life-expired equipment. This offers the opportunity to take advantage of modern technology and increase the network's capacity to meet future demands.

Line upgrades are at the heart of the Underground's transformation. The Jubilee line will be completed in 2011. Next to be completed in 2012 will be the Victoria line. This will be followed in later years by the Northern and sub-surface lines (Circle, District, Hammersmith & City and Metropolitan lines). Across the network new trains and signalling systems will allow more frequent services and quicker, more comfortable journeys. Work has also begun on designing the next generation of low-

energy, high-capacity Tube trains for the Piccadilly, Bakerloo and Central lines. Together the line upgrades will provide the transformation of the Underground, increasing capacity by 30 per cent. This represents the greatest investment in LU in its history, and provides as much additional space as building three more Jubilee lines.

The scale of the task to upgrade the Tube unfortunately means some disruption to services, often at weekends. TfL's acquisition of Tube Lines in 2010 allows greater flexibility in how the works are carried out, which should lead to significantly reduced levels of passenger disruption.

In addition, TfL will consider other options such as 'extended closures', involving part of a line being closed for a period of weeks to accelerate works and allow it to be undertaken more efficiently. In such cases, TfL will always seek to ensure that alternative travel arrangements are available.

Jubilee line upgrade

■ Due for completion: 2011

Tube Lines' failure to meet the original contractual date was a significant driver for TfL's purchase of the company. Following the acquisition, which also brought to an end the complexity and inefficiency of the Public Private Partnership (PPP), TfL has finally been able to move the upgrade project forward so that it is now a realistic, credible, well-organised scheme now nearing completion. This upgrade involves replacing the signalling and train control system, allowing more trains to run.

Trains now operate on a large part of the line under the control of the new signalling system. Taking advantage of the upgraded assets, new timetables will be introduced incrementally to increase capacity by 33 per cent – equivalent to 5,000 more passengers an hour – and reduce journey times by 22 per cent.

Victoria line upgrade

■ Due for completion: 2012

The Victoria line is receiving its first major investment in 40 years, with original train and signalling equipment being replaced by modern, reliable technology. More than half of the new train fleet is already in use. These trains are faster and have greater capacity, better ventilation and CCTV in every carriage. By the end of 2011, all new trains will have been delivered and journey times will start to be reduced, with enhancements to service being introduced in stages.

On completion the upgrade will have:

- More trains running during peak hours (rising from 27 to 33 trains an hour)
- Improved ventilation throughout the line by replacing fans at 13 vent shafts
- Better accessibility with dedicated wheelchair spaces and level access at most stations

These improvements will bring faster and more comfortable travel, with journey times reduced by 16 per cent and capacity increased by 21 per cent.

Northern line upgrade

■ Due for completion: 2014

The Northern line is the busiest and most complex on the network, carrying more than 800,000 passengers a day. When TfL acquired Tube Lines it decided to delay the Northern line upgrade. This partly reflected the delayed programme LU inherited from Tube Lines on the Jubilee line, but it also enabled TfL to build on experience gained from the Jubilee programme, and will result in substantially fewer closures and less disruption for passengers.

As part of the upgrade, a new control centre, computerised signalling and Automatic Train Control system will be installed, using technology similar to that on the Jubilee line. These improvements will enable trains to run closer together and at higher speeds, reducing journey times by 18 per cent and increasing capacity by 20 per cent.

A further scheme is under development to increase service frequency and line capacity through a simplified service pattern and use of additional trains. This would provide greater congestion relief to the most crowded sections of the line. Preparatory works to enable this improvement are due to begin in 2016.

Sub-surface railway: District, Circle, Hammersmith & City and Metropolitan lines

■ Due for completion: 2018

The sub-surface upgrade is the largest part of the investment in the Underground. It consists of 191 new trains, a new computer-controlled signalling system, a single-service

control centre to replace the current multiple locations, power upgrades and extensive train depot improvements.

Serving all four lines, the trains have walk-through carriages and, for the first time on the Tube, air-conditioning in all carriages. The new trains are initially being operated on the Metropolitan line, which is expected to have its existing fleet replaced by the end of 2012.

The Circle, Hammersmith & City and District lines will follow and be completed by 2016. On the Circle and Hammersmith & City lines, trains will be longer than today's vehicles with an additional carriage, increasing capacity by 17 per cent. In addition, they will be fitted with CCTV throughout and better customer information systems.

The new signalling will allow the trains to run more frequently and with reduced journey times, as well as enabling a more reliable service by replacing life-expired equipment. The new signalling contract will be signed in 2011, allowing this critical phase of the project to start.

Deep Tube programme: Piccadilly and Bakerloo lines

■ First prototype for the new train will be delivered in 2015

TfL's acquisition of Tube Lines has created the opportunity for a joint approach to the Piccadilly and Bakerloo line upgrades which should deliver substantial savings. A common design will be used for trains on both lines, reducing their cost and lessening passenger disruption.

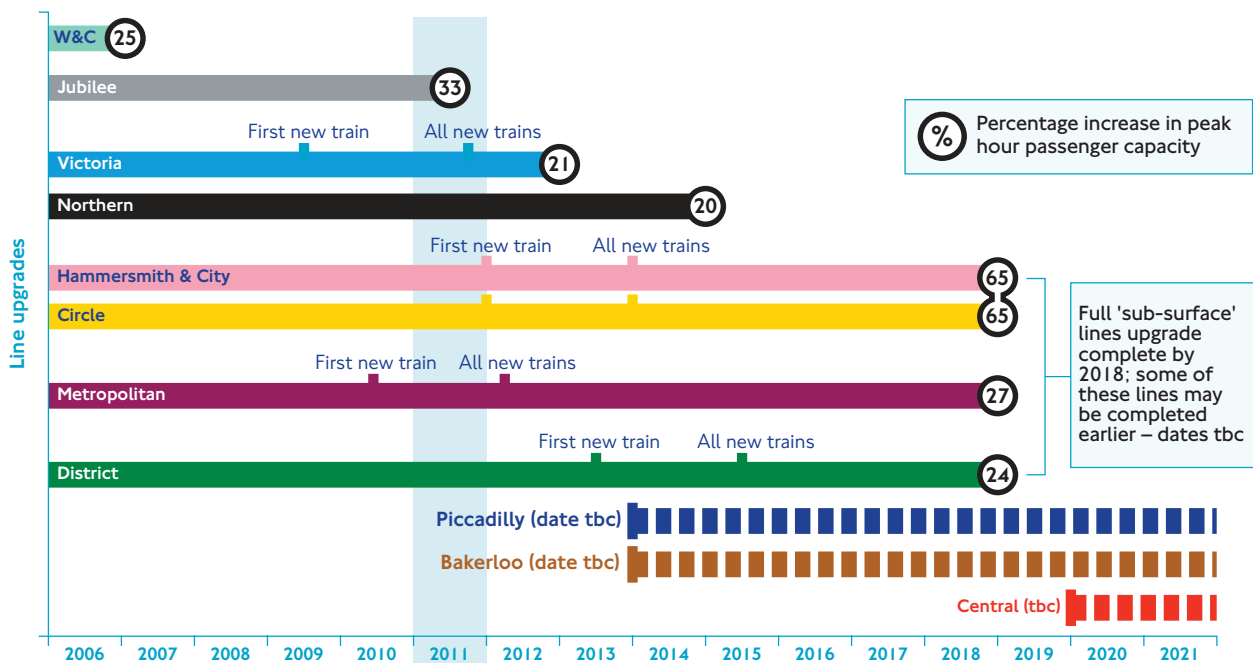
Passengers will travel in more capacious trains that use less energy and emit less heat using technological developments now becoming standard in the industry. Being more energy-efficient, the trains will reduce the investment required in power upgrades and lower the quantity of CO₂ emitted. They will also be more accessible and, as with the new sub-surface line trains, passengers will be able to walk through them, extending capacity.

A prototype for the new train will be delivered in 2015 and the first full fleet replaced by the end of the decade. The question of whether to replace the Piccadilly or Bakerloo

line fleet first is now being considered. This design will also be used to replace the fleets on the Central and Waterloo & City lines, reducing costs through common components and maintenance.

To ensure both lines continue to operate reliably until the introduction of new trains and signalling under the Deep Tube programme, small-scale life-extension works are planned for the Bakerloo and Piccadilly line rolling stock fleets. The Piccadilly line signalling control system, based at Earl's Court, dates from the 1960s and it is increasingly expensive to maintain. The system will be gradually replaced by a new control centre at Hammersmith by 2014, reducing the risk of disruption to services.

Figure D
Line upgrades





Core asset renewal

Reliable core assets are at the root of all the improvements resulting from the line upgrades. TfL's investment will lead to track, bridges, tunnels, lifts and escalators that are reliable and fit for purpose and cause fewer delays. The Business Plan contains a steady, sustainable programme of renewal. By 2015, disruption to passengers' journeys will have decreased by 18 per cent.

The reduction in funding for TfL has forced a change to the scope and speed of station improvements. The most important work will still be carried out, and almost all stations will see some enhancement by 2018. However, TfL will focus on the key improvements in CCTV, communications equipment and building fabric that keep stations safe and operable.

Power

LU is working to establish new ways of sourcing de-centralised and renewable energy. New processes are being put into place that can help LU work with energy companies under the Government's current Feed in Tariff rules. It is also exploring possible partnerships with local energy providers in London.



Customer experience

At the heart of TfL's investment in the Tube is a commitment to customer service. This Business Plan sets out the capital investment plans that are vital to support a more reliable service and allow growing demand to be accommodated. TfL continues to focus on providing consistently high standards of service to Tube passengers, concentrating on timely information, personal security and personal service where required.

Technology can provide the opportunity to improve service at a reduced cost. Ticketing technology improvements, for instance, will speed up passengers' journeys as they spend less time purchasing fares. As demand for ticket office has fallen, staff are being deployed to station areas where they can more directly assist passengers and provide the best possible service.

The result will be improved customer service and reduced costs. LU's customer satisfaction levels are already at a record high. The investment in assets and focus on customer care will see this improve further.



An artists's impression of Bressenden Place at Victoria station

Station capacity

Extensive improvements are needed at certain key stations and interchanges to relieve congestion and increase capacity. These are critical to the functioning of the Underground as an integrated network, both for existing passenger flow and for future increases in demand.

The stations funded within the Business Plan are those with the most pressing need. There will remain stations where congestion can impede reliable service. TfL recognises that, as volumes increase, a continuous programme to relieve congestion at the busiest stations will be necessary, subject to available funding.

Major work will take place during the Business Plan period at the following stations to increase capacity and reduce overcrowding.

Victoria

A new ticket hall will be built beneath Bressenden Place and the existing ticket hall will also be rebuilt to provide greater capacity. The upgrade work will improve the interchange between the Victoria, District and Circle lines and allow step-free access from the street to all Tube platforms. Nine new escalators to the Victoria line will be installed.

Victoria station will remain open throughout the works. Although some disruption is inevitable, TfL will provide information to ensure customers are updated about the works and can make alternative plans when this is necessary. The new northern ticket hall will open in 2016 and the full scheme will be completed in 2018. This programme will ensure that benefits from the upgrade to the Victoria line, where capacity will be increased by 21 per cent, are fully realised.



Artists' impressions of the interior and exterior of Tottenham Court Road station

Paddington (Hammersmith & City)

This scheme provides a new ticket hall, extra staircase and lifts for step-free access from street to both platforms. This trebling of capacity, due for completion in 2014, will meet the increased demand for the Hammersmith & City line now that the service frequency has doubled between Paddington and Hammersmith. This will also support the enhancements from the Network Rail station redevelopment, Crossrail and wider Paddington-region development.

Tottenham Court Road

Work to rebuild Tottenham Court Road station is well under way. Surrounding properties have been demolished and excavation and piling is in progress. This is already an important interchange station and will become even busier when the

Northern line upgrade is finished and Crossrail services begin. Once completed, passengers per day using the station will increase from 150,000 to 200,000.

To supplement these developments, significant improvements in capacity must be made. Plans include a new ticket hall six times larger than at present, with separate escalators to the Northern line, more space in congested areas and step-free access from street to all platforms.

The work also involves other escalator improvements and a new public piazza at St. Giles Circus. The new ticket hall will be operational from 2016, and the full scheme will be completed by 2017.

Bank

The growth in traffic to the City as the economy recovers has resulted in Bank station becoming increasingly crowded, particularly at the Northern line platforms. With space constrained, it is a challenge to provide new capacity while maintaining service. A plan, similar to past works at Euston station, is in place to widen the platforms and concourse to provide extra capacity for the Northern line and relieve some severely congested areas. Additional step-free access and improvements to signage and customer information will be completed by 2021.

A new entrance, with street to platform step-free access, will be constructed for the Waterloo & City line at Walbrook Square by 2015 as part of the planned office development above the station. This will reduce journey times for passengers and reduce overcrowding in the existing ticket halls.

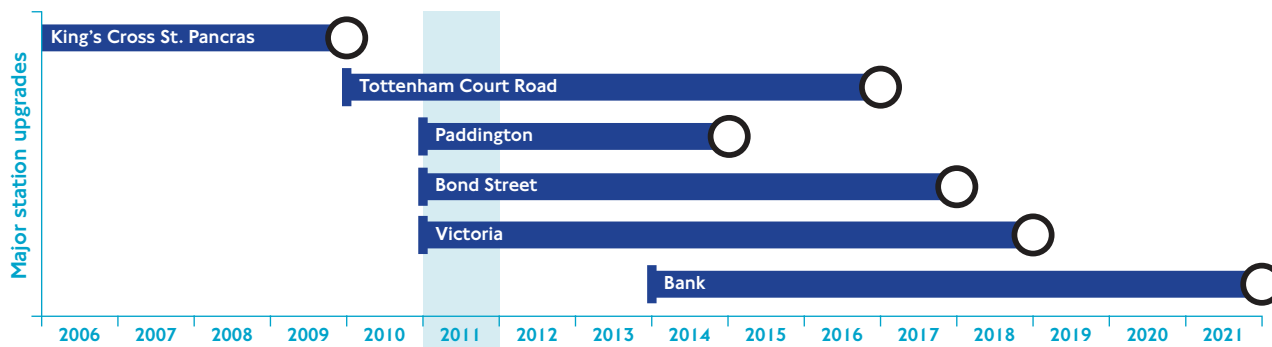
Bond Street

Work is under way at Bond Street to relieve congestion caused by increasing demand for the Jubilee and Central lines (and interchange between them). This project also prepares the station for Crossrail, which, once opened, will further increase the demand for Tube services. The scheme will provide capacity for an expected increase in passenger numbers (from 155,000 to 225,000 passengers a day) once Crossrail is running.

The scheme includes new escalators, a new interchange passageway, a new entrance and ticket hall and step-free access to all platforms. TfL has purchased the property that stands on the site for these works and demolition has begun. Throughout the works there will be the minimum possible disruption to passengers and access to Oxford Street. Work will be completed by 2017.

Figure E

Station upgrades



Third-party station schemes

In addition to the network-critical schemes specified above a number of other significant projects are being carried out in partnership with third parties.

The Thameslink programme will provide step-free access and an expanded ticket-office at Farringdon station. At Blackfriars, the Underground station is currently closed for a complete rebuild. It is due to re-open this year with step-free access to both platforms.

As part of the wider development of Cannon Street National Rail station and Cannon Place, the LU ticket hall and station entrance are being modernised. Step-free access is being provided between National Rail, street, ticket hall and platform (westbound only). Work will be completed by 2012.

Accessibility

TfL continues to focus on improving the accessibility of the Underground, including the number of step-free, platform-to-street Underground stations, with the total reaching 65 in 2011. Green Park, a key Olympic interchange station, will become step-free from street level to all platforms this year. Further step-free access projects will be completed as part of wider schemes to reduce cost and disruption.

As the line upgrade programme continues, improvements are being made to minimise the gap between train and platform. In addition, around a further 60 stations will receive the wide-aisle ticket gates that make travel easier for disabled passengers and those with pushchairs or luggage.

Table 8

London Underground and Tube Lines income, operating and capital expenditure plan

(£m)	2011/12 Budget	2012/13	2013/14	2014/15	Total 2011/12 -2014/15
Income					
Traffic revenue	1,909	2,094	2,253	2,446	8,702
Secondary revenue	190	205	218	233	845
Total income	2,099	2,299	2,471	2,679	9,547
Operating expenditure (incl. third-party contributions)					
Operating expenditure	(1,895)	(1,910)	(2,000)	(2,048)	(7,854)
Tube Lines operating expenditure	(428)	(450)	(458)	(441)	(1,777)
Total operating expenditure	(2,323)	(2,360)	(2,458)	(2,489)	(9,631)
Net operating expenditure	(225)	(62)	13	190	(84)
Capital expenditure (incl. third-party contributions)					
Capital expenditure	(1,087)	(1,164)	(1,232)	(1,144)	(4,627)
Tube Lines capital expenditure	(385)	(254)	(216)	(190)	(1,045)
Net capital expenditure	(1,472)	(1,418)	(1,448)	(1,334)	(5,672)
Net expenditure	(1,696)	(1,479)	(1,436)	(1,144)	(5,755)



London Rail

Following the completion of work to expand the London Rail network, focus will be on completing outstanding projects and improving its quality and reliability. This will enable the network to play an integral part in serving the London 2012 Olympic and Paralympic Games.

The programme of capital works remaining includes:

- The completion of a portfolio of capital projects on the DLR
- The completion of London Overground's orbital network
- The development of a cable car to span the River Thames

TfL has been working with the train operating companies, such as Southern Railways as part of its new franchise agreement, investing approximately £4m in providing additional customer benefits. These include station staffing throughout traffic hours, deep cleaning of stations, and continuing to fund extra cycle parking at stations. On behalf of the DfT, TfL is managing the installation of ticket gates at some National Express East Anglia stations. TfL is continuing to enable small schemes of cycle parking and service information improvements elsewhere.

London Overground

Major improvements include line extensions, new trains and upgraded track, signalling systems and stations. The East London line, North London Railway and the Overground is being transformed into an orbital network for London, linking 20 of the Capital's 33 boroughs.

A part of these works was completed in February 2011, with the East London line extension to Highbury and Islington, which allows direct services to the North London line from South London via the City and Dalston.

The completion of the Overground's orbital route will be by the end of 2012, when the East London line Phase 2 will provide a new link from Surrey Quays to the South London line. This will enable Overground services to operate to Clapham Junction and provide passengers with alternative links to reach key locations in Inner London without transferring in the centre of the Capital. This project will be partly funded by the DfT.

New rolling stock

Sixty-five new trains are being introduced on the London Overground network. These will have air-conditioning, CCTV, wheelchair bays, audio-visual improvements and regenerative braking.

On the North London line, 24 new trains have entered service and are being converted into four-car units, increasing capacity by a third. The East London line will have a further 13 trains by 2012 to support the London Overground service improvements resulting from the new extensions.

Upgrades for Overground stations

On-site works have started at all 44 North London line stations selected for upgrade. The completion date is December 2011.

Improvements include:

- CCTV covering station areas, ticket halls, entrances, subways, footbridges and Help points
- Upgrading the customer information system to provide real-time train departure information compliant with Equalities legislation on each platform and in ticket halls or entrances
- Tube-style Help points on all platforms and within ticket halls or station entrances
- Refurbishment of ticket halls, entrances, platforms, canopies, footbridges and subways

All improvements will incorporate anti-vandalism and anti-graffiti measures.



Docklands Light Railway

By 2015, the number of passengers using the DLR is expected to grow from the current 77 million to almost 104 million. A total of 55 new carriages are now in service, expanding trains from two to three cars and increasing capacity by 50 per cent.

To allow for longer trains, the network is being upgraded and platforms lengthened. Three-car services began in February 2010 and the DLR will have three-car capability across the whole network by summer 2011.

Part of this work, which has funding support from the ODA, is the east route between Custom House and Beckton. This will enable three-car trains to serve London ExCel, an important Olympic venue, as well as supporting the regeneration of important development sites along the route.

The ODA is also part-funding the extension of the DLR to Stratford International. Construction is progressing at all stations along the new route and the extension is scheduled to open in summer 2011.

Croydon Tramlink

Croydon Tramlink is planning to run more services by leasing up to 10 additional trams. Companies have been invited to submit proposals to supply the new trams, which would increase service frequency on the busiest route, between central Croydon and Elmers End.

An infrastructure project will be carried out to modify the track and stations to allow the new trams to run on the network.



An artists's impression of the North Greenwich Cable Car station

Cable car

TfL is progressing a package of river crossings, the first of which is a cable car connecting the Greenwich Peninsula with the Royal Docks.

The service will make it easier for pedestrians and cyclists to cross the Thames in east London. Crossings will take around five minutes and the cable cars will carry about two million passengers per year.

Table 9

London Rail income, operating and capital expenditure plan

(£m)	2011/12 Budget	2012/13	2013/14	2014/15	Total 2011/12 -2014/15
Income					
DLR	97	108	123	137	465
London Overground	88	101	110	120	419
London Trams	21	22	23	24	90
Other income	(0)	4	5	5	13
Total income	205	234	262	286	987
Operating expenditure (incl. third-party contributions)					
DLR	(131)	(144)	(137)	(139)	(550)
London Overground	(176)	(171)	(177)	(182)	(706)
London Trams	(23)	(23)	(22)	(23)	(91)
LR development and HQ	(11)	(8)	(8)	(8)	(35)
Other operating expenditure	1	(1)	(2)	(2)	(2)
Total operating expenditure	(338)	(347)	(345)	(353)	(1,384)
Net operating expenditure	(133)	(113)	(83)	(67)	(396)
Capital expenditure (incl. third-party contributions)					
DLR	(48)	(16)	(10)	(9)	(83)
London Overground	(106)	(9)	(0)	(0)	(116)
London Trams	(2)	(3)	(3)	(3)	(11)
Other capital expenditure	(27)	(17)	(0)	(0)	(44)
Net capital expenditure	(184)	(45)	(13)	(12)	(253)
Net expenditure	(317)	(158)	(96)	(79)	(649)

Surface Transport

Surface Transport provides and manages a broad range of sustainable travel services and choices, including buses, walking and cycling. It also balances conflicting demands for street space and is responsible for maintaining and improving the TLRN. This includes delivering the Mayor's smoothing traffic flow agenda.

London Buses

London's buses now carry more than 2.2 billion passengers a year – more than at any time since 1960. There has been a 40 per cent growth in bus kilometres since 2000.

Approximately 94 per cent of London residents live within 400 metres of a bus service and all buses (except Heritage Routemasters) are wheelchair accessible.

Maintaining excellent service quality continues to be a high priority, with excess waiting times currently at the lowest levels on record.

A number of measures have been introduced to make the system easier to use, including accessible buses and bus stops, simplified ticketing, better passenger information and enhancements to driver training. In addition, the iBus project has provided on-board announcements of the next stop, a particular benefit for visually or hearing impaired people.



Bus network development

The network is kept under continuous review. Extensive passenger research and stakeholder engagement means the network is able to continue meeting changing travel needs. This includes adaptations to developments such as new homes, shopping centres and leisure attractions, as well as supporting other transport projects such as Crossrail.

The consultation process has been further improved – all significant proposals for changing bus services are now placed online by TfL for comment before final decisions are made.

Future priorities are to maintain a simple, reliable network, that is easy to use and offers good geographical coverage, attractive frequencies and adequate capacity.





Bus fleet development

Improvements to passenger comfort and safety have been steadily introduced. These include better seat layouts, air-cooling systems, on-bus CCTV and outward-opening exit doors to create more internal space.

Engine emission standards, already ahead of legal requirements, will be further improved by the continued introduction of diesel-electric hybrid buses. Currently 106 are in operation following an initial trial of 56 buses. TfL plans to have 300 hybrid buses in use by the end of 2012, after receiving grants of £13m from the DfT's Green Bus Fund.

The pace of the roll-out of hybrid buses beyond 2012 will depend on availability of further funding and the rate at which hybrid vehicle production costs fall as volumes increase. TfL will work closely with bus operators and manufacturers to maximise the number of hybrids introduced after 2012.

Furthermore, the UK's first zero-emission bus route will be created during 2011. Eight zero-emission hydrogen hybrid buses will be introduced on route RV1, which runs from Covent Garden to the Tower of London. The route passes through some of the Capital's most polluted areas, so its conversion to hydrogen power will help to improve London's air quality.

The Mayor's pledge to withdraw 'bendy' buses has been completed on five routes. The remaining seven routes will be converted by the end of 2011.

Bus subsidy

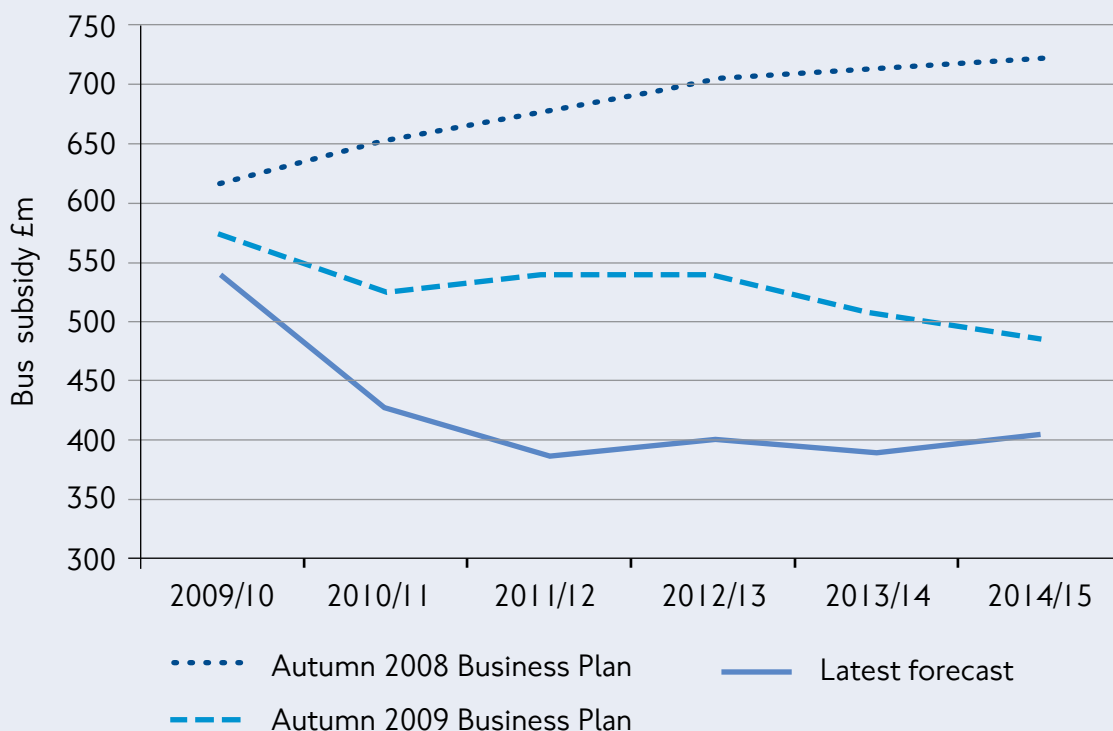
London’s bus network has seen an increase in services of around 40 per cent since 1999/2000 with transformed reliability and accessibility. Usage has grown by nearly 60 per cent over the period. London also offers some of the most valuable travel concessions in the UK, including the Freedom Pass and concessions for children, young people and other defined groups. The systems for planning and delivering the network ensure good value for money.

The Mayor and TfL have consistently sought to protect the improved services and the wide range of concessions by:

- Continuing to ensure good value and cost control
- Accepting the need for fares to make a somewhat greater contribution to the cost of providing services, with an assumption that fares will rise annually by the level of the Retail Price Index (RPI) plus two per cent, while protecting concessions

By taking these steps, bus subsidy in 2014/15 is now planned to be more than 40 per cent below the level which had been projected in the 2008 Business Plan. Fares income is now planned to cover around four-fifths of the cost of providing the service, with overall network kilometres operated remaining broadly constant.

Figure F
Bus subsidy



New Bus for London

The project to design and develop the New Bus for London, which will be a hybrid bus, has moved beyond the mock-up stage and into final detailed design. During 2011, an engineering test vehicle will be completed and

undergo extensive systems and endurance testing. Following this, the first prototype will be delivered to TfL towards the end of 2011 for driver training and route familiarisation. The next five prototype vehicles will enter service in early 2012.





Passenger information

The latest generation of bus Countdown signs will be in place by 2012, providing real-time bus arrival information to passengers at around 2,500 key bus stops. Passengers will also be able to access personalised bus arrival predictions for all 19,000 bus stops in London via the internet and mobile phones. Both text message and internet services are scheduled to be available in 2011.

The introduction of iBus technology allows real-time bus tracking for service control and emergency response coordination. The audio-visual, on-bus displays and announcements provide details of the next stop and final destination, and the technology also improves the bus arrival information provided on Countdown signs.

Service quality

Passengers' top priority is the overall time their journey takes, including waiting time and service reliability. Quality Incentive Contracts have been very successful in improving and maintaining reliability. Other measures such as bus-only roads, bus lanes and selective vehicle detection at traffic signals, help ensure services run more smoothly.

TfL will continue to work with the boroughs, the Metropolitan Police Service and others to identify critical locations for bus priority, adopt appropriate measures to maintain reliability and ensure bus priorities are enforced.



Accessibility

TfL and the London boroughs will continue to improve the accessibility of the Capital's streets and public spaces, including bus stops and pedestrian crossings. In the case of bus stops this can involve adjustments to kerb height, footway depth and length of bus stop clearway, installing enforceable clearway signage and de-cluttering of the footway.

Dial-a-Ride vehicles

The Dial-a-Ride fleet will benefit from the introduction of replacement low-floor minibuses during 2011. These will replace the oldest vehicles in the existing fleet and ensure compliance with the new LEZ requirements coming into force in January 2012. The new vehicles will be of the same specification as the existing models that have proved popular with Dial-a-Ride passengers.

Victoria Coach Station

Victoria Coach Station operates the major London coach terminus which supports all forms of coach activities, including scheduled express and commuter services, day tours, coach holidays and private hire. It aims to provide a modern and high standard of facilities for an estimated 10 million passengers passing through the coach station each year.



London Streets

London's 13,000km of roads are a key strategic transport asset. Of the 28 million journey stages undertaken by Londoners every day in 2009, more than 80 per cent were made on the road network, including:

- More than 10 million by car and motorcycle
- 6 million by bus
- 6 million walking trips
- 0.5 million by cycle
- 0.4 million by taxi

TfL is responsible for the TLRN, also known as red routes. The network comprises 580km of the busiest main roads carrying more than

30 per cent of London's traffic. Through the Traffic Management Act, TfL also has a strategic responsibility and specific powers to coordinate works and ensure the free flow of traffic on the wider Strategic Road Network (SRN) of borough-maintained roads.

TfL is also responsible for maintaining, managing and operating all of London's 6,000 traffic signals, and for real-time operational control of the road network through the London Streets Traffic Control Centre and the London Streets Tunnels Operations Centre. Both centres help reduce the likelihood of disruption and minimise delays through initiating the earliest possible response to any incident or event on the network.



Maximising the efficient and reliable operation of the road network

On the road network, TfL will focus on maximising the efficient and reliable operation of the 23 road corridors that relate to the London-wide strategic transport corridors identified in the MTS. Improvements will be considered which aim to relieve congestion and smooth traffic flow.

■ Smoothing traffic flow

The key measure for smoothing traffic flow is journey time reliability, which is planned to rise slightly over the Business Plan period despite projected future traffic and population growth. TfL has developed a methodology for reporting performance on the London-wide TLRN corridors and is developing a similar measure of reliability for the wider Strategic Road Network (SRN) related to the sub-regional highway corridors in the MTS plans. Key initiatives include:

- Equipping more traffic signal sites with Split-Cycle Offset Optimisation Technique (SCOOT) dynamic traffic signal control technology to increase junction efficiency. Half of London's traffic signals will be controlled by SCOOT by 2014

- Carrying out 1,000 signal timing reviews a year to reduce the stop/start delays at traffic signals
- Removing unnecessary traffic signals

■ Traffic enforcement

In recent years, TfL has successfully increased compliance on its 580km network of roads through enforcement. Now the emphasis is being placed on compliance through improved communication with drivers and clearer signage.

A Driver's Charter is in place with four central themes:

- TfL will make it easier for drivers to understand the rules
- Where a penalty is issued TfL will make the process as simple as possible
- If TfL makes a mistake it will apologise and cancel the penalty
- Under the charter, warning notices rather than penalty charges will be issued for new offences and challenges

Minimising the impact of planned interventions

Planned works and special events account for around a quarter of all serious and severe traffic disruption on the TLRN. The vast majority of these works are undertaken by either the highway authority or public utility roadworks. TfL has set itself targets to reduce both the overall number of roadworks on the TLRN and the amount of serious and severe traffic disruption they cause.

Key actions include:

- Working jointly with major utility companies to develop and implement a voluntary code of conduct on roadworks to reduce the amount of work undertaken at peak traffic times, provide better public information on roadworks, and reduce the amount of time they take
- Introducing and developing the London Roadworks Permit Scheme, which requires any organisation wishing to dig up a road to obtain a formal permit from the relevant highway authority. So far TfL and 18 boroughs are operating the scheme and a further seven boroughs are scheduled to introduce it in 2011/12

TfL is also working with the DfT to develop and implement a 'lane rental' system for works promoters needing to dig up the busiest roads at the busiest times, which when introduced is expected to have a significant impact on journey time reliability and disruption measures.

Minimising disruption from unplanned events

Incidents and events such as emergencies, road traffic accidents, breakdowns, road defects and burst water mains are responsible for around 74 per cent of serious and severe traffic disruption on the road network as a whole.

More than 10,000 unplanned events are recorded and managed by the London Streets Traffic Control Centre every year in London.

In improving response times and ensuring the effective management of incidents when they occur, TfL has set itself a target to reduce the level of disruption caused by such events.

Actions include:

- Working across Surface Transport and with key stakeholders to minimise the occurrence of unplanned events, such as collapsed manhole covers, road traffic collisions, vehicle breakdowns, and over-height vehicles stopping traffic at Blackwall Tunnel
- Responding to incidents on the network as quickly as possible, for example road accident investigations, burst water mains and other utility emergencies, plus managing adverse weather events such as snow and flooding
- Managing traffic effectively around incidents while they are ongoing, for example through 'on the ground' traffic management resources (police and highway contractors) and pro-actively using traffic signal systems and technology to minimise delays

Asset management

■ Carriageways and footways assets

The 580km of red routes include 2,500 lane kilometres of carriageways, 1,200km of footways, 1,800 structures, 13 tunnels, traffic control equipment, lighting, drainage and green estate. TfL maintains these assets cost-effectively to meet customer expectations, maximise operational effectiveness and minimise asset-related risks. All red route assets are regularly inspected and tested as necessary. Inspection and testing data are used to identify and prioritise maintenance based on risks (to safety, service and the environment) and affordability.

The State of Good Repair (SOGR) on red routes has been adversely affected by recent severe winters. Future levels of investment in carriageway resurfacing have been reviewed and amended accordingly, but it will take a number of years to return fully to previous SOGR levels.

■ Bridges and tunnels

The highway structures on red routes range from Victorian river crossings to modern underpasses and footbridges. Maintaining and refurbishing them on busy roads presents specific challenges, as they can be complex and time consuming.

There are more than 40,000 lighting units on red routes, including new and emerging street-lighting technologies, such as LEDs and central management systems for dimming and trimming lighting levels. TfL has developed a strategy that will make best use of these technologies to reduce energy consumption and minimise maintenance costs.

A network of drains, gullies and pumping stations serve the red routes. With London experiencing wetter winters and more extreme weather, leading to flooding incidents, programmes of work are in place to improve capacity and reliability of the red route drainage assets.

Around 1,800 highway structures are owned and maintained by TfL. In accordance with national guidelines, regular inspections are carried out to identify potential repairs, which are prioritised on a risk basis.

The London Streets Tunnel Operations Centre control and communications system will be modernised and expanded, and additional safety systems introduced within and on the approaches to key tunnels. This includes the closure systems installed in Blackwall Tunnel (northbound) and a new incident detection system to be implemented as part of the Blackwall Tunnel northbound refurbishment. This will allow early detection and response to incidents and help reduce network disruption.

The major refurbishment of Blackwall Tunnel (northbound) began in February 2010 and will improve its safety systems, ventilation, fire detection, lighting, communications and road surface. The project is due to be completed by December 2011 - one year ahead of schedule.



■ Traffic signals assets

TfL will continue to maintain and modernise the traffic control equipment and systems that are crucial to the network's effective management. This work will continue both on street and in back-end systems. The approach for prioritising assets for modernisation is being further developed, moving away from an age-based approach and placing greater focus on condition and importance of location.

■ Pan-London contract development

In collaboration with the boroughs, TfL has identified opportunities for savings across London in the procurement of highway maintenance and management services. TfL is leading on the development of a new highways common specification and condition contract, for use London-wide. This work is funded by Capital Ambition, the Project Board is chaired by TfL and is sponsored by the Chief Executive of the London Borough of Ealing. New contracts are expected to commence in 2013.

Improving the network

■ Major schemes

A number of major schemes continue to be developed and implemented to improve the network and deliver significant local improvements. These improvements vary between schemes but include smoothing traffic flow, improving public transport, facilitating walking and cycling, enhancing the streetscape, improving safety and accessibility, protecting and enhancing the natural environment and supporting wider regeneration.

- Bounds Green

The A406 Bounds Green Road to Green Lanes improvement scheme will create a safer and better environment for all road users. It will include carriageway widening, with more than one kilometre of new dual carriageway, enhanced signalised junctions, environmental improvements and a landmark footbridge. These improvements will result in smoother traffic flow and safer crossing facilities, and will stimulate regeneration of the area. Construction will be complete by 2012.

- Henlys Corner

The Henlys Corner scheme will see the installation of signalised pedestrian crossings across all arms of the junction. The scheme also includes alteration of the traffic signals to smooth traffic flow and improvements will be made to the cycle network in the area. The scheme will be completed by 2012.

- Tottenham Hale

TfL is working to change the existing one-way gyratory system at Tottenham Hale to two-way working. This project will simplify access for local residents and businesses, and

improve the interchange between public transport modes. Better facilities for pedestrians and cyclists will also be installed and a larger bus station and new public square created at Tottenham Hale station, opening up the local area to residents and local businesses further. The full scheme will be completed by summer 2014.

This scheme will support the London Borough of Haringey's masterplan for the area by acting as a catalyst for regeneration, opening up new development land, improving the area's image through public realm improvements, reducing community severance and catering for transport demand from the new housing developments.

- Elephant and Castle

The Southern roundabout at Elephant and Castle is being removed as part of a wider improvement scheme for the area. This scheme improves facilities for cyclists and pedestrians by widening footways, providing crossings, shared space, cycle lanes, advanced stop lines and additional trees.

- A12 Zetland Street/Lochnagar Street

This scheme involves the introduction of a new signal-controlled junction at Zetland Street/Lochnagar Street. New links will be created across the A12, including a pedestrian route to the new Langdon Park DLR station. The scheme is critical to the entire regeneration strategy for the Lower Lea Valley area.



- East London Transit

East London Transit (ELT) is an initiative seeking to improve transport links in Ilford, Dagenham and Barking. The first phase of the ELT has already completed. The second phase runs from Barking town centre to Barking Riverside and is due to be completed in 2013.

■ TLRN capital programme

This programme consists of a series of integrated infrastructure improvements to the TLRN highway and surrounding urban realm. These will help to meet the Mayor's priorities on cycling, bus priority, accessibility, road safety and walking.

■ Public Realm schemes

Public realm schemes make streets and public spaces safer, and create a city in which people can enjoy being outdoors. They improve accessibility and connections between places and modes of travel, encourage walking and cycling, and enhance the quality of the local environment.

- Better Streets schemes

By 2012, a number of Better Streets flagship schemes will have been completed by the boroughs with TfL's support. These include Piccadilly two-way working (general traffic allowed both ways), Leicester Square and Wimbledon town centre.

- Euston Circus

Euston Circus is at the junction of Tottenham Court Road, Hampstead Road and Euston Road, in the London Borough of Camden. The Euston Underpass runs underneath it. Currently Euston Circus is dominated by vehicular traffic, which poses a significant obstacle to pedestrians and cyclists. This scheme will turn the junction into a more unified public space which creates a better balance for all users.

■ Working with London boroughs and other partners

TfL continues to provide funding to London's boroughs, predominantly through Local Implementation Plans, to enable the MTS to be implemented across the Capital. Funding is allocated to boroughs for corridor and neighbourhood programmes, smarter travel programmes, replacement of life-expired traffic signals, road and bridge renewals and major scheme developments.

■ River crossings

TfL is progressing a package of river crossings in east London to help reduce congestion, provide greater resilience and support economic development of the area. The cable car (see page 46) is part of the river crossings package of programmes.

Managing travel demand

Active travel

TfL's Education and Training Programme aims to encourage people to change their behaviour by promoting more active and sustainable travel, and support reduced car use through travel planning advice and tools for businesses, schools and residents. Under the programme, 93 per cent of London schools now have a travel plan, resulting in an average 6.5 per cent drop in the proportion of car journeys to schools. TfL will continue to seek to reduce car use and increase adoption of active travel modes, especially in areas where congestion or vehicle collision rates are high. It will also work with the London Organising Committee for the Olympic and Paralympic Games to launch the Olympic Active Travel Programme in 2011.

Car clubs

The car clubs budget for 2011/12 and 2012/13 has been confirmed and bidding advice to the London boroughs issued including pioneering research undertaken by TfL which shows the market potential for car clubs. This research will help support the case for further expansion and inform borough officers regarding the most suitable locations for future bay implementation.

Congestion Charging

Congestion Charging remains effective in reducing the traffic volume in central London.

In line with the Mayor's commitment to implement easier and fairer ways for people to pay the charge, automated payment – the

most consistently requested improvement – was introduced in January 2011. Those registering to pay by 'CC Auto Pay' avoid the risk of forgetting to pay and incurring a penalty charge. The registration fee is £10 a year. Auto Pay users benefit from a £1 discount on the standard charge rate compared with alternative payment methods. Residents are also able to pay daily via Auto Pay, as opposed to weekly through other methods.

The Mayor will continue to keep the level of the Congestion Charge and its effectiveness under review. Any changes would be subject to consultation.

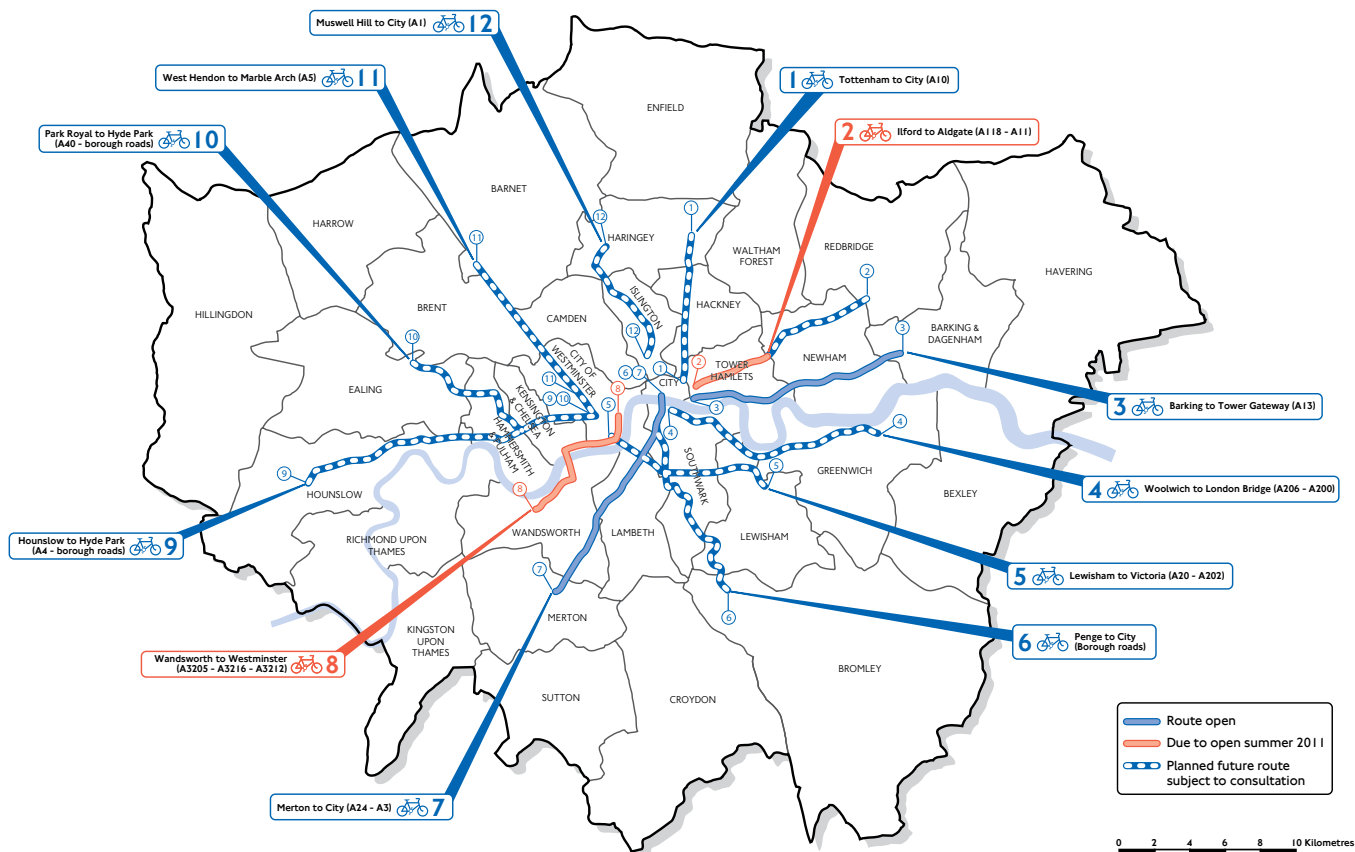
Freight

TfL continues to work with freight operators to improve road safety and cut pollution. The London Freight Plan sets out ways for freight operators to reduce fuel use, emissions and CO₂ levels by 10 per cent by 2016. The Freight Operator Recognition Scheme helps benchmark operators' efficiency and offers guidance on improving safety and performance, with advice about low-carbon vehicles.

Improving freight sustainability and reducing undesirable kerbside activity, for example loading or unloading when it is unlawful or unsafe to do so, will help to alleviate congestion on London's streets and reduce the impact on other road users. Promoting smarter freight management through the GLA Group and London boroughs with delivery and service plans, and through publications such as TfL's Kerbside Loading Guidance and the Freight Environmental Review System, will help minimise freight's impact on congestion.

Figure G

Barclays Cycle Superhighways – Indicative routes map



Cycling and walking

Cycling

TfL is seeking to increase cycle trips by 400 per cent by 2026, against the 2001 baseline, taking cycling’s overall modal share from two to five per cent.

Barclays Cycle Superhighways

The first two of 12 planned Barclays Cycle Superhighways opened in July 2010, giving cyclists safer, faster, direct and continuous routes along recognised commuter roads. The routes will all include a variety of features such as a blue surface, bespoke signage, a trial of road side safety mirrors and information to encourage people to cycle.

A comparison of the total number of cyclists using the two pilot Barclays Cycle Superhighways, on the A24 and A13, during October 2010 and the same roads in 2009 shows an increase of 70 per cent.

A further two routes will be completed in summer 2011 and the rest of the programme will be completed by February 2015.



Barclays Cycle Hire

The Barclays Cycle Hire scheme, introduced in summer 2010, fulfils a Mayoral manifesto pledge to introduce a cycle hire network to London. It will improve journey times over short distances and is environmentally sustainable. The project will provide 400 cycle docking stations, 6,000 bikes and supporting infrastructure all within an area of 44 square kilometres in central London.

The scheme recorded one million trips within 10 weeks, and in December 2010, it was extended to casual users. Since its launch there have been over 2.9 million cycle hires and there are more than 100,000 registered members.

The second phase of the scheme will expand and intensify the network, increasing capacity by 2,000 bicycles and approximately 200 docking stations. It will cover an additional area to the east of the existing network, taking in the whole of Tower Hamlets and part of Hackney. Go live is planned for spring 2012.

Cycle parking

By 2012, TfL will work to reach the Mayor's manifesto commitment to provide 66,000 new cycle parking spaces. Additional spaces will be provided by TfL, the London boroughs, other partners, the private sector and through the planning process.

The locally led programmes will seek to unlock the potential to increase cycle trips in Outer London where car use is traditionally higher.

Biking Boroughs

TfL will work with London's Outer boroughs to progress the Biking Boroughs initiative. There is considerable potential for cycling in Outer London where almost half of all car trips are shorter than two miles and public transport is often not as comprehensive as in Inner or central London. The Biking Boroughs programme encourages cycling through improvements in infrastructure, in combination with promotion, training and behavioural change activities. It also involves working with partners such as the police, healthcare providers, schools and workplaces to ensure a consistent and integrated approach. In particular the programme can help to reduce local congestion, improve air quality and contribute to healthier, more active residents.

Walking

Through the Mayor's Making Walking Count programme TfL will make London an easier city to travel around by foot. The programme aims to increase walking's overall modal share of transport to 25 per cent by 2031 through better information, active travel programmes (see Active travel page 62), and physical improvements to the urban realm.

One such walking programme is the delivery of more Key Walking Routes. A Key Walking Route connects key destinations, like bus/rail/tube stations and town centres in a local area, through a series of investments to create an attractive and coherent route. They are funded through boroughs' Local Implementation Plan programmes. In addition to Key Walking Routes, all boroughs are also investing in smaller scale local projects that make walking easier and more pleasant.

Further walking programmes include the delivery of the Strategic Walk Network – a 350 mile network of leisure walking routes in London. Six of the seven routes will be delivered and opened in 2011/12. The newest Jubilee Greenway route is due to be opened in 2012 in celebration of the Queens Diamond Jubilee and 2012 Games.

Legible London

Legible London is a map-based pedestrian information system that provides high-quality and consistent information to help people navigate the Capital on foot. It is now operating in central London, including at all Barclays Cycle Hire docking stations, and will be extended across the four host Olympic boroughs ahead of the 2012 Games. A further five boroughs have committed to introduce Legible London by April 2012.

TfL is working to realise Legible London as the default pedestrian map for walking journeys across London. This will ensure wayfinding information will be provided to the same standard throughout the TfL public transport network.

Pedestrian Countdown

Trials of Pedestrian Countdown will continue during 2011/12. This system, running at eight trial sites, tells pedestrians at traffic signals how long they have left to cross the road once the 'green man' symbol disappears. The results of the trial will be published and initial preparations will begin for a possible roll-out. The system has the potential to improve safety and smooth traffic flow for the benefit of all road users. TfL will also be considering other traffic signal innovations aimed at maximising efficiency and reliability of the road network.

TfL will continue to improve traffic information services through the development of traffic alerts, helping road users to improve their journeys by avoiding disruption.





River services

TfL licenses private boat operators to run passenger services from eight TfL-owned piers on the River Thames. It will continue to maintain the piers and oversee the Woolwich Ferry operation during the period of this Plan.

A River Concordat group comprising Port of London Authority, boat operators, boroughs and other interested parties is looking at ways to develop passenger transport on the river and integrate services with other modes, such as pier signage, greater pier provision in central London and acceptance of Oyster pay as you go on boats.

A detailed audit of 23 piers from Wandsworth to Woolwich Arsenal has been conducted, examining access points, interchanges and signage. The audit identified the lack of visibility of the piers at street level and along the river as a concern.

The audit resulted in a two-stage approach to making improvements. Phase one ('quick wins') focused on six 'high priority' piers, addressing signage gaps between local interchanges and nearby piers as well as signage in Waterloo and Charing Cross rail stations. A new illuminated flag was installed as a pilot at Blackfriars Pier featuring the new 'River Bus' brand for commuter services.

Phase two will look at expanding the use of the new pier flag at all piers as well as looking at implementing signage improvements to the rest of the River Concordat piers. The project complements the Legible London wayfinding initiative.

The audit also pointed to a lack of visibility of the piers at street level and along the river. To remedy this, a pilot exercise has been carried out at Blackfriars Pier with a new 'river logo' branding and larger flag. The next stage will be to adopt the new flag and signage improvements at all piers.



Licensed taxis and private hire vehicles

With their door-to-door service for businesses, visitors and residents, London's 22,500 taxis and 50,000 private hire vehicles make a significant contribution to the Capital's economy. TfL has a commitment to maintain the standards of the services and ensure they meet London's needs.

TfL is responsible for safety aspects and for licensing and regulating the drivers, vehicles and operators. It is reviewing the options for modernising driver and operator licensing to improve services and reduce operating costs. TfL is committed to ensuring these licensing systems maintain value for money and avoid imposing unnecessary costs on the operators and their customers.



Reducing emissions

In December 2010, the Mayor published an Air Quality Strategy to cut emissions from London's transport network. It will introduce a series of measures in the next few years, to curb emissions such as age limits for taxis and private hire vehicles; and a pilot of retrofit technologies to bring older buses up to the Euro IV standard for nitrogen oxide (NO_x). In addition, in the first trial of its kind in the UK, dust suppressant machines will be used to remove dust from roads.

The Mayor has an extremely challenging target reducing London's CO₂ emissions – 60 per cent from the 1990 level by 2025. His approach to reducing CO₂ emissions from ground-based transport is three-fold: mode shift to low-carbon means of travelling, such as walking, cycling and public transport; improved operational efficiency and enabling the development and deployment of low-carbon vehicles, technology and energy.

Low Emission Zone

The aim of the Low Emission Zone (LEZ) is to improve quality of life by reducing harmful traffic emissions in the Greater London area. It is estimated that extending the LEZ to larger vans and minibuses in 2012 will save around 80 tonnes of emissions between 2010 and 2015. Most of the savings are expected to be achieved beforehand as a result of early compliance with the emissions standards and immediately following implementation. Extending the LEZ to larger vans and minibuses is also expected to save around 1,200 tonnes of NO_x by 2015.

TfL estimates that the changes to the LEZ will broadly double the impact of the earlier phases in reducing particulate matter pollution in the Capital.



Electric vehicles

TfL is supporting the Mayor's programme to encourage electric vehicles. There are estimated to be 2,100 electric vehicles currently in use in the Capital and the Mayor is seeking to increase this to 100,000 as soon as possible.

TfL will help by supporting the installation of at least 1,300 charging points across London by 2013. These will be installed by a consortium consisting of the boroughs and private partners. There are currently 104 electric charging points in the Capital and more will be introduced using Plugged in Places grant funding from the DfT and Local Implementation Plan match funding. TfL funding is also being extended to the boroughs to assist them in implementing charging points on their roads.

The Source London network will create a single visual identity for electric driving across the Capital, and allow members to charge their vehicles at any one of these public charging points for an annual membership fee. Currently electric vehicle drivers have to register in each separate borough they want to use charge points in. In preparation for this new network a website has also been launched providing a 'one-stop shop' of information on electric vehicles, including charge point locations across the city. With Source London launched in spring 2011 drivers will be able to sign up for the scheme online.

TfL is also supporting the purchase of electric vehicles across London through the electric vehicle framework contract. Local authorities can use the framework to procure vehicles from manufacturers that have met the requirements, without undertaking a lengthy and expensive procurement exercise.

Table 10

Surface Transport income, operating and capital expenditure plan

(£m)	2011/12 Budget	2012/13	2013/14	2014/15	Total 2011/12 -2014/15
Income					
Bus network	1,360	1,425	1,510	1,594	5,888
Congestion Charge, LEZ and enforcement	284	307	307	301	1,198
Other income	71	63	64	62	259
Total income	1,715	1,794	1,880	1,956	7,346
Operating expenditure (incl. third-party contributions)					
Bus network contracts	(1,747)	(1,825)	(1,898)	(1,998)	(7,467)
Bus network infrastructure, operations and support	(91)	(86)	(85)	(87)	(349)
Dial-a-Ride and Assisted Transport Services	(48)	(49)	(50)	(52)	(199)
London Streets	(198)	(214)	(191)	(195)	(797)
Better Routes and Places	(182)	(167)	(165)	(123)	(637)
Congestion Charge, LEZ and enforcement	(269)	(289)	(292)	(301)	(1,151)
Other operating expenditure	(109)	(99)	(74)	(73)	(355)
Total operating expenditure	(2,644)	(2,728)	(2,756)	(2,828)	(10,955)
Net operating expenditure	(929)	(934)	(876)	(871)	(3,609)
Capital expenditure (incl. third-party contributions)					
London Streets	(125)	(98)	(91)	(82)	(396)
Better Routes and Places	(38)	(39)	(44)	(36)	(157)
Congestion Charge, LEZ and enforcement	(6)	(3)	(3)	(7)	(19)
Other capital expenditure	(51)	(23)	(23)	(21)	(118)
Net capital expenditure	(220)	(162)	(161)	(146)	(690)
Net expenditure	(1,150)	(1,096)	(1,036)	(1,017)	(4,299)

Financing TfL's plans

TfL's activities are funded from six main sources:

- Government grants, which have been agreed to 2014/15 following the 2010 Spending Review
- Prudential borrowing (the amount and profile of which also forms part of TfL's settlement with Government)
- Income from fares and the Congestion Charging scheme
- Secondary income sources, such as advertising and property rental
- Third-party funding for specific projects
- Sales of property and other assets

These are described in more detail below.

TfL's overall financial plans are set out in Table I I, which covers operating expenditure

and sources of revenue funding, such as fares income and the general grant, plus capital expenditure and sources of capital funding, such as borrowing and capital grants.

The Business Plan is financially balanced: planned funding sources are sufficient to meet planned expenditure. In-year differences between expenditure and funding are managed through transfers to or from TfL's cash reserves.

The key changes since the 2009 Business Plan are:

- TfL's revised funding settlement following the 2010 Spending Review, and TfL's response to the funding cut
- The acquisition by TfL of Tube Lines, described on page 33

Figure H
TfL's sources of funding and income

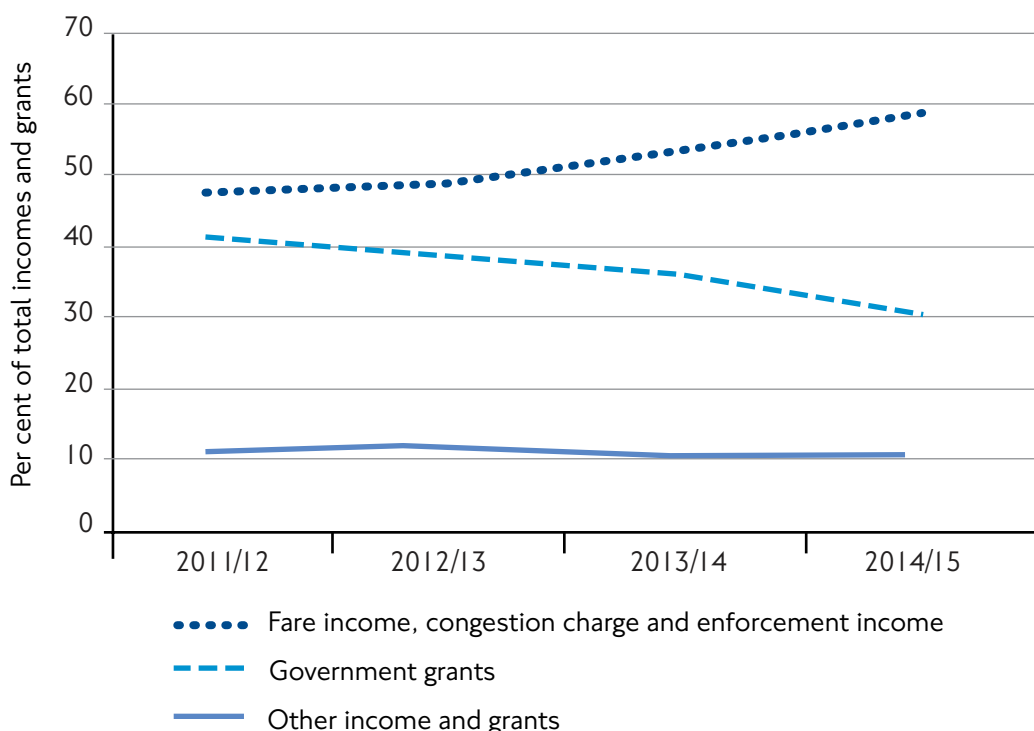


Table 11**TfL funding, income, operating and capital expenditure plan****TfL operating plan**

(£m)	2011/12 Budget	2012/13	2013/14	2014/15	Total 2011/12 -2014/15
Fares income	3,468	3,747	4,018	4,319	15,552
Congestion Charge, LEZ and enforcement income	284	307	307	301	1,198
Other operating income	310	320	346	359	1,335
Interest income	5	6	20	15	46
Total income	4,067	4,379	4,691	4,994	18,132
Operating costs (incl. third-party contributions)	(5,693)	(5,793)	(5,914)	(6,036)	(23,437)
Debt interest	(304)	(332)	(350)	(369)	(1,355)
Group items	(71)	(44)	19	53	(44)
Total operating expenditure	(6,068)	(6,170)	(6,244)	(6,353)	(24,835)
Net operating expenditure	(2,001)	(1,790)	(1,553)	(1,359)	(6,704)
General grant	1,943	1,922	1,795	1,476	7,136
Overground grant	26	26	28	28	109
GLA precept	6	6	6	6	24
Other revenue grants	14	84	(0)	(0)	97
Total revenue grants	1,989	2,038	1,829	1,510	7,366
Surplus/(deficit) to fund capital plan	(12)	248	276	151	663

TfL capital plan

(£m)	2011/12 Budget	2012/13	2013/14	2014/15	Total 2011/12 -2014/15
Capital expenditure	(2,023)	(1,714)	(1,698)	(1,513)	(6,947)
Third-party contributions - capital	74	36	43	7	160
Net capital expenditure	(1,949)	(1,677)	(1,655)	(1,506)	(6,788)
Crossrail sponsors' funding commitment	(1,205)	(1,904)	(2,247)	(2,002)	(7,359)
Crossrail funding sources	1,390	2,059	2,068	1,693	7,210
Net Crossrail contribution	185	155	(179)	(309)	(149)
Net capital expenditure (incl. Crossrail contribution)	(1,764)	(1,522)	(1,834)	(1,816)	(6,937)
Funded by:					
Operating surplus/(deficit) from above	(12)	248	276	151	663
Investment grant	861	881	904	928	3,574
Metronet grant	424	352	184	(0)	960
Other capital grants	25	31	2	(0)	58
Sales of property and other assets	44	95	95	71	305
Working capital released/(created)	(124)	(56)	9	(49)	(221)
Net borrowing, other financing and reserve movements*	546	(28)	365	714	1,597
Total	1,764	1,522	1,834	1,816	6,937

*Excluding Crossrail Sponsor Funding Account.

The 2010 Spending Review

Following the election of the new Government in May 2010, and the Chancellor's Emergency Budget the following month, the 2010 Spending Review was announced to Parliament on 20 October, covering the period to 2014/15. This replaced TfL's 2007 settlement.

The Spending Review was conducted against one of the most challenging public spending environments seen since the Second World War and against the widely acknowledged need to make significant cuts to public spending across the board. The Mayor and TfL mounted a vigorous defence of the importance of continuing to invest in London's transport infrastructure in order to secure the Capital's, and therefore the UK's, economic recovery.

The Government accepted these arguments and responded with a Spending Review settlement that, although much reduced from the 2007 settlement, allowed investment in key projects and frontline services to be maintained. Key outcomes include:

- Delivery of the full scope of Crossrail, following a review undertaken by Crossrail management to optimise the approach to construction
- The line upgrades and major station congestion relief projects on the Tube, which once complete will generate a 30 per cent increase in capacity

- The protection of the overall bus network mileage, which has seen growth of around 40 per cent since the start of the decade
- Continued investment in cycling, including the eastwards expansion of Barclays Cycle Hire and completion of 12 Barclays Cycle Superhighways by 2015

In addition, the January 2011 fares increase was confirmed at RPI plus two per cent (in line with TfL's planning assumption), concessionary bus fares for children and other groups were protected and, following public consultation, the Western Extension of the Congestion Charging zone was removed.

TfL's revised settlement amounted to a reduction in funding of £2.2bn over the four years of the settlement compared with TfL's 2007 settlement; which in real terms represents a grant reduction of 21 per cent by 2014/15. The Mayor was able to announce in broad terms on 20 October how TfL proposed to absorb this cut:

- More than one-third of the cut (around £800m) is being absorbed by fare revenues rebounding strongly from the significant downturn seen in 2009, together with previously identified cost savings
- Around £300m will be saved in the London Underground capital programme, including through the revised approach to the line upgrades (set out on page 35) and a deferral of certain works to improve the condition of stations and civil assets

- Around £300m will be saved in Surface Transport through focusing resources on core priorities of the bus network, streets infrastructure and cycling
- More than £1bn will be saved over the life of the Crossrail project through a more efficient approach to construction. These savings are shared with the DfT as co-sponsor
- Finally, further challenging savings and efficiencies are planned across TfL, as described on page 24, including through the fundamental review of TfL's organisation currently under way

The impact of the above has now been fully reflected in this updated Business Plan.

TfL's Spending Review settlement letter is published on TfL's website. As well as confirming that Crossrail will go ahead, the DfT's financial contribution and the borrowing to be undertaken by the GLA, the settlement sets out, in Annex B, the key Investment Programme milestones that TfL expects to achieve, which are now reflected in TfL's Business Plan.

Government grants

Under TfL's settlement, the Transport Grant, provided under the GLA Act 1999, comprises two elements: an investment grant, which supports delivery of the investment programme; and a general grant, to support TfL's operating activities.

Further grants received from the DfT are:

- A capital grant paid to TfL in lieu of debt that would have been raised by the former Metronet companies during the second period of the Public Private Partnership (PPP)
- The Overground grant, paid to support London Overground services on the national rail network
- A £24m grant to partially fund the costs of the East London line extension to Clapham Junction
- Grants for other specific projects

TfL borrowing

TfL's settlement also places a limit on the amount of borrowing that can be undertaken by TfL or its subsidiaries, which must be contained within the following profile:

Table 12

£m (cash)	2011/12	2012/13	2013/14	2014/15
Borrowing	425	445	345	650

TfL's borrowing programme reflects two key principles:

- Borrowing must be for capital purposes only to support TfL's Investment Programme (and not to fund operations)
- The level of borrowing must be prudent

TfL borrows from a variety of sources, based on considerations such as the cost of borrowing, market conditions and the level of flexibility offered. Sources of borrowing include:

- A £5bn Medium Term Note programme, created in 2004 and updated in 2010, which saw TfL become the first UK local authority to raise medium to long term finance through the issuance of bonds independently of Government

- A £2bn Commercial Paper programme created in 2010, which saw TfL become the first UK local authority to raise short-term finance through the issuance of a three-month paper independently of Government
- The European Investment Bank, with loans linked to specific infrastructure projects
- The Public Works Loans Board
- Finance leasing arrangements, used for specific assets such as rolling stock and extensions to the DLR
- A £200m bank overdraft facility, to ensure sufficient liquidity is available at all times

TfL believes its proposed levels of borrowing remain affordable and consistent with prudent financial management, which is reflected in TfL's strong credit ratings. (See Table 13).

Table 13

Transport for London credit ratings, March 2011

Credit rating	Fitch	Moody's	Standard & Poor's
Short term	F-I+	P-I	A-I+
Long term	AA+	Aa1	AA+
Outlook	Stable	Stable	Stable

Fares income

TfL's fares revenue projections are based on the autumn 2010 forecast for the London economy undertaken by GLA Economics, which forecasts annual growth in Gross Value Added of 2.4 per cent in 2011 and 2.9 per cent in 2012, with healthy growth continuing in subsequent years.

The actual fares decision is taken each autumn by the Mayor based on a number of considerations, including the need to ensure that fares make an appropriate financial contribution towards the cost of providing transport services and investing in London's transport infrastructure, in line with the MTS.

This Business Plan maintains the assumption that fares will increase at RPI plus two per cent each January, based on RPI the previous July. This helps ensure that fares income keeps track of underlying cost growth and that TfL's borrowing is financially sustainable in the medium term.

The Freedom Pass, which is provided and paid for by London's borough councils for older people and people who are registered as disabled, will remain valid at all times on TfL services. TfL will continue to provide concessions for children, young people and other defined groups.

Passenger demand

The London economy, and ridership on the Tube, rebounded more strongly than expected in the 2009 Business Plan. The consequent improvement in TfL's fare revenues reduced the impact of the grant cut following the Spending Review. Passenger journeys are projected to continue growing strongly, with cumulative growth of around 13 per cent in Tube journeys expected by 2014/15 as additional capacity becomes available. Bus journey growth is projected to be lower, at around three per cent by 2014/15. These projections are, however, closely linked to the performance of the London economy, and this represents a key financial risk to the Business Plan.



Future Ticketing Programme

TfL continues to develop ways of making payment for travel faster and more convenient on London's transport network through simplified ticketing systems. The next step will be the acceptance of contactless (debit and credit) payment cards.

From spring 2012, passengers will be able to pay for their single bus fares by touching a contactless-enabled card on readers on London's 8,000 buses. The cost of the journey will be directly debited from their bank account so they will no longer need to keep track of and top up a pay as you go Oyster card.

Using the new system, passengers will be able to save time and have the convenience of paying for their journey without having to buy a ticket. This pay as you go option will be extended to Tube, London Overground, DLR, tram and National Rail services in London later in 2012.

Oyster will continue to be available for customers who have season tickets or who do not have a contactless-enabled debit or credit card. But with 20 million contactless payment cards forecast to be in circulation in the UK by the end of 2011, this method of paying for travel is expected to be widely adopted over the next few years.

Smartcards issued by other organisations that comply with the ITSO specification will be accepted on the Oyster system. At present these cards are mostly issued under the English National Concessionary Travel Scheme but it is expected that other organisations will issue such cards in the future. Passengers with these cards will need to load a valid ticket on to them at an appropriate ITSO ticket retailer before travelling.

Congestion Charge income

The Business Plan already takes into account the removal of the Western Extension of the Congestion Charging zone, which took place in December 2010, together with the increase in the charge and introduction of payment by account (known as Auto Pay). The Mayor will continue to keep the level of the charge and its effectiveness under review. Any future increases will be subject to consultation.

Secondary income

TfL has consistently sought to maximise its income from secondary sources such as advertising and property rental, and through commercial partnerships and sponsorship arrangements with other organisations.

Third-party funding for specific projects

Third-party contributions are planned for a variety of specific projects.

TfL has agreed a series of transport improvements in support of the Olympic Transport Plan with the ODA. The improvements are contained in a memorandum of understanding and include:

- Schemes that were pre-existing at the time London was awarded the 2012 Games, such as the Northern and Jubilee line upgrades
- New schemes to which the ODA is contributing financially, for example the Olympic Route Network, the extension of the DLR to Stratford International, the addition of a third carriage to DLR trains

and walking routes in the vicinity of the Olympic Park

- ODA-funded enhancements for transport operations during the 2012 Games
- National Rail for the East London line station enhancement work at Crystal Palace

The total ODA contribution to TfL for these works is £356m.

In February 2010, TfL and the ODA updated the cost estimates for the transport operations budget during the Games to £87m including £8m of operating projects.

In addition, the Business Plan assumes funding will be received from:

- BAA to help fund Heathrow Terminals 1, 2 and 3 Underground station redevelopment
- Growth Area Fund and Community Infrastructure Funds for improvements and regeneration towards improvements including Tottenham Hale Gyrotory
- Home and Communities Agency towards the ELT project
- EU via the European Core Grant Agreement for Hydrogen Fuel Cell buses
- DfT's Green Bus Fund for hybrid buses and the Congestion Relief Fund for TLRN congestion improvements

In addition, under Section 106 of the Town and Country Planning Act 1990, property developers are legally obliged to fund any improvements required to the transport network as a result of specific developments.

Sales of property and other assets

TfL seeks to exploit and extract value from its property portfolio to support its investment in infrastructure. Over the period to 2014/15, TfL's Business Plan assumes disposal receipts of around £300m. In developing its portfolio TfL simultaneously seeks to advance Mayoral policy objectives within the London Plan such as creating new homes, addressing sustainability and quality design standards.

Crossrail similarly seeks to optimise the over-station development opportunities, which are targeted to produce development receipts of around £440m by 2018/19. This sum is part of TfL's funding commitment to the Crossrail Project.

Key risks

The previous Business Plan identified a number of key risks, including the PPP periodic review, which has been resolved by the acquisition of Tube Lines by TfL.

In this updated plan, key risks include:

- The future performance of the economy and its effect on fares and secondary income. Weaker economic growth could have a significant impact on passenger demand. A further risk would be a sustained period of high inflation or marked increase in the cost of borrowing
- A total of £7.6bn of efficiencies and other cost savings that are assumed in this updated Business Plan. This includes significant underlying initiatives involving organisational change and restructuring

- Delivery of milestones set out in TfL's Spending Review settlement to cost and time
- TfL's plans to sell property and other assets. These are dependent on market conditions and may have legislative requirements which would be subject to securing appropriate Parliamentary time
- Unexpected events or acts of terrorism that could have a larger impact than the reserves included in the Business Plan to cover such attacks

TfL will manage these and other risks by regularly reviewing the assumptions underpinning the Business Plan and, where appropriate, adopting risk-specific mitigation strategies such as financial investments to limit TfL's exposure.

Risk management processes

In implementing the Business Plan, TfL has to understand the possible risks and ensure appropriate actions and resources are in place to manage them and mitigate any possible impact.

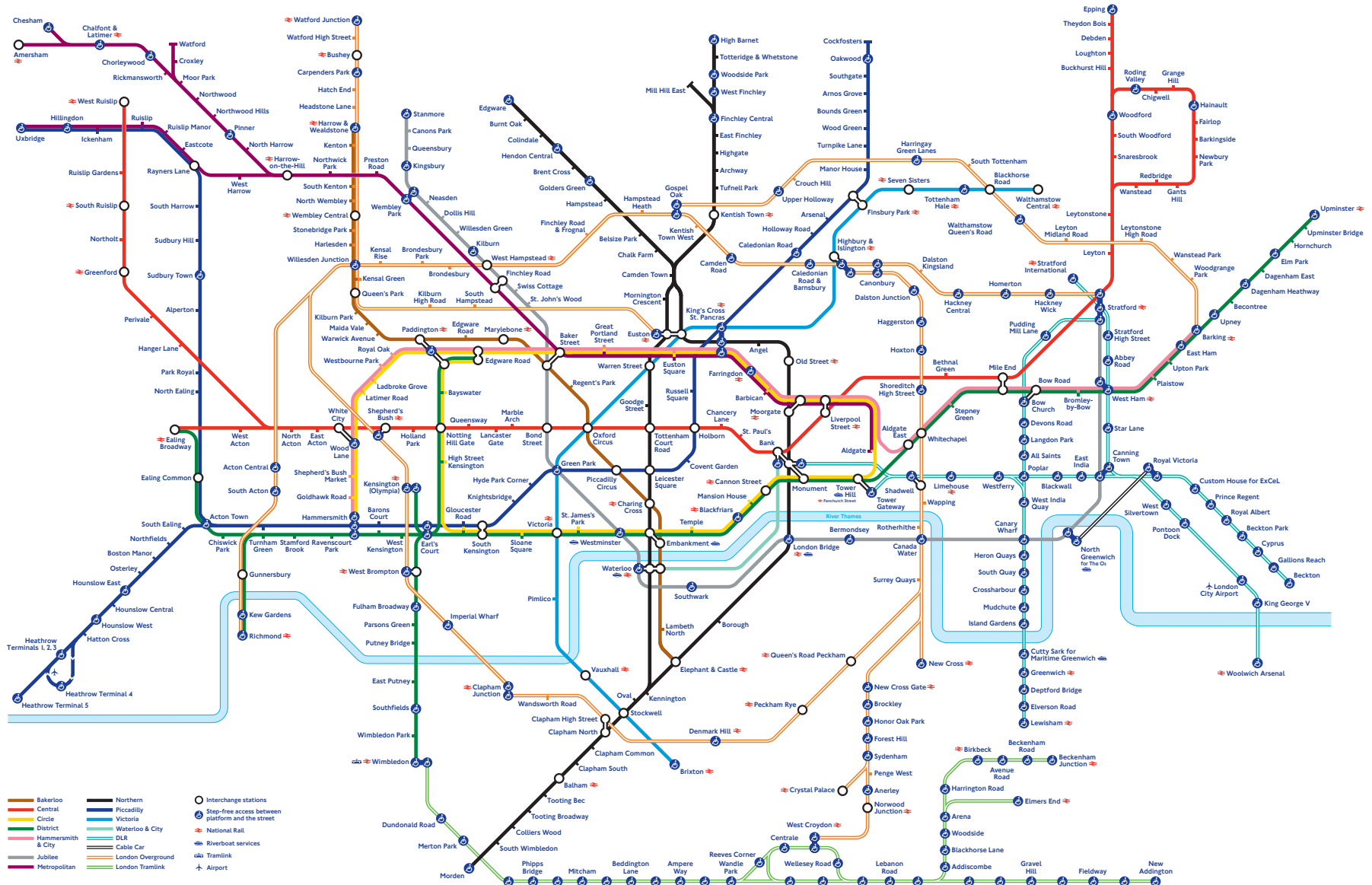
The management of safety risks is at the core of TfL's operations.

TfL has a well established, structured approach to the management of Health, Safety and Environment (HSE) based on HSE Management Systems and continuous improvement. TfL reports annually on its HSE performance. To improve its reporting TfL will produce a single combined HSE report in 2011/12. TfL will also begin reporting against a new safety performance measure in 2011/12, 'major injuries per million hours', that will include staff, contractor and customer major injuries associated with the public transport network. In future years targets will be set to ensure that the rate of injury continues to fall.

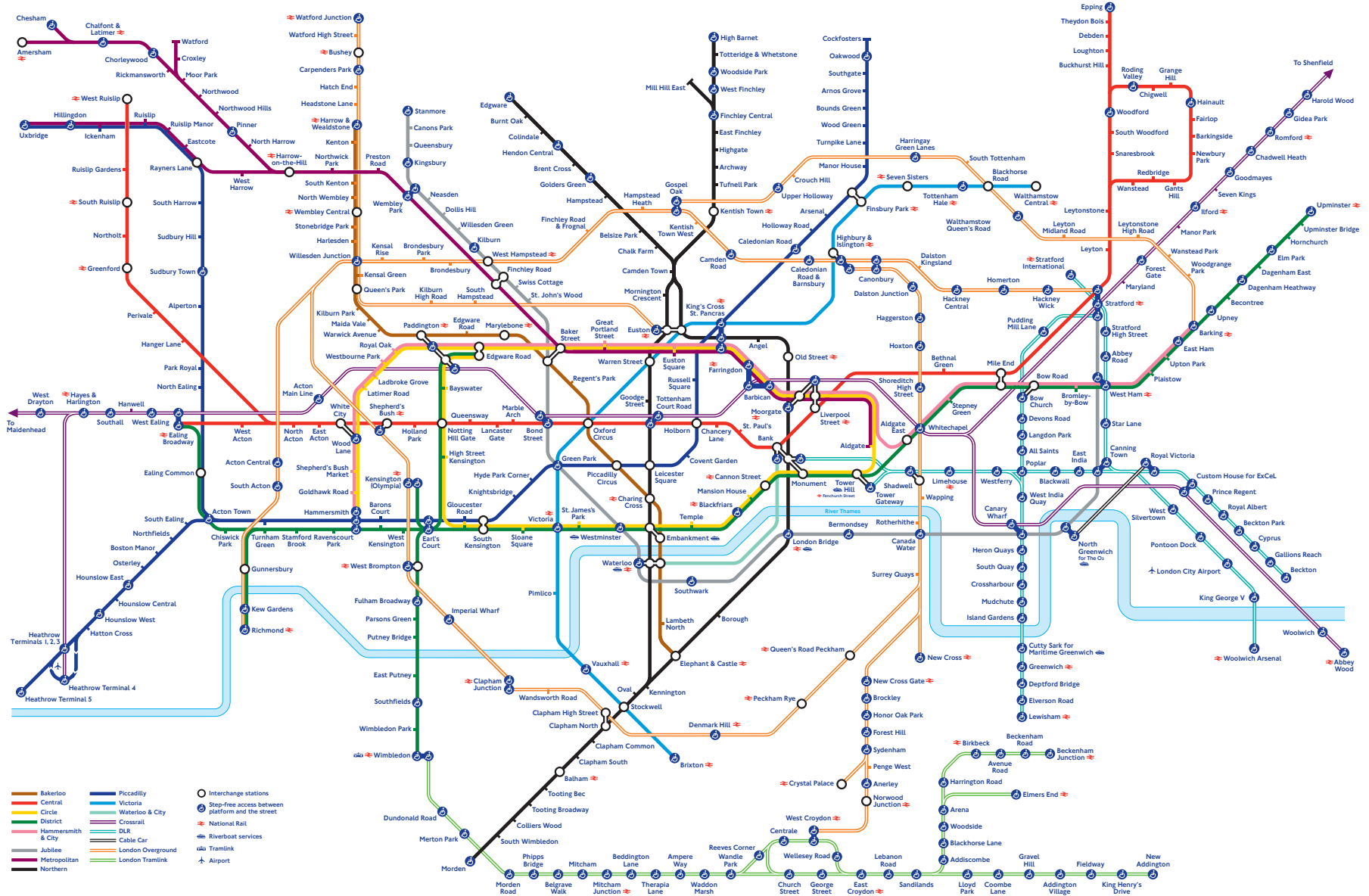
Strategic risks are managed through the annual business planning and associated in-year reporting and monitoring processes. TfL seeks to maintain a General Fund balance of £150m (and a minimum cash balance of £250m), to protect it from the short-term effects which may arise from the crystallisation of specific risks, and to ensure liquidity. Should there be a significant call on the General Fund, provision would be made in future years' budgets to rebuild the reserve to this target level.

TfL has a strategic risk management policy that is approved by TfL's Audit Committee. Risk management is the responsibility of all managers within TfL. The top 10-15 risks to the Business Plan objectives are identified through a process that includes direct input from all Chief Officers, and risks are regularly reviewed throughout the year by the director-level Risk Management Group. Information on TfL's risk management activity is reported to the TfL Audit Committee, and mitigations are monitored by TfL's Internal Audit department.

TfL's rail transport network at 2015



TfL's rail transport network at 2019



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March 2011

Budget 2011/12



Introduction

- 1.1 This paper outlines Transport for London's (TfL's) budget for 2011/12. It has been developed based on the Mayor's Consolidated Budget for 2011/12, and represents the first year of the new Business Plan to 2014/15, which is being published alongside this budget.
- 1.2 The year 2011/12 will see Londoners benefiting from further service improvements resulting from the completion of major investment projects, including the Jubilee line upgrade, the North London Railway Infrastructure project, the Docklands Light Railway (DLR) extension from Canning Town to Stratford International, the Blackwall Tunnel Northbound Refurbishment and the step-free access works at Green Park.

Operational Delivery

- 2.1 Key improvements in operational delivery are shown below. More detail is available in Appendix 4.

Improving the Underground

- 2.2 **London Underground** – As the upgrade programme continues, operational performance will improve as journeys become faster and more reliable. The Jubilee line upgrade signalling works will be completed in 2011, London Underground (LU) will then begin to realise the benefits of the new equipment through improved reliability and journey times, before the introduction of the full upgrade timetable over the rest of the year. The completion of the replacement of the Victoria line fleet will allow LU to make timetable improvements to the line in 2011/12.

Getting London Moving

- 2.3 **DLR** – Following completion of the major infrastructure works, DLR will be focusing on resilience and performance enhancement in advance of the London 2012 Olympic and Paralympics Games.
- 2.4 **Bus Network** – The ongoing process of reviewing the network continues, with appropriate changes being made in response to demand. 2010/11 saw the best ever operational performance. In 2011/12, TfL expects to see continued growth in passenger demand; it is estimated the network will carry a further 28 million passengers and is targeted to operate an additional three million bus kilometres.
- 2.5 **Articulated bus withdrawal** – Five routes have been converted to date and the remaining seven routes will be converted by the end of 2011/12.
- 2.6 **Legible London** – Legible London is a map-based pedestrian information system that provides high-quality and consistent information to help people navigate the Capital on foot. It is now operating in central London, including at all Barclays Cycle Hire docking stations, and will be extended across the four host Olympic boroughs ahead of the 2012 Games. A further five boroughs have committed to introduce Legible London by April 2012.
- 2.7 **Transport for London Road Network (TLRN)** – TfL has set itself targets to reduce both the overall number of roadworks on the TLRN and the amount of serious and severe traffic disruption they cause. Key actions include introducing and developing the London Permit Scheme that requires any organisation wishing to dig up a road to obtain a formal permit from the relevant highway authority. So far, TfL and 18 boroughs are operating the scheme and a further seven are scheduled to introduce it in 2011/12. TfL is also working with the Department for Transport (DfT) to develop and implement a 'lane rental' system for works promoters seeking to dig up the busiest roads at the busiest times.

Encouraging More Cycling

- 2.8 **Barclays Cycle Hire scheme** – Phase two of the scheme will expand the cycle hire network, increasing capacity by 2,000 bicycles and roughly 200 docking stations. It will cover an additional area to the east of Phase 1, taking in the whole of Tower Hamlets and parts of Hackney, and is scheduled for roll out by spring 2012.
- 2.9 **Barclays Cycle Superhighways** - The first two of 12 planned Barclays Cycle Superhighways opened in July 2010. Superhighways give cyclists safer, faster, direct and continuous routes along recognised commuter roads. The routes include a variety of features such as a blue surface, bespoke signage, and the trial of road side safety mirrors, as well as information to encourage people to cycle. A further two routes will be completed in the summer of 2011.
- 2.10 **Cycle parking** - By 2012, TfL will work to reach the Mayor's manifesto commitment to provide 66,000 new cycle parking spaces. Of these, 55,000 cycle parking spaces will be delivered by March 2012 by TfL, the London boroughs, other partners and the private sector.

Expanding the Overground

- 2.11 **London Overground** – Operational services commenced in February 2011, the new railway link from Dalston to Highbury and Islington became operational, completing the connection of the North London and East London line services.

Improving the Urban Environment

- 2.12 **Hybrid buses** - Bus engine emission standards, already ahead of legal requirements, will be further improved by the continued introduction of diesel electric hybrid buses. Currently 56 are on trial. TfL plans to deliver an additional 184 by March 2012 and then a further 60 to have a total of have 300 hybrid buses will be in use by the end of 2012, after receiving grants of £13m from the DfT's Green Bus Fund.
- 2.13 **Hydrogen buses** - Furthermore, the UK's first zero-emission bus route will be created during 2011. Eight zero-emission hydrogen hybrid buses will be introduced on route RV1, which runs from Covent Garden to the Tower of London. The route passes through some of London's most polluted areas, so its conversion to hydrogen power will help to improve London's air quality.
- 2.14 **Low Emission Zone** - The aim of the Low Emission Zone (LEZ) is to improve quality of life by reducing harmful traffic emissions in the Greater London area. It is estimated that extending the LEZ to larger vans and minibuses in 2012 will save around 80 tonnes of emissions between 2010 and 2015.

Improving the Journey Experience

- 2.15 **Future ticketing** - TfL continues to develop ways of making payment for travel faster and more convenient on London's transport network through simplified ticketing systems. The next step will be the acceptance of contactless (debit and credit) payment cards.
- 2.16 From spring 2012, passengers will be able to pay for their single bus fares by touching a contactless-enabled card on to the readers on London's 8,000 buses. The cost of the journey will be directly debited from their credit or debit card so they will no longer need to check their balance and then top up a pay as you go Oyster card.

Investment Delivery

3.1 Key areas of investment in 2011/12 are shown below, for more detail see Appendix 4.

Improving the Underground

- 3.2 LU will continue the biggest transformation in its history, including improvements to track, trains, signals and stations.
- 3.3 The **Jubilee line upgrade**. Following the acquisition of Tube Lines, TfL has finally been able to move the upgrade project forward so that it is now a realistic, credible, well-organised scheme that will be completed in 2011. This upgrade involves replacing the signalling and train control system, allowing more trains to run. Trains now operate on a large part of the line under the control of the new signalling system. Taking advantage of the upgraded assets, new timetables will be introduced incrementally to increase capacity by 33 per cent – equivalent to 5,000 more passengers an hour – and reduce journey times by 22 per cent.
- 3.4 The **Victoria line upgrade** will make substantial progress during 2011/12 towards completion of the line upgrade, which will deliver a 21 per cent increase in peak capacity by 2012/13. More than half of the train fleet has already been replaced with new trains, which provide more space, are more accessible and have CCTV throughout. By the end of 2011/12, all trains will have been replaced, which will allow LU to make service improvements utilising the already-installed signalling system.
- 3.5 The **sub-surface railway upgrade** is the single biggest component of the investment programme on the Underground. By the end of 2011/12 almost all Metropolitan line trains will have been replaced by the new S-stock vehicles. In addition, the first train will be delivered for testing on the Circle and Hammersmith & City lines. These trains have walk-through carriages and, for the first time on the Underground network, air conditioning in all cars. The trains are fitted with CCTV throughout and enhanced customer information systems. In preparation for the introduction of new trains, the District and Circle lines will be suspended between High Street Kensington and Edgware Road from 22 July to 24 August 2011.
- 3.6 **Victoria station upgrade** project will greatly enhance the existing interchange with Victoria National Rail station by addressing the problem of overcrowding. It will also allow the benefits that the Victoria line upgrade brings to be fully realised. Last year, the main ticket hall had its ticket office expanded. This year, work will begin on a new ticket hall to the north-east of the current station, with demolition of buildings on the site commencing in August 2011. In addition, work will begin to widen the main entrance staircase that is crucial to this interchange. The overall scheme will be completed in 2018.
- 3.7 **Tottenham Court Road station upgrade** – This year, the shaft that will provide new escalators from the Northern line will be constructed. In addition, the Northern line tunnels will be strengthened before further passageways are constructed. The new ticket hall will be operational from 2016, and the full scheme will be completed by 2017.
- 3.8 **Paddington (H&C) station upgrade** – Construction works at Paddington Hammersmith & City station will continue in 2011/12 following on from the closure of the station in August 2010, which allowed a disused taxi ramp to be removed and the construction of the new ticket office to commence. The overall scheme will be completed in 2014.
- 3.9 **Accessibility** – As part of major schemes, TfL will continue to improve the accessibility of the Underground, including the number of step-free platform-to-street Underground stations. The total will reach 65 in 2011, including Green Park, a key Olympic interchange station, becoming step-free from street level to all platforms.

Getting London Moving

- 3.10 **Smoothing traffic flow** – A number of initiatives are being delivered to smooth traffic flow and improve journey time reliability. These include route improvements to Bounds Green, signalised pedestrian crossings and traffic signal alterations at Henlys Corner, upgrading traffic signals by expanding Split Cycle Offset Optimisation Technique (SCOOT), trialling Pedestrian Countdown technology and improving the resilience of core systems.
- 3.11 **Overground rolling stock** – The East London line will have a further 13 trains by 2012 to support the London Overground service improvements resulting from the new extensions.
- 3.12 **DLR Upgrades** – Three-car operation is being introduced on the whole of the DLR network. This activity covers the structural works (platform extensions, track realignment and viaduct strengthening) necessary for three-car operations of the DLR network. This is due for completion in summer 2011.
- 3.13 **DLR extensions and new services** – The DLR extension to Stratford International station from Canning Town (using the previous North London line alignment to Stratford Regional station) is due to open in summer 2011. This will provide new access to international and high-speed domestic commuter services, as well as three new intermediate stations.
- 3.14 **Bus garages** – Capital provision for garages will be used to maintain the fabric of those garages for which TfL, as landlord, has responsibility. Expenditure in 2011/12 will be concentrated on works at Ash Grove bus depot, which was originally opened by London Buses in 1981.
- 3.15 **London Tramlink** – Plans are being developed to run more services by leasing up to 10 additional trams. Companies have been invited to submit proposals to supply the new trams, which would increase service frequency on the busiest route, between central Croydon and Elmers End. An infrastructure project will be carried out to modify the track and stations to allow the new trams to run on the network.
- 3.16 **Cable car** – A gondola-style cable car service is being developed that will span the River Thames, connecting Greenwich Peninsula near North Greenwich Tube station and other local amenities to the Royal Victoria Dock. The service will make it easier for pedestrians and cyclists to cross the Thames in East London. Crossings will take around five minutes. It is estimated that the cable cars will carry about two million passengers a year.
- 3.17 **Dial-a-Ride vehicles** – The fleet will benefit from the introduction of replacement low floor minibuses during 2011. The first batch will be delivered by September 2011 and the second batch by January 2012. These will replace the oldest vehicles in the existing fleet, and will comply with the new LEZ requirements coming into force in January 2012. The new vehicles will be of the same user specification as the previous models that have proved popular with Dial-a-Ride passengers.

Improving the Urban Environment

- 3.18 **A New Bus for London** – The contract for the design, development and production of a prototype and the first five vehicles was awarded to Wrightbus of Northern Ireland in January 2010. During 2011, an engineering test vehicle, also known as a proving vehicle, will be completed and undergo extensive systems and endurance testing. This will be followed by the prototype vehicle, which will be delivered to London towards the end of 2011 for driver training and route familiarisation. The next five vehicles will be delivered in early 2012 for operational service.
- 3.19 **Public realm** – Public realm schemes make streets and public spaces safer, and create a city in which people can enjoy being outdoors. They improve accessibility and connections between places and modes of travel, encourage walking and cycling, and enhance the quality of the local environment. By 2012, a number of 'Better Street' flagship schemes will also have been completed by the boroughs with TfL support. These include Piccadilly two-way working (general traffic allowed both ways), Leicester Square and Wimbledon Town Centre.

Improving the Journey Experience

- 3.20 **Making public transport safer** – In 2011/12, TfL will maintain its investment in police officers on buses, the Tube, trains, and at suburban stations while continuing to strive for efficiencies from policing budgets. Focus during 2011/12 will be on maintaining the already record low crime levels on the transport system and measures to improve passenger perceptions, particularly for those passengers whose use of public transport is affected by concerns about crime and disorder. In addition, TfL's Revenue Protection Inspectors will maintain a uniformed presence on the bus and Tube networks to tackle fare evasion and discourage crime and antisocial behaviour.
- 3.21 **Bus passenger information** - There will be further improvements in information provided to bus passengers, with real time arrival information available over the internet and mobile phones for all 19,000 bus stops during 2011. Upgraded Countdown signs will be provided at 2,500 key bus stops by 2012.

Expanding the Overground

- 3.22 **Stratford station upgrade** - The Stratford area will see a huge increase in passenger numbers over the next eight years because of continued development, including the new Stratford City shopping centre. The station will be the primary access point to the 2012 Games, generating demand far in excess of normal traffic.
- 3.23 The upgrade includes a new westbound Central line platform, step-free access to all platforms, a mezzanine gateline to link to a new 'town centre bridge' that will connect the current town centre with the Stratford City development, and a new Northern ticket hall connecting directly to the development and providing easy access to the Olympic Park. These will be complemented by a new improved signage scheme.
- 3.24 **London Overground** - With funding support from the Olympic Delivery Authority, tracks and signalling on the Overground network are being upgraded. These works are being carried out by Network Rail and will enable TfL to run more frequent and reliable services on all routes.
- 3.25 **East London line extension - Phase 2** - The construction work on the new 1.3km link between the existing South London Line and Surrey Quays is scheduled to commence in the spring of 2011, with completion by the end of 2012.

Crossrail

- 3.26 The new railway will link the outer suburbs east and west of London with fast, frequent, high-capacity services to the City, West End, Heathrow Airport and Docklands. A total of 21km of new tunnels will be built. Contracts for the tunnels were awarded in December 2010, with main construction starting in 2011.

Performance Outcomes

- 4.1 The performance outcomes included in the 2011/12 Budget are based on levels in the Quarter 3 2010/11 forecast. Where the final outturn for the year exceeds the forecast, the Budget will be amended to maintain the level of improvement.

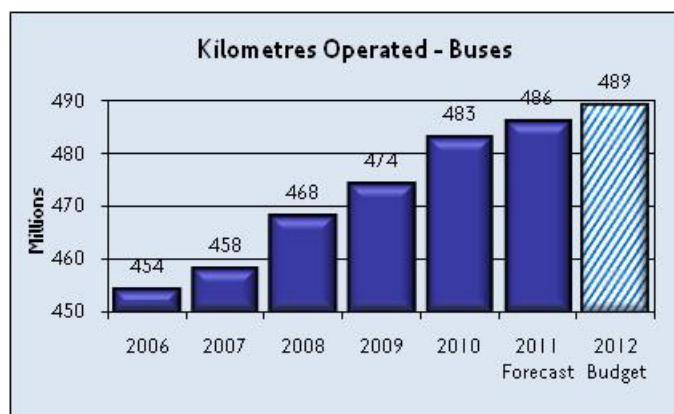
Supporting Economic and Population Growth

- 4.2 Overall kilometres scheduled on LU are budgeted at 72 million, 5 per cent or 3 million kilometres higher than the forecast for 2010/11. The growth shown in the budget for 2011/12 is a result of improving service quality and running additional trains on upgraded lines.



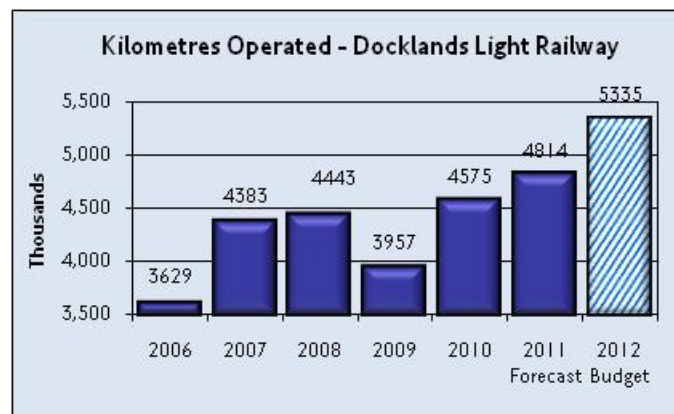
- 4.3 In 2011/12, LU is budgeted to operate at least 97 per cent of its scheduled services which is 1 per cent higher than the 2010/11 forecast.

- 4.4 Bus kilometres operated are budgeted to be 489 million, an increase of 1 per cent or 3 million kilometres.



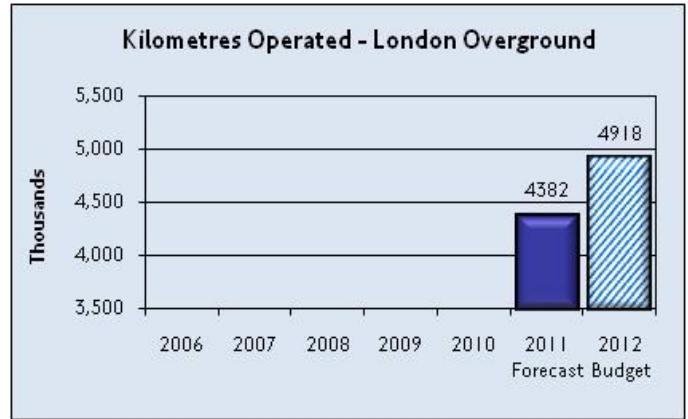
- 4.5 The London buses scheduled services operated are expected to decrease marginally to 97.3 per cent, which is 0.1 per cent lower than forecast for 2010/11, reflecting a degree of pressure on the road network as London's economy grows.

- 4.6 The DLR is budgeted to operate 5.3 million kilometres in 2011/12, which is 11 per cent higher than the anticipated level for 2010/11. This reflects the impact of the Stratford International Extension, due to open in summer 2011.

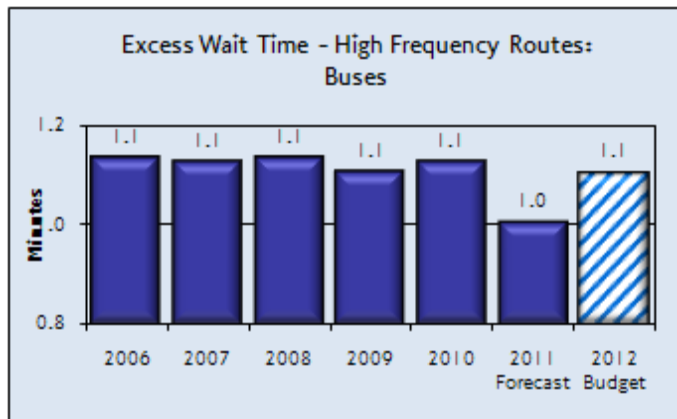


- 4.7 The DLR is targeted to run 98 per cent of scheduled services, which is an improvement of 0.2 per cent on the 2010/11 forecast.

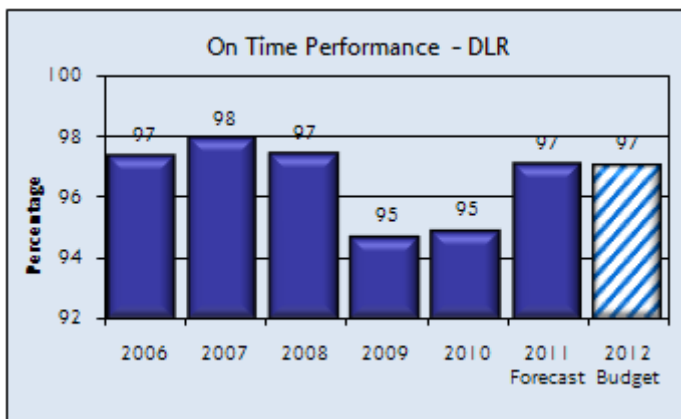
4.8 London Overground is budgeted to operate 4.9 million kilometres in 2011/12, which is 12 per cent higher than the anticipated level for 2010/11. The budget reflects the full year impact of the East London line opening. Additional kilometres are also expected as a result of the new link from Dalston to Highbury and Islington, which opened in February 2011.



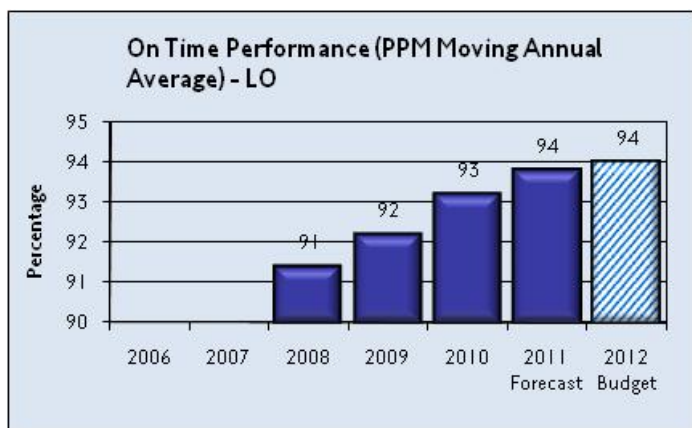
4.9 The excess journey time target of 6.2 minutes for 2011/12 reflects a significant improvement to the reliability of the Underground network.



4.10 Excess wait time across the bus network is forecast at 1.1 minutes for 2011/12. This is in line with previous years' good results, which have been supported by the introduction of Quality Incentive Contracts, improved service control and the introduction of congestion charging in 2003. It is 0.1 minutes higher than the forecast for 2010/11 which reflects the pressure on service reliability as London's economy grows.



4.11 On time performance for the DLR in 2011/12 is scheduled to be maintained at 97 per cent. This is above the contractual level of 96 per cent.



- 4.12 On time performance for London Overground is expected to improve in 2011/12 by 0.2 per cent to 94 per cent.

TfL Road Network

- 4.13 **Total Serious and Severe Hours Disruption on the TfL Road Network** – Through better management and co-ordination of roadworks and planned events, and improved responses and mitigation to unplanned incidents TfL plans to reduce disruption from a target of 2,227 hours in 2010/11 to 2,110 hours in 2011/12.
- 4.14 **Average Journey Time Reliability on the TfL Road Network during the morning peak** – This is defined as the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey on the TfL Road Network during the morning peak. This is a new indicator for measuring the smoothing of traffic flow for which no historic data is available. A target of 89 per cent journey time reliability on the TfL Road Network during the morning peak has been set for 2011/12.

Quality Of Life

- 4.15 LU is targeted to deliver another successful customer satisfaction score of 79 in 2011/12, despite ongoing disruption due to line upgrade works.
- 4.16 An overall customer satisfaction score of 79 is forecast for the bus network. This is the same as the forecast outcome for 2010/11.
- 4.17 The targeted customer satisfaction score for the DLR in 2011/12 is 81 points. London Overground's customer satisfaction score target for 2011/12 is 78 points, an improvement of three points based on 2010/11.

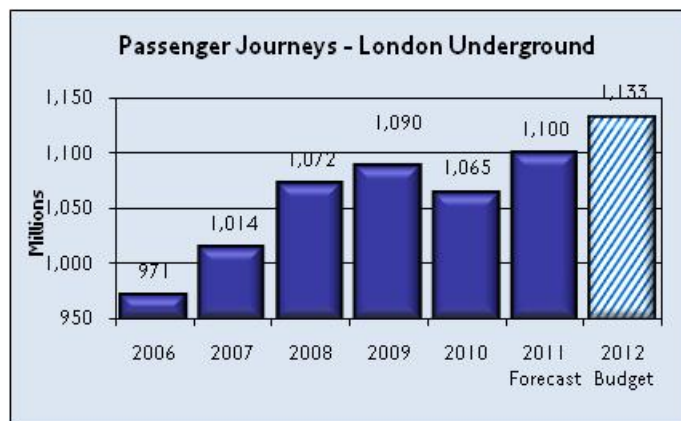
Contextual Measures

Passenger Demand

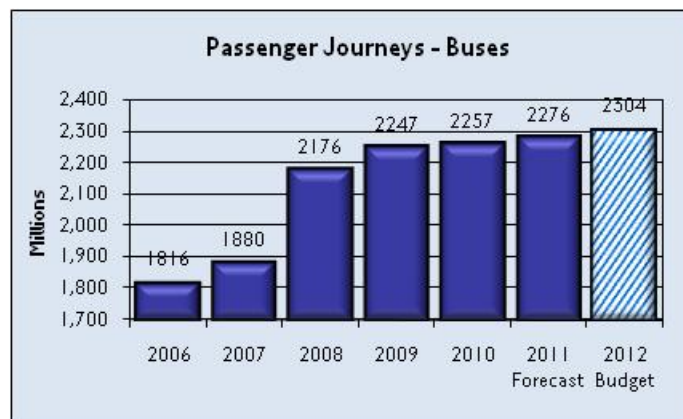
4.18 Total passenger journeys for LU, DLR and London Buses are budgeted to be 3,519 million in 2011/12. This is 66 million or two per cent higher than 2010/11 (Quarter 3 forecast). This mainly relates to 33 million more journeys on LU, 5 million more journeys on the DLR, and 28 million more journeys on the bus network.



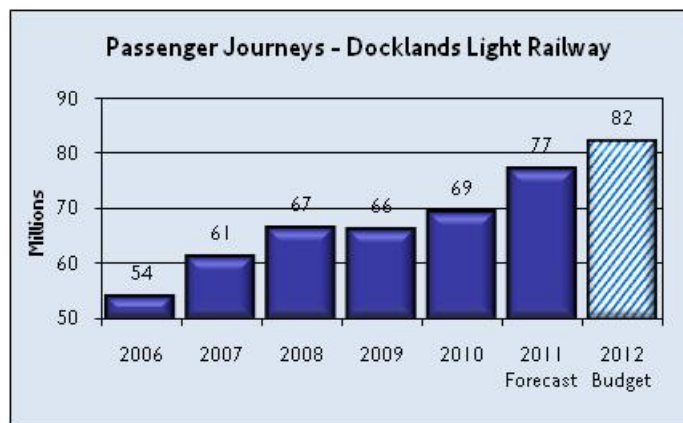
4.19 Demand on LU is expected to increase in 2011/12 by 3 per cent, to 1,133 million journeys. The recession did slow demand for LU in 2009/10, but it has recovered quickly to provide a record year in 2010/11 with continued growth forecast for future years.



4.20 Demand on the bus network is forecast to rise by 1 per cent to 2,304 million journeys in 2011/12.



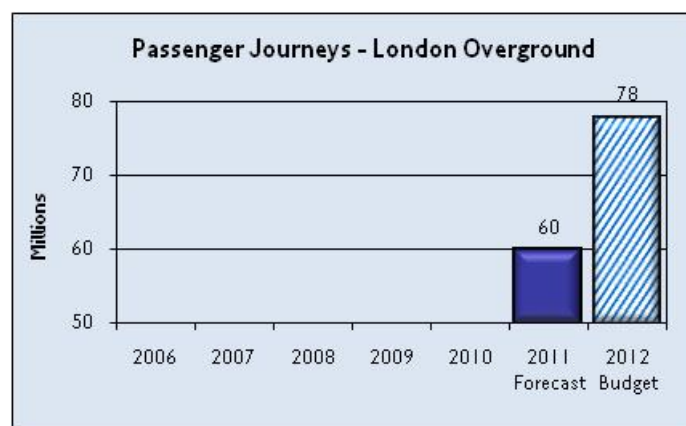
4.21 The DLR is forecast to carry 77 million passengers in 2010/11. Passengers are expected to make 82 million journeys in 2011/12, 5 million or 7 per cent more than in 2010/11. This reflects the impact of Stratford International Extension opening in summer 2011, an increase in three-car services and a general improvement in market conditions.



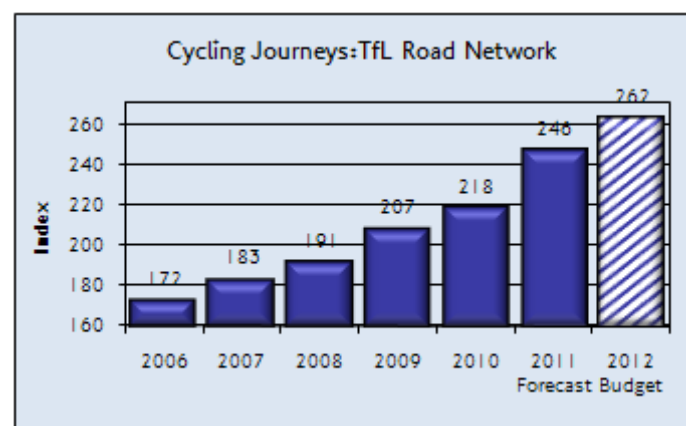
4.22 London Tramlink (LT) passengers are expected to make 28.1 million journeys in 2011/12, which represents a slight growth on the 2010/11 forecast. This does not include the additional capacity that would be provided by the proposed leasing of up to 10 additional trams.



4.23 London Overground passengers are expected to make 78 million journeys in 2011/12. This is an increase of 18 million journeys or 30 per cent. This reflects the full year impact of the East London line opening, plus the new link from Dalston to Highbury & Islington opening in February 2011.



4.24 Cycling journeys on the TfL Road Network are targeted to increase by 7 per cent in 2011/12. TfL is working to increase cycle trips by 400 per cent by 2026, against the 2000 baseline. This would take the overall modal share for cycling from two to five per cent.



- 4.25 The Traffic Flow index is a sample set of strategic automatic traffic counters across London, for an average 24 hour weekday. This indicator is included because it enables Surface Transport to monitor traffic demand on London's Roads, an understanding of which is crucial in smoothing traffic flow.

Operating and Capital Financial Budget 2011/12

- 5.1 TfL's overall budget of operating and capital expenditures is shown in the tables below. A detailed breakdown of the budget by business unit is provided in Appendix 2, and by activity with detailed descriptions of deliverables in Appendix 4.
- 5.2 The 2010/11 forecast, shown in the tables below reflects the forecast at period 11, which is a more recent forecast than the forecast published in the Quarter 3 Operations and Finance Report, which is based on the Period 9 forecast.
- 5.3 The full impact of TfL's transition to reporting under International Financial Reporting Standards is not reflected in this budget. The budget will be updated following the statutory year end process, in time for Quarter 1 2011/12 reporting.
- 5.4 The 2011/12 Budget is based on the first year of the Business Plan.

Table 1: Operating Budget

(£m)	2010/11 forecast	2011/12 budget
Fares	3,184	3,468
Congestion charge, LEZ and enforcement income	344	284
Other operating income	379	310
Interest income	3	5
Total income	3,910	4,067
Operating costs (net of third-party contributions)	(5,355)	(5,693)
Debt interest	(254)	(304)
Group items	(131)	(71)
Total operating expenditure	(5,740)	(6,068)
Net operating expenditure	(1,830)	(2,001)
General Grant	3,160	1,943
Overground Grant	26	26
GLA precept	12	6
Other revenue Grants	-	14
Total revenue grants	3,198	1,989
Surplus/ (deficit) to fund capital plan	1,369	(12)

Numbers may be subject to rounding

- 5.5 Key movements in the table above include:
- For the first time from 2011/12 the 2010 funding settlement with Government includes a notional split of the transport grant into General Grant and Investment Grant. In 2010/11, all major grants are included under the 'General Grant' heading.

- Fares increase of £284m between 2010/11 in 2011/12 primarily on the Tube (£160m) and the Bus Network (£86m)
- Operating costs have increased by £338m over the same period due primarily to inflationary increases, the full year impact of the Tube Lines acquisition and the rephasing of maintenance expenditure, increases in one-off revenue projects in LU that are not capitalised. The 2010/11 costs included £107m of one-off provision write backs following the acquisition of Tube Lines, which reduced expenditure in that year.
- Congestion charge, LEZ and enforcement income reduces following the removal of the Western extension of the Congestion Charging Scheme in December 2010.

Table 2: Capital budget

(£m)	2010/11 forecast	2011/12 budget
Capital expenditure	(1,972)	(2,023)
Third-party contributions - capital	78	74
Net capital expenditure	(1,894)	(1,949)
Crossrail	(572)	(1,089)
Net capital expenditure incl. Crossrail	(2,466)	(3,038)
Funded by:		
Surplus/ (deficit) from the operating budget	1,369	(12)
Crossrail funding sources	1,222	1,390
Investment grant	-	861
Metronet grant	-	424
Other capital grants	107	25
Sales of property and other assets	38	44
Working capital	(287)	(255)
Net borrowing and reserve movements	17	561
Total	2,466	3,038

Numbers may be subject to rounding

- 5.6 The Crossrail expenditure included above is the direct expenditure of the project. This differs from the presentation in the Business Plan, which is based on the agreed funding level to the Crossrail project.
- 5.7 The working capital figure above is also calculated on a different basis to that in the published Business Plan. It includes Crossrail working capital movements. It also includes other items that are excluded from the Business Plan as they relate to amounts outside the definition of TfL cash used in the Business Plan (which excludes amounts not available to fund TfL's general expenditure). The figure includes the impact of the acquisition of Tube Lines, and other one-off movements in cash. This also result in a different figure compared with the Business Plan for reserve movements included within net borrowing and reserve movements.

Balance Sheet and Cash

Table 3: Balance sheet

(£ m)	Forecast 31 March 2011	Budget 31 March 2012
Fixed assets	23,810	25,872
Current assets	2,551	2,291
Liabilities	(23,752)	(25,927)
Total net assets	2,609	2,236
General fund	(154)	(154)
Earmarked reserve	(1,301)	(1,215)
Other reserves	(1,154)	(868)
Total capital employed	(2,609)	(2,236)

Numbers may be subject to rounding

- 6.1 The increase in fixed assets from the 31 March 2011 forecast position primarily consists of additions net of depreciation and disposals. The increase in long term liabilities includes additional deferred capital grants of £2bn.
- 6.2 Earmarked reserves are anticipated to decrease by £86m. This comprises an increase in Crossrail specific earmarked reserves of £109m, more than offset by a reduction in other TfL earmarked reserves of £195m. A more detailed balance sheet is included as Appendix 3.

Table 4: Cash Summary

(£ m)	2010/11 forecast	2011/12 budget
Net revenue expenditure	(1,830)	(2,001)
Net capital expenditure	(2,427)	(2,994)
Working capital movements	(287)	(255)
Cash spend	(4,544)	(5,250)
Funded by:		
Transport and other grants	3,293	3,293
Precept funding	12	6
Net borrowing and other financing	491	363
Crossrail funding sources	1,222	1,390
Total funding	5,018	5,052
Net movement in cash	474	(83)
Crossrail sponsors funding account	562	921
Other TfL cash balances	947	1,062
Opening cash	1,509	1,983
Crossrail sponsors funding account	921	920
Other TfL cash balances	1,062	866
Closing cash	1,983	1,785

Numbers may be subject to rounding

- 6.3 Budgeted cash balances at 31 March 2012 of £1,785m represent a decrease of £198m from those forecast to be held at 31 March 2011 (based on the Quarter 3 forecast). The closing balance includes £920m held on behalf of the Crossrail project; this amount is ring fenced and is not available for use on any other TfL expenditure.
- 6.4 TfL's policy is to hold a minimum of £250m at all times, to ensure liquidity, allowing for fluctuations in income and expenditure. The budgeted cash balance at 31 March 2012 of £1,785m includes £866m of non-Crossrail cash, which is either fully committed for Investment Programme expenditure in future years or is not available to fund general expenditure (e.g. cash held by London Transport Insurance (Guernsey).)
- 6.5 The balance sheet and opening cash will be adjusted in light of TfL's actual closing position as reported in the 2010/11 statutory accounts. This will impact the closing balance sheet and closing cash, with expenditure remaining as budgeted.

Cost Reduction Programme

- 7.1 The revision to the current Business Plan will see TfL's savings programme deliver savings of £7.6 billion (net of implementation costs) over the period from 2009/10 to 2017/18. In 2011/12, savings to be delivered are £0.8 billion.
- 7.2 Following the successful Continuous Savings Exercise (CSE) undertaken in 2009, a second CSE was undertaken in 2010 as part of TfL's planning process, in which all budget holders were asked to identify opportunities to meet a savings target, through further efficiencies, generating additional secondary revenue, or by identifying and cutting out the lowest priority areas of expenditure, without affecting frontline services. The resulting savings formed part of TfL's response to the spending review.

Table 5: Overall Savings Targets in 2011/12 Budget

(£m)	2010/11 forecast	2011/12 budget
Corporate and Group Wide	135	173
LU	317	423
Surface Transport	142	226
London Rail	9	14
Total gross saving	603	837
Implementation cost	(62)	(37)
Total net savings	541	800

Numbers may be subject to rounding

- 7.3 To ensure that the stretching £7.6bn savings target is achieved, the Commissioner has launched a fundamental review of TfL's structure. 'Project Horizon' is looking to streamline decision-making and eliminate duplication, improve accountabilities and adopt new and flexible ways of working, to ensure that TfL is well placed to protect front-line services and deliver further value for money. Horizon is due to reach initial conclusions this spring, with implementation planned for later this year.
- 7.4 The updated savings programme comprises a substantial number of initiatives, ranging from small scale local savings projects yielding a few thousand pounds to high value programmes with values in excess of £100m. Specific examples across TfL that will deliver savings in 2011/12 include:

Corporate and group wide

Significant reductions in all back-office costs including:

- Accommodation - disposal of surplus space and use of cheaper locations. TfL has reduced the capacity on its estate by more than 1,300 workstations during 2010/11 and will continue to reduce capacity going forward.
- Achieving better value contracts with specific focus on engineering and construction, information management (IM), operational services and corporate support - further enhanced through increased collaboration across operating units
- Reduced human resources (HR) support costs following the integration of TfL's various HR functions into one team that covers the whole organisation
- Group Finance – reduced support costs through a single business support function
- Fares and ticketing: recurring savings from the termination of the Prestige contract and procurement of more cost-effective arrangements

- A continued reduction in the use and cost of non-permanent labour

LU

- A reduction of 800 operational roles to reflect changes in customer requirements for ticket offices and rationalisation of operational management structures
- A reduction in support roles, reducing the number of permanent 'back-office' staff by around 400, with a similar number of vacant posts and roles currently filled by non-permanent labour being removed
- Review of the Piccadilly and sub-surface upgrade programmes to maximise synergies between each programme
- More cost effective packaging of certain capital works, with step-free access at stations which are subject to either congestion relief, Crossrail or Thameslink upgrades being delivered as one contract

Surface Transport

- Bus network contract efficiencies during 2010/11, delivering recurring savings in future years
- Reduced staffing levels following an organisational redesign, which has reduced duplication in the Better Routes and Places Directorate
- In collaboration with the boroughs, TfL has identified opportunities for savings and better value across London in the procurement of highway maintenance and management service contracts.
- Increased income from assets on the TfL Road Network through better commercial exploitation
- Ongoing savings from the re-let of Congestion Charging contract to IBM and the sale of East Thames Buses during 2009/10
- Continued reduced staffing levels in Enforcement and Streets following reorganisations
- Traffic signal maintenance and renewals contracts delivering savings following a move to outcome based contracts
- A continued reduction in the use and cost of non-permanent labour

Staff

- 8.1 Overall, by March 2012 staff numbers are budgeted to fall by 296 full time equivalents (FTE). As the table below illustrates, this reduction is across nearly every operating and non-operating business unit, the most significant being London Underground and Tube Lines.

Table 6: Total Staff

Full Time Equivalent (FTE) staff	Forecast at Qtr 3 for 31 March 2011	Budget 31 March 2012	Change
London Underground and Tube Lines	21,355	21,077	(278)
Surface Transport	3,643	3,662	19
London Rail	245	226	(19)
Corporate Directorates	2,619	2,609	(10)
Crossrail	384	376	(8)
Total staff employed (FTE)	28,246	27,950	(296)

Numbers may be subject to rounding

- 8.2 LU staffing numbers are budgeted to decrease by 185 FTEs. Due to the Support Services Review LU have budgeted to reduce staff numbers by 276 FTEs across all its other business units. This is

partially offset by increases within Maintenance's track and signalling teams (105 FTEs). These are mainly driven by the recommendations from the Independent Investment Programme Advisory Group (IIPAG) review and the demands of the upgrades programme on the Victoria and sub-surface lines.

- 8.3 Tube Lines is also projecting a decrease of 93 FTEs. This is largely due to the completion of the Jubilee line upgrade.
- 8.4 The staffing decrease within London Rail is primarily connected to the anticipated completion during the year of various investment projects.
- 8.5 Surface Transport staff numbers are forecast to increase by 19 FTEs. This consists of a decrease of a 100 FTEs offset by a temporary increase in 119 FTEs for the Games. The main decreases are among the support resources within Bus Performance (90 FTEs), Better Routes and Places (25 FTEs) and Roads and Traffic Directorates (18 FTEs). These decreases can largely be attributed to the implementation of efficiency initiatives. Dial-a-Ride shows an increase of 24 FTEs to bring it in line with its planned budgeted staff numbers. During 2010/11 vacant FTE posts within the business have been covered by a mix of overtime working and sub contracting operations to the Community Transport sector. The need for this infill activity will be reduced as vacant posts are filled.
- 8.6 The temporary increase of 119 staff in Surface Transport, supports several large areas of Games specific work now being managed by Surface Transport, namely Road Events, Movement Management, Olympic Route Network Compliance Freight and Local Engagement and Communication. These resources will be retained until decommissioning is complete which scheduled for March 2013.
- 8.7 Across the Corporate Directorates Units, the staffing reductions are mainly within Group HR. The decrease within Group HR (94 FTEs) is largely due to the transfer of graduates out of Group HR and into the business. This is offset by increases within Finance and Planning. The staffing increase within Finance (77 FTEs) is largely due to the former Metronet resources transferring into the directorate. In addition, the increase also reflects the recruitment drive for the Future Ticketing Project. This is partially offset by its efficiency programme. The increase within Planning (10 FTEs) is due to the transfer of graduates into that directorate.
- 8.8 The Crossrail staffing decrease is in line with the project schedule. Demand for resources is aligned to the planned mobilisation to support the delivery of this project.
- 8.9 The 2011/12 Budget headcount figures do not reflect any reduction resulting from Project Horizon, which is due to reach initial conclusions this spring, with implementation planned for later this year.

Risks and Opportunities

- 9.1 To assure delivery of the 2011/12 Budget, TfL senior management identifies and evaluates possible risks that may have a material impact on delivery. They also ensure that appropriate actions and resources are in place to manage those risks, and reduce the impact should any occur. Safety risk is dealt with separately as part of the management of the safety case, but strategic and operational risks, and opportunities are dealt with as part of the business planning and performance monitoring processes. Further details can be found in the Business Plan document.

Appendix I: Performance Indicators

Performance indicator	Units	Forecast	Performance	Budget
		2010/11	Change	2011/12
Supporting Development and growth				
Scheduled services operated – London Underground	Per cent	96.0	0.7 points better	96.7
Scheduled services operated – London Buses	Per cent	97.4	-0.1 point worse	97.3
Scheduled services operated – Docklands Light Railway	Per cent	97.8	0.2 points better	98.0
Scheduled services operated – London Trams ¹	Per cent	99.5	-1.5 points worse	98.0
Excess journey time – London Underground	Mins	6.3	0.1 mins better	6.2
Excess wait time – London Buses	Mins	1.0	-0.1 mins worse	1.1
On time performance – Docklands Light Railway	Per cent	97.0	Maintain	97.0
Passenger performance measure – London Overground	Per cent	93.8	0.2 points better	94.0
TfL Road Network -Journey time reliability (morning peak)	Per cent	88.6	0.4 points better	89.0
TfL Road Network - Serious and severe disruption ²	Hours	2,227	117 hours better	2,110
TfL Road Network - carriageway in state of good repair	Per cent	90	Maintain	90
Quality of life				
TfL Road Network – cycling index	Index	246	+16 points better	262
Customer satisfaction survey – London Underground	Score	79	Maintain	79
Customer satisfaction survey – London Buses	Score	79	Maintain	79
Customer satisfaction survey – Docklands Light Railway	Score	81	Maintain	81
Customer satisfaction survey – London Overground	Score	75	+3 points better	78
Customer satisfaction survey – London Trams	Score	86	Maintain	86
Customer satisfaction survey – Dial-a-Ride service	Score	93	Maintain	93
Customer satisfaction survey – Congestion Charging Scheme	Score	80	+4 points better	84
Customer satisfaction survey - Cycle Hire	Score	No forecast		74
Customer satisfaction survey - TfL Road Network	Score	No forecast		72
Total NOx emissions from TfL services	Tonnes	7,930	-290 tonnes better	7,640
Total PM ₁₀ emissions from TfL services	Tonnes	131	-7 tonnes better	124
Safety and security				
London Underground and Docklands Light Railway: recorded crime per million passenger journeys	No.	11.6	0.1 better	11.5
London Buses: recorded crime per million passenger journeys	No.	10.4	0.2 better	10.2
Londoners whose use of public transport is significantly affected by crime and disorder concerns	Per cent	30	1 point better	29
Cumulative reduction in killed and seriously injured London-wide (from 2004-08 base)	Per cent	No Forecast		4.7
Climate change				
Total CO ₂ emissions per passenger/ kilometre from TfL services	grammes per pax/km	75	Maintain	75
Transport opportunities				
Dial-a-Ride: number of journeys	Million	1.4	Maintain	1.4

¹ Decline reflects the impact of infrastructure works to provide additional capacity

Appendix 2: Operating and Capital Budget by Business Unit

(£m)	Operating budget		
	Income	Operating costs	Net operating expenditure
LU and Tube Lines			
Traffic revenue	1,909	-	1,909
Secondary revenue	146	-	146
Operations	-	(691)	(691)
Strategy and commercial	-	(310)	(310)
Maintenance	-	(430)	(430)
Programmes operating costs	-	(44)	(44)
Central services	-	(293)	(293)
Contracts (incl. PFI)	-	(9)	(9)
Revenue projects	-	(118)	(118)
Tube Lines	44	(428)	(384)
Total LU and Tube Lines	2,099	(2,323)	(224)
Surface Transport			
Bus network	1,360	(1,747)	(387)
Bus network infrastructure, operations and support	23	(91)	(68)
Dial-a-Ride and Assisted Transport Services	-	(48)	(48)
London Streets	15	(198)	(183)
Better Routes and Places	10	(182)	(172)
Congestion Charge, LEZ and enforcement	284	(269)	15
London River Services	2	(11)	(9)
Victoria Coach Station	15	(15)	-
Other	7	(83)	(76)
Total Surface Transport	1,715	(2,645)	(929)
London Rail			
DLR	97	(131)	(34)
London Overground	88	(176)	(88)
Trams	21	(23)	(2)
LR Development and HQ	-	(11)	(11)
Other		1	1
Total London Rail	205	(338)	(133)
Group Directorates			
Group Directorates	43	(388)	(345)
Net operating expenditure before group items	4,062	(5,693)	(1,632)
Debt service	-	(304)	(304)
Other group items	5	(71)	(66)
Net service expenditure	4,067	(6,068)	(2,001)

Numbers may be subject to rounding

(£m)	Capital budget		
	Capital expenditure	Third party contributions	Net capital expenditure
LU and Tube Lines			
Stations upgrade	(252)	17	(235)
Infrastructure incl. track and civils	(157)	-	(157)
Victoria line upgrade	(93)	-	(93)
Sub-surface line upgrade	(522)	-	(522)
Cooling the Tube	(15)	-	(15)
LU other	(104)	38	(66)
Tube Lines	(385)	-	(385)
Total LU and Tube Lines	(1,527)	55	(1,472)
Surface Transport			
Bus network infrastructure, operations and support	(31)	1	(30)
London Streets	(132)	6	(125)
Better Routes and Places	(41)	3	(38)
Congestion Charge, LEZ and enforcement	(6)	-	(6)
London River Services	(6)	-	(6)
Victoria Coach Station	(1)	-	(1)
Other	(14)	-	(14)
Total Surface Transport	(231)	10	(220)
London Rail			
DLR	(52)	4	(48)
London Overground	(110)	4	(106)
Trams	(2)	-	(2)
Other	(27)	-	(27)
Total London Rail	(191)	8	(184)
Crossrail	(1,089)	-	(1,089)
Group Directorates	(74)	44	(29)
Net service expenditure	(3,112)	118	(2,994)

Numbers may be subject to rounding

Appendix 3: Balance Sheet

(£m)	31 March 2011	31 March 2012
Fixed assets		
Tangible assets	23,810	25,872
Current assets		
Stocks	44	43
Debtors	524	462
Cash and investments	1,983	1,785
Total current assets	2,551	2,291
Liabilities		
Creditors	(2,007)	(1,814)
Finance lease creditors	(1,247)	(1,202)
Borrowings	(6,343)	(6,706)
Deferred capital grants	(11,604)	(13,768)
Provisions	(412)	(298)
Pensions	(2,140)	(2,140)
Total liabilities	(23,752)	(25,927)
Total net assets	2,609	2,236
Capital and reserves		
General fund	(154)	(154)
Earmarked reserves	(1,301)	(1,215)
Other reserves	(1,154)	(868)
Total capital employed	(2,609)	(2,236)

Numbers may be subject to rounding

Cash and investments		
CRL sponsor funding account	921	920
Other cash and investments	1,062	866
Total as above	1,983	1,785

Numbers may be subject to rounding

Appendix 4: Deliverables

London Underground and Tube Lines

£ m	Income	Operating expenditure	Capital expenditure
Traffic revenue	1,909	-	-
Secondary revenue	146	-	-
Operations	-	(691)	-
Strategy and commercial	-	(310)	-
Maintenance	-	(430)	-
Capital programmes	-	(44)	-
Central services	-	(293)	-
Contracts (including PFI)	-	(9)	-
Revenue improvements	-	(118)	-
Capital expenditure	-	-	(1,187)
Over-programming	-	-	100
Tube Lines	44	(428)	(385)
	2,099	(2,323)	(1,472)

Numbers may be subject to rounding

1.0 Income

1.1 Fares revenue

This represents fare income (net of Customer Charter Refunds) arising from the normal course of business. This including amounts received from London Borough Councils and County Authorities in respect of free and reduced fare travel for the elderly and disabled. The forecast amount of revenue is based on assumptions of passenger journeys (including ticket type), which is related to forecasts of London's economy, and ticket prices which are subject to Mayoral policy.

Deliverables

Description	Units	Target
Passenger journeys	Millions	1,133

1.2 Advertising and other income

This includes income from the CBS Outdoor advertising contract, income from renting LU's property portfolio, telecommunications income and other elements. The advertising revenue target is set in line with the income projections supplied as part of this contract. The income projections comprise guaranteed basic income plus a revenue share bonus for profits in excess of that amount. LU is paid the guaranteed amount as long as it is able to meet its obligations to deliver an agreed number of advertising sites.

2.0 Operating Expenditure

2.1 Operations

This activity covers the day-to-day delivery of customer services, including the staffing of trains, stations and service control centres. Between them, these staff manage the task of providing a reliable train service, offering information and assistance to customers, recovering the service after incidents and ensuring the customer environment is safe and welcoming.

This activity also reflects the cross-functional management, co-ordination and short-term staffing needs of the works necessary to bring about a line upgrade. Included too in Operations is the British Transport Police (BTP), which is responsible for maintaining security awareness and patrols, enhancing visibility, reducing disorderly conduct and notifiable crime levels.

Deliverables

Description	Units	Target
Excess journey time (weighted)	Mins	6.2
Overall customer satisfaction	Score	79.0
Train kilometres scheduled	Millions	72.4

2.2 Maintenance

This activity covers the maintenance of all track, rolling stock, signals, stations and civil assets on the sub-surface and Bakerloo, Central and Victoria lines. This includes routine maintenance, developing assets to get the highest performance and remedial action when incidents occur.

2.3 Capital Programmes

The Capital Programmes directorate is responsible for the management of capital project contracts, including the line upgrades, major station works, asset renewal in track, signalling, stations and civil assets and interfaces with projects not delivered by LU such as Thameslink and Crossrail. This section covers the operating expenditure required by capital programmes; further details of capital programme activities are provided within the capital projects section.

Deliverables

Description	Units	Target
Total infrastructure lost customer hours	Millions	17.68

2.4 PPP and other contracts

Other than small costs related to National Rail agreements and BTP/Heathrow contract costs, this section refers to the internal payments made by LU to Tube Lines for the upgrade and maintenance of the Jubilee, Northern and Piccadilly lines.

2.5 Strategy and commercial

This directorate manages the commercial non-capital projects including those associated with the general management of procurement and contract services and utility costs including gas, electricity and water. In addition, this area oversees the Power PFI, which provides for the operation, maintenance and renewal of the Underground power network, and the Connect PFI, which provides for and maintains an integrated digital radio communications system and transmission services system across the Underground network. This directorate includes the strategy function of LU,

including the management of the major asset areas, the transport planning function, the customer service development function and communications.

2.6 Central services

Central services cover support functions including employee relations, engineering, legal and contract reviews, managing director, safety quality and environment, and the finance and support office which includes the departments of finance, HR and IM, which support and enable the core operations, initiatives and investment programmes, as well as developing the three key areas of change management: people, process and technology.

3.0 Capital Projects

Capital expenditure represents expenditure on capital investment that is managed directly by LU. It does not include indirectly managed investment by Tube Lines.

The key deliverables shown below identify the projects that will be active during the year. Where a project has a key milestone during the year, this has been highlighted in the section below. It should be noted that not all active projects have key milestones during 2011/12.

3.1 Crossrail, Thameslink and third party

LU has obligations as part of major schemes delivered by other parties – notably works to support the Thameslink Programme and Crossrail.

Deliverables

Description	Date
Crossrail - CER equipment ready for installation into new location to be provided	Jun 2011
Thameslink - Complete LU enabling works for shield removal at Blackfriars	Jun 2011

3.2 Stations and accommodation

This element of the Investment Programme covers three main areas:

- Congestion relief programme - will address the severe congestion experienced at certain times of the day at some stations, which in the extreme can result in station closures at peak times and limitations on the operable train service
- Lifts and escalators programme - will bring the fleets of lifts and escalators back to a state of good repair and overcome the backlog of investment
- Station condition investment (asset stabilisation) - improvements to operationally-critical systems at LU stations including the renewal of dated station assets such as CCTV and communications equipment

Deliverables

Description	Date
Victoria Station Upgrade - Primary Traffic Management stage 1 commences [Allington St (East link) closed]	Jul 2011
Victoria station upgrade - commence widening of National Rail to LU ticket hall stairs (Sussex Stairs)	Mar 2012
Victoria station upgrade - Elliot House demolition starts	Aug 2011
Paddington CR/SFA (H&C platforms) - ITT issued for final fit out	Sep 2011

Paddington CR/SFA (H&C platforms) - gateline installed	Mar 2012
Bank new Waterloo & City line entrance - design concept approved	Apr 2011
Tottenham Ct Rd CR/SFA – commence Northern line platforms and passageways closure	Jul 2011
Tottenham Ct Rd CR/SFA - completion of jacking works to escalator 3	Nov 2011
Tottenham Ct Rd CR/SFA – complete construction of Diaphragm Walling for Goslett Yard main box	Aug 2011
Bank CR/SFA - RIBA stage D general arrangement scheme layout freeze	Feb 2012
Bond Street - contract access milestone: start work on escalators 1 and 2	Aug 2011
Bond Street - start structural demolition	Feb 2012
Bond Street – complete Oxford Street water main diversion works	Feb 2012
Oxford Circus Escalators 4, 5 EOL & 1,2,3 replacement - return to service escalators 1, 2 and 3	Jul 2011
Victoria escalators 1,2, 3 refurbishment - Completion and Consent to Operate report Approved - Escalator 2	Mar 2012
Central and Bakerloo lines: LV Mains - BIU - Circuit 5.i Baker St. S/S to Oxford Circus LU transformer room	Mar 2012
Asset stabilisation - start on site T12 light fittings replacement works (WP AJ - BCV) Paddington	May 2011
Asset stabilisation - finish on site Mansion House implementation works (WP I)	Sep 2011
RVAR - route 1 - operational segment OS10 – bring into use	Aug 2011
Green Park step-free access - bring into use	Nov 2011
Bounds Green E3 refurbishment – return to service	May 2011
Leicester Square E3 refurbishment - return to service	May 2011
North Greenwich E2 refurbishment - return to service	May 2011
West Ham E1 refurbishment - return to service	Jun 2011
Southwark E6 refurbishment - return to service	Sep 2011
Leicester Square E2 refurbishment - return to service	Oct 2011
West Ham E3 refurbishment - return to service	Oct 2011
Stratford E1 replacement - return to service	Nov 2011
Stratford E2 like for like refurbishment - return to service	Jan 2012
Southwark E4 refurbishment - return to service	Jan 2012
Leicester Square E1 refurbishment - return to service	Mar 2012
North Greenwich E8 Refurbishment - return to service	Mar 2012
Improved ticketing in LU stations- all ticket machines updated	Oct 2011

3.3 Power and cooling

This programme provides the power capacity to support investment in line upgrades. Generally, this is being achieved through the provision of new or more spacious substations and transformer rooms, cable reinforcement and the installation of more energy efficient conductor rails. In addition, LU is pursuing tunnel cooling options in order to mitigate the effect of rising temperatures on the network through the Cooling the Tube Project (CTP).

Deliverables

Description	Date
CTP - Victoria line - mid-tunnel vents - tranche 2 MTVS sites handed over to maintenance	Aug 2011
CTP - Victoria line - mid-tunnel vents - tranche 3 MTVS sites beneficial use	Feb 2012
SSR Power - SSRPU WP4 - ABB delivery of switchgear to site (Edgware Road)	Aug 2011
SSR Power - SSRPU package 6 - (132kv feed from St Johns Wood to Lisson Street) - Murphy completion of cable route excavation	Mar 2012
SSR Power - SSRPU WP 2 - first sub-station in beneficial use	Feb 2012
SSR Power - SSRPU WP1 - all Metropolitan line sub-stations (needed to support the introduction of S8 trains) in beneficial use	Mar 2012
SSR Power - SSRPU WP3 - contract award	Mar 2012
SSR SIG Power - SSR MPSU - completion of concept design for all implementation sites	Aug 2011

3.4 Sub-surface railway (SSR) upgrade

The sub-surface railway upgrade represents the largest component of the TfL investment programme in the Tube. A fleet of 191 new, walk-through, air-conditioned higher-capacity trains are being delivered and a computer-controlled signalling system replaces the patch-work of assets currently used, some of which date from the 1920s.

Deliverables

Description	Date
SSR upgrade strategic programme - S8 - Neasden: new lifting and maintenance facility piling complete	Sep 2011
SSR upgrade strategic programme - S8 - Neasden: signalling main commissioning complete	Oct 2011
SSR upgrade strategic programme - S8 42 S8 trains available for passenger service	Mar 2012
SSR upgrade strategic programme - S7 - Ealing Common and Upminster Depots - approval to award design and build contracts	Nov 2011
SSR upgrade strategic programme - S7 - Hammersmith Depot - phase C1.3 to support timetable and stabling requirement	Aug 2011
SSR upgrade strategic programme - S7 - triangle sidings to support timetable and stabling requirement	May 2011
SSR upgrade strategic programme - S7 - Hammersmith Depot - Phase C1.4 to support timetable and stabling requirement	Dec 2011
SSR upgrade strategic programme - S7 - infrastructure ready for route clearance testing at operational segment fringes OS5	Jul 2011

SSR upgrade strategic programme - S7 - infrastructure ready for route clearance testing OS8	Jun 2011
SSR upgrade strategic programme - S7 - infrastructure ready for route clearance testing OS9	Jun 2011
SSR upgrade strategic programme - S7 - infrastructure ready for route clearance testing OS10	Aug 2011
SSR upgrade strategic programme - S7 - Edgware Road signalling modifications for S7 trains complete	Feb 2012
SSR upgrade strategic programme - S7 - infrastructure ready for integration testing OS5	Mar 2012
SSR upgrade strategic programme - S7 - infrastructure ready for integration testing OS8 part 1	Mar 2012
SSR upgrade strategic programme - S7 - infrastructure ready for integration testing OS9	Mar 2012
ATC strategic schedule - ATC programme baseline complete	Nov 2011
ATC strategic schedule - ATC concept design approved (ATC review point A)	Nov 2011
ATC strategic schedule - SCC - complete SCC building	Jul 2011
ATC schedule - SCC - service control centre ready to handover to ATC signalling supply contractor	Nov 2011
ATC strategic schedule – test track and S8 train available to ATC contractor	Dec 2011

3.5 Jubilee and Northern line upgrades

The upgrades of the Jubilee and Northern lines are delivered for LU through TfL's subsidiary Tube Lines. Both upgrades will replace the manual signalling system with computer-controlled automatic train operation, allowing trains to run closer together and at higher speeds permitting faster journeys and increased capacity.

Deliverables

Description	Date
Northern line - Complete negotiations with Thales to enable placing of new supplemental agreement or propose new strategy	Apr 2011
Jubilee line - J5 section commissioned and ready for revenue service	Jun 2011

3.6 Bakerloo, Central and Victoria (BCV) upgrades

The Victoria line upgrade delivers new trains and signalling to replace a system and equipment designed and built in the 1960s. In addition the Central line trains are receiving investment to replace the current windows and seats as the trains reach half of their asset life expectancy. Development work for the new approach to Bakerloo and Piccadilly line upgrades is also contained in this area.

Deliverables

Description	Date
VLU strategic programme - 40 production trains accepted for service	Aug 2011
VLU strategic programme - 47 production trains accepted for service	Jan 2012

VLU strategic programme - start to control Victoria line operations from the new service control centre (VD)	Aug 2011
VLU strategic programme - full service (requiring around 36 trains) 09TS operational under DTG-R and new SCC (V40-JCT1)	Oct 2011
VLU strategic programme - asset replacement migration start	Aug 2011
VLU strategic programme - asset replacement migration stages complete	Mar 2012
Tunnel cleaning train - concept approval for tunnel cleaning train	Nov 2011
Central line train refresh - start on site	Jul 2011

3.7 Permanent way

The Underground has 1,140km of track over a route of 409km to a radius of almost 45km from central London. A well-maintained and renewed track (which includes ballast, sleepers, drainage, etc) is essential to deliver a safe and reliable service. Renewal work is also required to LU's civil infrastructure, which comprises amongst other elements, 312km tunnels, embankments, cuttings and 1,104 bridges and viaducts.

Deliverables

Description	Date
Track BCV/SSL programme management 11-13 – BCV/SSL ballasted track replacement and re-ballast 9,976 metres achieved	Oct 2011
Track BCV/SSL programme management 11-13 – BCV/SSL ballasted track replacement and re-ballast - 15,456 metres achieved	Mar 2012
Track BCV/SSL programme management 11-13 – BCV/SSL points and crossings - 14 units achieved	Oct 2011
Track BCV/SSL programme management 11-13 – BCV/SSL points and crossings - 18 units achieved	Mar 2012
Track BCV/SSL programme management 11-13 - track drainage - 5,369 metres replaced	Oct 2011
Track BCV/SSL programme management 11-13 - track drainage - 8,874 metres replaced	Mar 2012
Deep Tube class 1 renewal (expected trackform life of 40 years) - 1,268 metres achieved	Oct 2011
Deep Tube Class 1 renewal (expected trackform life of 40 years) - 2,457 metres achieved	Mar 2012
D204 EM2,3,4,5 & 6 - Chiswick Park to Acton Town D204 - practical completion	Jun 2011
M020 EM10, EM11 & EM12 Chalfont and Latimer to Amersham Embankment stabilisation - practical completion	Sep 2011
D202 EM1 Chiswick Park to Turnham Green - practical completion	Aug 2011
PC118 Paddington to Bayswater Bridge - bridge replacement	Oct 2011
JNP track replacement, install 1,500 metres	Sep 2011
JNP track replacement, install 3,000 metres	Mar 2012
JNP Tube reconditioning, complete 850 metres	Dec 2011
JNP Tube reconditioning, complete 1,200 metres	Mar 2012
JNP drainage renewal, complete 1,000 metres	Sep 2011
JNP drainage renewal complete 2,400 metres	Mar 2012

JNP earth structure renewal, complete 300 metres	Sep 2011
JNP earth structure renewal, complete 600 metres	Mar 2012
JNP enhanced track replacement, install 983 metres	Sep 2011
JNP enhanced track replacement, install 1,618 metres	Mar 2012

Surface Transport

£m	Income	Operating expenditure	Net capital expenditure
Bus network	1,360	(1,747)	-
Bus network infrastructure, operations and support	23	(91)	(31)
Dial-a-Ride and Assisted Transport Services	-	(48)	-
London Streets	15	(198)	(125)
Better Routes and Places	10	(182)	(38)
Congestion Charge, LEZ and enforcement	284	(269)	(6)
London River Services	2	(11)	(6)
Victoria Coach Station	15	(15)	(1)
Other	7	(83)	(14)
	1,715	(2,645)	(220)

Numbers may be subject to rounding

4.0 Income

4.1 Bus network fares revenue

Revenue from fares is generated from Oyster Pay As You Go validations, passes, roadside ticket machines, sales through ticket outlets such as Ticket Stops and LU stations, as well as the sale of on-bus tickets. Revenue includes Travelcard apportionments and payments for concessionary travel.

Deliverables

Description	Units	Target
Passenger journeys – bus	Millions	2,304

4.2 Congestion Charge, LEZ and enforcement

Congestion Charge

The income from the Congestion Charging scheme is made up of registrations, charge payments, Penalty Charge Notices and further enforcement processes. It is based on existing assumptions around the charge cost and vehicle entry/circulation within the zone.

Low Emissions Zone (LEZ)

This represents income from the LEZ, which seeks to discourage the most polluting vehicles from driving within London by levying a charge on vans and minibuses that do not meet Euro 3 particulate standards and for lorries, buses and coaches that do not meet Euro IV standards.

Road network compliance

The income from road network compliance is made up of Penalty Charge Notices and further enforcement processes from the camera enforcement of the red route and bus lane network.

Barclays Cycle Hire scheme

The income from the Barclays Cycle Hire scheme is comprised of an access fee and usage charges. The access fee is a fixed amount payable to enable access to the scheme for a fixed period of time. The usage charges are variable amounts payable based on the duration of individual journeys.

Additional charges comprising late return, non return and damage charges may be payable in the event that certain conditions of use are breached. The tariff structure has been developed using a research based model and the experience of other European schemes.

In addition a five-year sponsorship deal was signed with Barclays in July 2010. The deal is worth up to £25 million.

Community Safety, Enforcement and Policing (CSEP)

CSEP's income comes from two sources: bus enforcement and on-street enforcement. Bus enforcement's Revenue Protection Inspector activity on the bus network results in income from issuing penalty fares and prosecuting court cases for more serious fare evasion. The income related to on-street enforcement is from the Penalty Charge Notices issued by traffic wardens and Police Community Support Officers (PCSOs) patrolling the red route and bus lane network.

4.3 Other

Other income is received from taxi and private hire licence fees, the revenue generated by the operation of Victoria Coach Station, London River Services and other minor income sources.

Deliverables

Description	Units	Target
Passenger journeys - London River Service	Million	4.0
No of coach departures – Victoria Coach Station	'000	195

5.0 Operating Expenditure

5.1 Bus network performance

Bus network operating expenditure covers the planning, procurement, operation and management of the bus network. This includes current services, planned changes, measures to maintain service reliability, and other quality-related initiatives such as bus staff training.

Deliverables

Description	Units	Target
Scheduled services operated	%	97.3
Bus kilometres operated	Million	489
Excess wait time (high frequency routes)	Minutes	1.1
Customer satisfaction survey – overall	Score	79
Articulated bus withdrawal - number of routes	Number	7

5.2 Dial- a-Ride

Dial-a-Ride is a membership service which provides free and accessible door-to-door transport for mobility impaired Londoners who are unable to use existing forms of public transport.

Deliverables

Description	Units	Target
Number of journeys - Dial-a-Ride	Millions	1.4
Overall customer satisfaction - Dial-a-Ride	Score	93

5.3 London Streets**Road Network Management**

The TfL Road Network includes 580km of roads (representing five per cent of London's total road network, and carrying over 30 per cent of its traffic), the A13 DBFO project, seven Thames bridges, various flyovers and subways, and 13 major tunnels including those at Blackwall and Rotherhithe. London Streets seeks to continue to improve the coordination and management of road works and street works on the TfL Road Network and to respond quickly and effectively to unplanned events to help deliver the Mayor's objective to smooth traffic flow and improve journey time reliability in London.

Deliverables

Description	Units	Target
Street lights operating	%	98
Defects representing an imminent or immediate hazard to the public made safe within 24 hours	%	98
TfL Road Network carriageway in state of good repair	%	90

Traffic Management

London Streets is responsible for minimising congestion and improving the journey experience for those travelling in London by effectively managing, maintaining and developing all of London's traffic signals the Capital's most important roads, the red routes, collectively known as the TfL Road Network.

Deliverables

Description	Units	Target
Traffic signals availability	%	99
TfL Road Network journey time reliability	%	89
TfL Road Network Customer Satisfaction - overall road users	%	72
Serious and severe disruption on the TfL Road Network total (i.e. planned and unplanned)	Hours	2,110

5.4 Better Routes and Places (BRaP)

Better Routes and Places contributes to the transformation of London by improving the places where people want to be and helping them move through these places easily, quickly, sustainably and safely.

BRaP commissions and manages delivery programmes which aim to develop TfL's infrastructure on the TfL Road Network; supports the development of London's borough infrastructure through the Local Implementation Plan process; and seeks to improve people's travel choices via public awareness campaigns.

Accessibility

As part of their corridor planning, TfL and the London boroughs will continue to improve the accessibility of the Capital's streets and public spaces, including bus stops and pedestrian crossings. In the case of bus stops this may involve adjustments to kerb height, footway depth, length of bus stop clearway, installation of enforceable clearway signage plus de-cluttering of the footway.

Walking

Through the Making Walking Count programme, TfL is seeking to make London an easier city to travel around by foot.

Legible London is a map-based pedestrian information system that provides high quality and consistent information to help more people navigate the Capital on foot. It is now operational in central London, including at all Barclays Cycle Hire docking stations, and will be rolled out across the four host Olympic boroughs prior to the 2012 Games. A further five boroughs have committed to deliver Legible London by April 2012. TfL is working to realise Legible London as the default pedestrian map for walking journeys across London. This will ensure wayfinding information will be provided to the same standard throughout the boroughs.

Cycling

TfL is working to realise the Mayor's ambition to increase cycle trips by 400 per cent by 2026, against the 2000 baseline. This would take the overall modal share for cycling from two to five per cent.

There were an estimated 0.5 million journey stages made by bicycle in Greater London on an average day in 2009. The number of cycle journeys has, on average, increased by five per cent between 2008 and 2009.

By 2012, TfL will work to reach the Mayor's manifesto commitment to provide 66,000 new cycle parking spaces. Of these, 55,000 cycle parking spaces will be delivered by March 2012 by TfL, the London boroughs, other partners, the private sector and through the planning process.

These locally led programmes will seek to unlock the potential to increase cycle trips in Outer London where car use is traditionally higher.

Deliverables

Description	Units	Target
Year end target for cycling journeys (TfL Road Network)	Index	262

Road safety unit

In 2011, TfL will publish its new Road Safety Plan for London. The plan will set out how a continued reduction in casualties should be delivered. Road safety interventions will be based on three themes: making it safer for cycling, walking and motorcycling; achieving safety through partnership working; and managing speeds.

Working with the police and other partners, TfL will continue to improve cycle safety and security in support of the Mayor's cycling revolution. This includes delivering activities outlined in TfL's Cycle Safety Action Plan and Cycle Security Action Plan, which were launched in March 2010.

TfL will report annually on progress to achieve further reductions in road casualties in London, pending the outcome of the forthcoming consultation on the draft Road Safety Plan.

Deliverables

Description	Units	Target
Reduction in those killed or seriously injured (KSI)- London wide (2004 - 2008 base)	%	4.7*

*Subject to public consultation

Active travel

TfL's education and training programme is aimed at encouraging people to change their behaviour by promoting more active and sustainable travel, and support reduced car use through travel planning advice and tools for businesses, schools and residents. Under the programme, 93 per cent of London schools now have a travel plan, resulting in an average 6.5 per cent drop in the proportion of car journeys to schools. TfL will continue to seek to reduce car use and increase the adoption of active travel modes, especially in areas of high congestion or collision rates. TfL has taken over the operational delivery of Games transport, and will also work with **London Organising Committee of the Olympic Games (LOCOG)** to launch the Olympic Active Travel Programme in 2011.

Borough projects and programmes

TfL provides funding to London's boroughs predominantly through Local Implementation Plans (LIPs) to enable the delivery of the (Mayors Transport Strategy) MTS across the Capital. Funding is allocated to boroughs for corridor and neighbourhood programmes, smarter travel programmes, replacement of life-expired traffic signals, road and bridge renewals and major scheme developments.

By 2012, a number of borough 'Better Streets' flagship scheme will also have been delivered with TfL support. These include Piccadilly two-way working, Leicester Square and Wimbledon Town Centre. These schemes are all designed in accordance with best practice guidance and will improve the connectivity between modes of travel and places, encourage walking and cycling, improve accessibility and enhance the quality of the urban realm.

The car clubs budget for 2011/12 and 2012/13 has been confirmed and bidding advice to the London boroughs issued including pioneering research undertaken by TfL, which shows the market potential for car clubs. This research will help support the case for further expansion and inform borough officers regarding the most suitable locations for future bay implementation.

Freight unit

The London Freight Plan outlines how freight operators should be able to reduce fuel use, emissions and CO² levels by 10 per cent by 2016. The Freight Operator Recognition Scheme helps benchmark operators' efficiency and offers guidance on improving safety and performance, including advice about low-carbon vehicles.

Improving freight sustainability and reducing undesirable kerbside activity, for example loading or unloading when it is unlawful or unsafe to do so, will help to alleviate congestion on London's streets and reduce the impact on other road users.

Promoting smarter freight management through the GLA Group and London boroughs with delivery and service plans, and through publications such as TfL's Kerbside Loading Guidance and the Freight Environmental Review System, will help minimise freight's impact on congestion.

5.5 Congestion Charge, LEZ and enforcement

Congestion Charging and Traffic Enforcement (CC&TE)

CC&TE includes the operation of the Congestion Charging scheme, the LEZ and the Barclays Cycle Hire schemes, as well as electric vehicle delivery and Road Network Compliance (formerly known as Traffic Enforcement). Congestion Charging and LEZ operation is delivered through competitively procured outsourced contracts which are managed and monitored by TfL.

Road Network Compliance is the enforcement operation for red route, parking, moving vehicle and bus lanes on the TfL Road Network. The expenditure relates to the management and maintenance of on street camera and highway infrastructure, and to the identification, validation and issue of penalties for contraventions identified on the TfL Road Network by TfL officers.

Electric vehicle delivery covers the capital and revenue spend required for the delivery of the Mayor's Electric Vehicle Delivery Programme. This includes the management and installation of 1,300 charge points by 2013, back office and IT infrastructure to network all the charge points and handle registrations, payments and general enquiries. Funding will come from TfL, Government and private enterprise. TfL funding is also being extended to the boroughs to assist them in implementing charging points on their roads. Capital spend relates to the provision of London-wide charge-points. Revenue spend covers implementation and ongoing operation. Both capital and revenue include elements relating to the costs of suppliers, TfL resources and physical implementation.

Deliverables

Description	Units	Target
Congestion Charge and LEZ call centre queuing time	Seconds	30
Congestion Charge - customer satisfaction overall	%	84
LEZ - phase 2 compliance	%	96

Community Safety, Enforcement and Policing (CSEP)

CSEP is responsible for community safety, enforcement and policing activity on London's public transport system. It coordinates a range of activities across TfL that are focused on reducing crime and antisocial behaviour, fare irregularity and persistent fare evasion, improving passenger perceptions of safety and encouraging positive behaviours on the network. CSEP directly manages around 280 on-street staff to protect one of TfL's core income streams and to provide a reassuring presence to passengers and bus staff while discouraging crime and antisocial behaviour. London's three police forces, the Metropolitan Police Service, the BTP and the City of London Police work in conjunction with CSEP to deliver visible policing, crime and antisocial behaviour reduction projects; and throughout 2011 will be guided by a three-year Mayoral strategy for transport safety and security in London 'The Right Direction'. CSEP also has a key role in helping to minimise network disruption and delivering on other key Mayoral priorities.

Deliverables

Description	Units	Target
Recorded crimes per million passenger journeys - bus network	#	10.2
Recorded crimes per million passenger journeys - LU and DLR network	#	11.5
Londoners whose use of public transport is significantly affected by crime and disorder concerns	%	29.0

Taxi and Private Hire

The Taxi and Private Hire Directorate contributes to the Mayor's general duty for safe transport in respect of taxis and private hire vehicles by licensing and regulating London's taxi and private hire drivers, vehicles and operators. The Directorate is responsible for delivering the world famous and respected 'Knowledge' examination process, undertaking compliance activities as well as working in partnership with other areas of TfL and third parties such as CSEP and the police on key activities and initiatives such as the Mayor's Safer Travel at Night (STAN) initiative.

The directorate is initiating a market test, combined with the re-let of the existing vehicle inspection contract to determine what benefits could be gained from outsourcing driver and operator licensing services and operator enforcement and vehicle compliance services. These services, which are currently delivered by in-house staff, require extensive investment and modernisation to make them efficient.

Deliverables

Description	Units	Target
Taxi inspection – first time pass rate	%	50
Private hire vehicle inspection – first time pass rate	%	85

Description	Date
Re-let and market testing – preferred bidder identified	Sep 2011
Re-let and market testing – contract award	Dec 2011

5.6 London River Services

London River Services owns and operates eight passenger piers on the Thames between Millbank and Greenwich. It also owns the three Woolwich vehicle ferries and their associated terminals and facilities.

Deliverables

Description	Units	Target
Scheduled service operated - London River Services	%	98.5

5.7 Victoria Coach Station

Victoria Coach Station operates the major London coach terminus which supports all forms of coach activities, including scheduled express and commuter services, day tours, coach holidays and private hire. It aims to provide a modern and high standard of facilities for an estimated 10 million passengers passing through the coach station each year.

5.8 Other : Management Support and Strategy

This includes the HR, Finance, IM and marketing functions and in addition occupancy and insurance costs relating to all Surface business operations.

Savings programme

The Surface Transport Savings Programme is managed as an integral part of the management reporting process within Finance. The key items are described within the Cost Reduction Programme section.

Deliverables

Description	Target
Savings	£226m

Strategy

The Strategy Directorate is responsible for Surface Transport's input into Mayoral strategies. Strategy also initiates and delivers a diverse range of projects and strategic marketing and communication campaigns on behalf of TfL. The Directorate includes Surface Transport communications which oversees engagement with Surface Transport's key stakeholders.

Deliverables

Description	Units	Target
Customer satisfaction survey – information (Bus)	Score	79

6.0 Capital Projects

6.1 Bus network infrastructure, operations and support

New Bus for London

The detailed design and development commenced in January 2010. The prototype is expected to be delivered by the end of October 2011, with manufacture and delivery of the first five production vehicles planned for delivery by March 2012.

Deliverables

Description	Date
Delivery of prototype vehicle	Oct 2011
Delivery of first five vehicles	Mar 2012

Hydrogen transport

Hydrogen has the potential to offer zero-emission transport at the point of use. However, the technology is in the pre-commercial stage and requires financial stimulus, development of refuelling infrastructure and high profile use in an operational setting to help prove its viability and potential benefits.

Deliverables

Description	Date
Hydrogen transport programme – delivery of bus No. 6	Aug 2011
Hydrogen transport programme – delivery of bus No. 8	Sep 2011

Bus infrastructure

This activity includes building new or replacement bus garages, the construction, expansion or refurbishment of various bus stations, stands and shelters, better and more resilient radio coverage across the bus fleet with reliable real-time information for customers through iBus.

Deliverables

Description	Date
Countdown project – go live on SMS and Web	Oct 2011

Bus stations and stands

Capital expenditure throughout the plan period will be utilised to maintain TfL's assets in a state of good repair. This entails a programme of refurbishment projects at bus stations, which will be determined in the light of an asset management strategy currently under development.

In 2011/12, the key projects planned at the time of writing will be the resurfacing of the carriageways at Golders Green and Stratford bus stations and a further project to repair and de-clutter the passenger concourse at Stratford.

Work at Golders Green is scheduled to commence in May 2011 and take approximately eight weeks; the carriageway works at Stratford are expected to be carried out during summer of 2011 with the concourse works commencing around the same time and being completed by the end of 2011 (the timing of both of the Stratford projects is dependent on adjacent works by London Borough of Newham).

Bus garages

Similarly, capital provision for garages will be used to maintain the fabric of those garages for which TfL, as landlord, has responsibility. Expenditure in 2011/12 will be concentrated on works at Ash Grove.

6.2 Dial-a-Ride

The Dial-a-Ride fleet will benefit from replacement minibuses. The oldest vehicles will be replaced and this will ensure the fleet complies with the new LEZ requirements which come into force in January 2012.

Deliverables

Description	Date
Delivery of vehicles for 2011/12 (first batch)	Sept 2011
Delivery of vehicles for 2011/12 (second batch)	Jan 2012

6.3 London Streets**Road Network Management**

London Streets ensures that the highway assets are cost-effectively maintained to a state of good repair, so as to maximise their operational effectiveness and meet user satisfaction. These assets, which are valued at around £5 billion, are made up of roads, footways, cycleways, bridges, drainage, tunnels and lighting. TfL's 580km of red routes carry one third of London's traffic. More than 1,100km of well maintained footways encourage people to take the healthy walking option rather than using other transport modes. The 1,800 structures and 13 tunnels London Streets maintains provide vital connections over railways and the river. By continually surveying these assets and carefully prioritising and planning this capital works programme it can ensure that taxpayers money is spent in the most effective way while disruption from their maintenance and renewal is kept to a minimum.

Deliverables

Description	Units	Target
Area of carriageway resurfaced	m ²	470,000
Area of footways resurfaced	m ²	45,000

Subject to Business case approval

Principal projects include route improvements to the A406 North Circular Bounds Green and at Tottenham Hale. Safety enhancements include the Hanger Lane bridge replacement scheme which sees a new carriageway and bridges over the railway lines.

Deliverables

Description	Date
A406 Bounds Green - complete protection structure for LU bridge	May 2011
A406 Bounds Green - Wilmer Way junction opening	Aug 2011
Hanger Lane bridges - traffic management switch complete on east side of Waldegrave bridge	May 2011
Hanger Lane bridges - construction complete	Jul 2011
Blackwall Tunnel northbound refurbishment - ventilation system fully operational	Sept 2011
Blackwall Tunnel northbound refurbishment - tunnel safety systems operational	Dec 2011

Olympic Route Network

London Streets have taken on responsibility for the delivery of road space management within London. The key deliverable is the activities that support the journey times on the Olympics Route Network (ORN), with the responsibility now extending to public consultation. Alongside this, Streets have taken on responsibility for delivering the road closures to facilitate the road events, planning and managing movements in central London.

Deliverables

Description	Date
Olympic Junctions and Carriageways - Detailed design complete	Jun - 11
Olympic Junctions and Carriageways - Traffic signal infrastructure modifications commence on site	Sept - 11

Traffic Management

A key element of London Streets' work will be to smooth the flow of traffic, in partnership with other authorities. Keeping people, goods and services moving and providing reliable journey times is essential to the economy of London and the UK as whole, as well as to the wellbeing of road users, pedestrians and neighbourhoods. A number of initiatives are being delivered to smooth traffic flow and improve journey time reliability. These include expanding SCOOT, modernising traffic signals, trialling Pedestrian Countdown technology and improving the resilience of core fallback systems.

Deliverables

Description	Date
TfL Road Network signals modernisation - TLRN and borough programme design complete	Oct 2011
TfL Road Network signals modernisation - TLRN and borough programme signal installations commissioned	Mar 2012
Transport Coordination Centre (TCC) 'functionally ready'	Jul 2011
Transport Coordination Centre (TCC) 'operationally ready'	Dec 2011
Systems relocation - aggregation of all circuits without disaster recovery capability to fibre optic solution	May 2011
Systems relocation - new CCTV graphic user interface (GUI) available to all existing users	Oct 2011
Pedestrian countdown - invitation to tender issued	Jul 2011
Pedestrian countdown - contract awarded for PCaTs implementation	Dec 2011
New investment SCOOT - 240 UTC design briefs complete (FY 2011/12)	Oct 2011
New investment SCOOT - 240 sites commissioned onto UTC (FY 2011/12 cumulative 413)	Mar 2012
Congestion performance network improvement - complete modelling of top 10 TfL Road Network priority corridor routes	Jun 2011
Congestion performance network improvement - complete simulation modelling JTR benefits measurement for pilot corridor	Jun 2011

6.4 Better Routes and Places**TfL Road Network Capital Development Programme**

The TfL Road Network Capital Development Programme is a series of improvements to the TfL Road Network and the surrounding urban realm. These improvements will deliver integrated infrastructure solutions to help meet the Mayor's priorities on cycling, bus priority, accessibility, road safety and walking.

Deliverables

Description	Date
3G Route 220 section D north - network assurance scheme approval (phases 2 & 3)	Aug 2011
3G Route 220 section D north - substantially complete on site works (phases 2 & 3)	Feb 2012
Determination of the 2011/12 programme of works	Apr 2011
Delivery of the 2011/12 programme of works	Mar 2012

2012 Games

The aim is for 100 per cent of spectators to get to the Games by public transport, walking or cycling. To help achieve this, TfL is managing the delivery of enhancements to greenway routes for cyclists and pedestrians, linking the Olympic Park and River Zone venues across a number of London's boroughs.

Deliverables

Description	Date
Olympic cycle network – 75 per cent of schemes implemented	Apr 2011
Olympic cycle network – substantially complete implementation of Olympic cycling schemes	May 2011

Barclays Cycle Superhighways

A further two routes will be delivered in summer 2011 and the entire programme will complete in early February 2015.

Deliverables

Description	Date
Superhighways - phase 1 (routes 2 and 8) service commences	Jul 2011
Superhighways - phase 2 (routes 5 and 12) detailed design completed	Dec 2011

East London Transit (ELT) Phase 1b

East London Transit is an initiative seeking to improve transport links in Ilford, Dagenham and Barking. There are two phases of ELT. The first phase (services from Ilford to Dagenham Dock via Barking town centre) was completed in February 2010 and the second phase (Barking town centre to Barking Riverside) is due to be completed in 2013.

Deliverables

Description	Date
East London Transit stage 1b – advanced works construction contract award	Jun 2011
East London Transit stage 1b – advanced works construction started	Aug 2011

Tottenham Hale gyratory

TfL is working to change the existing one-way gyratory system at Tottenham Hale to two-way working. This project will simplify access for local residents and businesses, and improve the interchange between public transport modes. Better facilities for pedestrians and cyclists will also be installed, and a larger bus station and new public square created at Tottenham Hale station to further open the local area up to residents and local businesses. This scheme will support the area by acting as a catalyst for regeneration, opening up new development land, improving the area's image through public realm improvements, reducing community severance and catering for transport demand from the new housing developments. The full scheme will be delivered by 2014.

Deliverables

Description	Date
Tottenham Hale gyratory - invitation to tender issued	Sep 2011
Tottenham Hale gyratory – tender evaluation completed	Mar 2012

Henlys Corner

The Henlys Corner scheme will see the installation of signalised pedestrian crossings across all arms of the junction. The scheme also includes alteration of the traffic signals to help improve traffic flow and improvements to the cycle network in the area. The scheme will complete by 2012.

Deliverables

Description	Date
A406 Henlys Corner – construction started	May 2011
A406 Henlys Corner - construction completed	Dec 2011

Elephant and Castle Southern Roundabout

The Southern Roundabout at Elephant and Castle is being removed as part of a wider improvement scheme for the area. This scheme improves facilities for cyclists and pedestrians by widening footways, providing at-grade crossings, shared space, cycle lanes and advanced stop lines, and additional trees.

Deliverables

Description	Date
Elephant and Castle Southern Roundabout – footway open to the public	Apr 2011
Elephant and Castle Southern Roundabout – complete implementation	Apr 2011

A12 Lochnagar St/Blackwall Tunnel north approach

This scheme involves the introduction of a new signal-controlled junction at Zetland Street/Lochnagar Street. The scheme will achieve new links across the A12, including a pedestrian route to the new Langdon Park DLR station and is critical to taking forward the entire regeneration strategy for the Lower Lea Valley area to permit development associated with the plans for regeneration.

Deliverables

Description	Date
A12 Lochnagar St/Blackwall Tunnel North Approach - phase 6 completion	May 2011
A12 Lochnagar St/Blackwall Tunnel North Approach - complete implementation	Jun 2011

Euston Circus

Euston Circus is the name given to the junction of Tottenham Court Road, Hampstead Road and Euston Road, in the London Borough of Camden. Euston Road runs underneath the junction through the Euston Underpass. The platform above the underpass is currently dominated by vehicular traffic and poses a significant obstacle to pedestrians and cyclists with the complex crossing arrangements that exist. This scheme will turn this disjointed junction into a more unified public space which achieves a more equitable balance between the travel modes.

Deliverables

Description	Date
Euston Circus - preliminary design completed	Sep 2011
Euston Circus - detailed design completed	Feb 2012

6.5 Congestion Charging, LEZ and enforcement**Congestion Charging and Traffic Enforcement (CC&TE)**

CC&TE includes the operation of the Congestion Charging, LEZ and Barclays Cycle Hire scheme, as well as electric vehicle delivery and Road Network Compliance (formerly known as Traffic Enforcement).

Deliverables

Description	Date
Electric vehicles - service delivery of Source London scheme - ready for registrations	Apr 2011
Electric vehicles - minimum target of charge points installed (200)	Dec 2011
LEZ - phases 3 and 4 go-live	Jan 2012

6.6 London River Services**Piers infrastructure for 2012 Games**

The procurement strategy for the Tower Pier extension has been signed off and expressions of interest from selected contractors are now being sought. The technical specification of works is being drawn up, with the full tender to be published in May/June 2011. Full operational service will begin once the new pontoon has been successfully installed. Entry into operational service remains on target for February 2012.

Deliverables

Description	Date
Tower Pier – award construction contract	Aug 2011
Tower Pier – pontoon extension into operational service	Feb 2012

6.7 Other - Strategy**Barclays Cycle Hire scheme**

The Barclays Cycle Hire scheme will be further expanded.

Deliverables

Description	Date
Cycle hire phase 2: intensification sites identified	May 2011
Cycle hire phase 2: go live	Spring 2012

London Rail

£m	Income	Operating expenditure	Capital expenditure
DLR	97	(131)	(48)
London Overground	88	(176)	(106)
London Trams	21	(23)	(2)
LR Development and HQ	-	(11)	-
Other	-	1	(27)
	205	(338)	(184)

Numbers may be subject to rounding

7.0 Income

7.1 Fares revenue

DLR's fares revenue comes from operations on the main franchised railway, the Lewisham, London City Airport and Woolwich Arsenal extensions. London Rail also includes Overground and tram fares revenue. These fares are based on assumptions of passenger growth and Mayoral fare policy.

Deliverables

Description	Units	Target
Passenger journeys – DLR	Millions	82.1
Passenger journeys – London Overground	Millions	77.7
Passenger journeys – Tramlink	Millions	28.1

8.0 Operating Expenditure

8.1 DLR

The DLR franchise activity covers the continuing operations of the DLR, specifically train operations covering the entire network and maintenance for all rolling stock, stations and track (except the maintenance costs for the Lewisham and London City Airport extensions which are on a PFI basis).

Deliverables

Description	Units	Target
Scheduled service operated	%	98.0
On time performance	%	97.0
CSS: overall satisfaction	Score	81.0
DLR train kilometres operated	000's	5,335

8.2 London Overground

This includes the London Overground network, consisting of the North London line (TfL took over this concession from Silverlink in November 2007). It is run on a franchise basis by London Overground Rail Operators Limited (LOROL).

Deliverables

Description	Units	Target
Passenger performance measure – moving annual average	%	94.0
CSS: overall satisfaction	Score	78.0
Overground train kilometres operated	000's	4,918

8.3 London Trams

London Tramlink is responsible for the management of the concession that operates the Tram network. This does not include the additional capacity that would be provided by the proposed leasing of up to 10 additional trams.

Deliverables

Description	Units	Target
Scheduled service operated	%	98.0
CSS: overall satisfaction	Score	86.0
Tram kilometres scheduled	000's	2,694

8.4 London Rail development and headquarters

London Rail development is responsible for leading TfL's long-term rail strategic planning activity, developing, justifying and finding funding for new proposals for London's railways. The team also monitors and influences rail transport policy at EU, Government, borough and rail industry levels to ensure the best possible outcomes for London's rail users.

9.0 Capital Projects**9.1 DLR****DLR line upgrades**

Upgrade of existing DLR lines to allow the operation of three-car vehicles across the whole network. Signalling upgrades on the west route will increase capacity and resilience, and reduce timetable constraints.

Deliverables

Description	Date
East route – service operational for Olympic test	May 2011
East route – three-car operational capacity available	Summer 2011
Vehicle-on-board computer control centre signalling hardware delivered	Jul 2011
Vehicle-on-board computer control centre installation complete	Dec 2011

DLR line extensions

This project covers the extension of the DLR from Canning Town to Stratford International, using the existing North London line (NLL) alignment as far as Stratford.

Deliverables

Description	Date
Completion of package six works – conversion of NLR to DLR	Jun 2011
Service operational	Jul 2011

DLR safety and security

This activity includes major investments in DLR safety/security, including asset maintenance and resilience projects.

Deliverables

Description	Date
Beckton Depot office – installation of radio system complete	Aug 2011
Beckton Depot office – available for trial operations	Dec 2011

DLR stations

This is a range of improvements at DLR stations to improve capacity, service quality and ambience. These include projects such as upgrades to lifts and escalators and improvements to station entrances.

Deliverables

Description	Date
Custom House escalators delivered	Jul 2011
Custom House escalators operational	Oct 2011

9.2 Cable Car

This project covers a proposed cable car to span the River Thames, connecting Greenwich Peninsula near North Greenwich Tube station and other local amenities to the Royal Victoria Dock.

Deliverables

Description	Date
Award contract	Spring 2011

9.3 London Overground**East London railway extension phase 2b**

East London line (ELL) Phase 2 will provide an additional four trains per hour on the core line. These trains will run to Clapham Junction via a new line that leaves the ELL phase 1 route to the south of Surrey Quays and joins the South London line to the north of Queens Road (Peckham). Passenger service is scheduled to commence in December 2012.

Deliverables

Description	Date
Network Rail work package 2 track modifications	Sep 2011
Commence permanent way construction	Jan 2012

Line upgrades

Since acquiring the North London Railway service in 2007, TfL has been investing in projects to bring the stations and infrastructure up to the required standard and to reduce operating costs. A programme of improvements has been ongoing to increase capacity through enhancements to track and signalling, improve ambience through station modernisation and refurbishment, reduce operating costs and allow more integrated travel through the use of Oyster and increased revenue through the installation of gates. The gates installation work has recently been extended onto other franchises in London through third party funding.

Deliverables

Description	Date
North London Railway infrastructure project – Latchmere final commissioning	Apr 2011
North London Railway infrastructure project – project completion	Apr 2011
Station upgrades – completion of installation of station systems	Dec 2011
Station upgrades – completion of enhancements to existing fabric on stations	Dec 2011
National Express East Anglia gating phase one – eight stations completed	Sep 2011
National Express East Anglia gating phase two – two stations completed	Mar 2012

Crossrail

£ m	Income	Operating expenditure	Capital expenditure
Crossrail	-	-	(1,089)

Numbers may be subject to rounding

10.0 Crossrail

Crossrail will deliver a new railway service from Maidenhead and Heathrow in the west to Shenfield and Abbey Wood in the east, providing a peak service of 24 trains per hour between Liverpool Street and Paddington stations. The trains will run through new infrastructure in central London, with new, well-lit, CCTV-monitored central stations at Paddington, Bond St, Tottenham Court Road, Farringdon, Liverpool Street, Whitechapel, Canary Wharf and Woolwich. Trains will have wide doors, dedicated space for wheelchairs and CCTV-monitored carriages.

Deliverables

Description	Date
Tunnelling preparatory works at Royal Oak and Pudding Mill Lane portals	Continuing over 2011/12
All main station works contracts for central stations awarded	Late 2011
Tunnelling activity commences	Spring 2012
First tunnel boring machine starts out on its journey	

Non Operating Activities

These directorates support the core operational business, initiatives and investment programmes of TfL, with a range of activities. These activities (see below) include finance; marketing; customer services; planning (including transport planning); HR; employee relations; engineering; communications; safety; quality and environment. In addition there are a number of other specific activities which are the responsibility of central directorates.

£ m	Income	Operating expenditure	Capital expenditure
Office of the Commissioner	-	(3)	-
General Counsel	2	(12)	-
Group Marketing and Communications	4	(42)	(5)
Finance	24	(288)	(69)
Group HR	-	(3)	-
London Transport Insurance	3	-	-
Planning	-	(32)	-
London Transport Museum	-	(6)	-
Financial Reporting	10	-	-
	43	(388)	(74)

Numbers may be subject to rounding

11.0 Operating Expenditure

11.1 General Counsel

General Counsel is responsible for a range of corporate governance, legal, audit and assurance functions.

TfL Legal provides legal advice across a broad range of commercial, property and employment law issues and also handles litigation involving TfL.

Corporate Governance provides the secretariat function for the TfL Board, committees and panels. It provides advice on public law issues and promotes TfL Parliamentary Bills. It also coordinates policy on access to information including providing support to the business on handling complex freedom of information and subject access requests. In addition it supports the TfL Group Risk Management Framework and provides advice and support on governance issues including declarations of interests, gifts and hospitality.

Internal Audit delivers TfL's Annual Audit Plan and provides audit services for the TfL Group including the TfL Pension Fund, London Transport Museum and Crossrail. The Fraud and Security team provides advice on fraud and security issues, and investigates all reported incidents of fraud against TfL.

Group Health, Safety and Environment maintain TfL's Health, Safety and Environment Assurance Framework and the TfL Resilience Management Policy Framework. It provides advice on sustainability issues and coordinates resilience policy and planning and preparedness for major events.

General Counsel recharges legal expenditure on projects and significant legal matters to the modes and provides legal advice to the GLA on a shared services basis.

Deliverables

Description	Date
Deliver the 2011/12 Audit Plan	Mar 2012
Implement the outcomes of change programmes such as the Internal Audit Strategic Review and Project Horizon, resulting in an improved and fit for purpose service to customers	Mar 2012
Extend, repackage and provide information to all TfL staff on General Counsel's training out programme	Mar 2012
Examine the efficiency of the outsourcing model and re-tender the external legal panel arrangements	Mar 2012
Promote early engagement and pro-active, collaborative management of potential employment-related disputes and identify means of achieving cost efficiencies through quarterly reporting on employment tribunal cases data and trends, and provide employment law surgeries and lessons learned workshops	Mar 2012
Provide risk management training including a minimum of 75 managers trained across TfL	Mar 2012
Amalgamate annual health and safety report with the annual environment report.	Nov 2011

11.2 Group Marketing and Communications

Group Marketing and Communications is responsible for coordinating marketing messages across TfL, and for managing the customer interface by providing information via the web, mobile phones and telephone, and in person. It is overseeing the implementation of TfL's Digital Strategy, which delivers a number of upgrades to its communication systems to improve the quality and availability of customer information to make London's transport system easier to use and help London become more liveable.

Marketing and Communications has three overarching responsibilities:

- To help TfL understand its stakeholders and get its messages across clearly and consistently. Doing this successfully will lead to increased understanding of what TfL is delivering and transport's vital role in London's and the UK economy. The area also maintains TfL's reputation for successful delivery and sustains the case for heavy public investment in London's transport system.
- To operate, across TfL, as a 'Centre of Excellence' for the planning and delivery of a wide range of customer marketing and information activities including: advertising, websites, promotions, direct mail, design and print. All this is supported by business monitoring, customer research and insight.
- To provide 'off-system' customer services and information either through the call centres and Travel Information Centres, or via web-enabled services.

Marketing and Communications is split into four divisions, each addressing audiences critical to TfL's success:

- Press Office which is one of the busiest in the country. It operates 24/7 and handles enquiries from local, national and international media. Questions range from the operational (works and closures, incidents) to policy governing all areas of transport strategy.
- Public Affairs and Stakeholder Engagement is responsible for prioritising stakeholder engagement to reflect TfL's business priorities. This includes managing business critical processes such as TfL's responses to Mayor's Questions (around 2,000 per annum) and the

overall management of TfL's relationship with the London Assembly, dealing with around 2,400 member's correspondence enquiries per year.

- Group Marketing is responsible for developing an integrated marketing plan for TfL, reflecting corporate and Mayoral priorities, working in collaboration with the business and acting as the gatekeeper on marketing spend. It develops and implements a range of customer information, safety and promotional programmes using advertising (including TfL's own holdings) customer literature, maps, signage, design and the management of the TfL website, Journey Planner and database. Its research unit supports these activities with customer insights and a range of services to evaluate information effectiveness and overall business performance.
- Customer Services provides a whole range of 'off system' customer services dealing with contacts and calls from customers when they are not actually travelling on the transport network. The Travel Information Call Centre provides information to almost 3 million callers a year to help them travel efficiently, while the Travel Information Centres at key transport hubs serve around 2.3 million people a year, providing information and ticket sales totalling £18m. The Oyster Call Centre handles more than 750,000 calls and deals with over £110m in web and agent ticket sales, and the Lost Property Office, the one stop shop for things lost on the Underground, buses and taxis handles almost 200,000 lost items a year.

Deliverables

Description	Units	Target
Journey Planner solutions provided	Million	1,028
Assembly Member correspondence responded to within SLA	%	85
Customer correspondence responded to within SLA	%	80
Press Office – key ongoing campaigns: delivery of key messages	%	50
Marketing campaigns – delivery of agreed outcomes and objectives	%	75

11.3 Finance

Finance is responsible for the overall funding and allocation of TfL expenditure, including performance reporting, statutory accounting, insurance, pensions and the Finance Service Centre. It manages the Oyster card system and associated ticketing developments and the TfL borrowing programme, property development, property revenue income and treasury functions. In addition, it provides other services on behalf of other areas of TfL. Activities include: IM, Facilities, which is responsible for providing and maintaining all of TfL's head office business premises and associated facilities management, and Procurement, which provides group-wide policies including the GLA sustainable procurement unit.

Deliverables

Description	Units	Target
Total savings	£m	92.1
Property development and rental receipts	£m	88.18
Maintain ticket system availability	%	98
Carbon reduction	kgCO ₂ /m ²	120
Deliver four pan-TfL frameworks/contracts	%	100
Deliver net Crossrail financing and funding streams	£m	873
Deliver financing or cost efficiencies from existing financing arrangements or the wider TfL estate	£m	25

11.4 Group HR

Group HR is responsible for the development of HR strategy and TfL's people agenda. It comprises of a number of specialist teams covering:

- Employee Relations and Engagement, which develops employee policies, consults and engages with the trade unions and provides advice to HR colleagues
- Reward and Recognition is responsible for TfL's reward strategy, as well as conducting all job evaluations
- Equality and Inclusion team is responsible for developing equality policies and assisting the business build the capabilities of managers, as well as ensuring equality and inclusion is integral to processes and procedures
- The Performance and Governance team focuses on HR projects, HR communications, the financial aspects of Group HR and other governance activity
- The Organisational Capability and Development team manages the TfL performance management process, delivers talent management and offers specialist advice on the appropriate ways of assessing applicants for recruitment or development purpose. Organisational Capability and Development manages graduates and other development schemes together with the Learning and Development team, which offers learning and development across TfL
- The LU HR team also reports to the Group HR Director and manages the recruitment, training, promotion and redeployment of LU staff

Deliverables

Description	Date
Employee Relations policy development and deployment	Mar 2012
Implement the Skills and Employment Strategy – publish revised strategy	Sep 2011
Deliver equality and inclusion leadership programmes	Mar 2012
Implementation of job families	Mar 2012
Roll out of career mapping	Mar 2012
Deploy a talent management programme – launch pan TfL talent group	Sep 2011

11.5 Planning

Planning is responsible for setting the strategic direction for transport in London and ensuring that it meets the city's objectives for economic growth, quality of life, safety and security, improving transport for all and climate change challenges.

This includes: influencing national and regional policy; developing transport and related (eg environmental, health) policies; leading on the relationship with the Mayor's Office on transport strategy/policy matters; being responsible for the reconciliation of transport policies at Group level; developing and assessing options for delivering strategy; leading on major / multi-modal scheme development with early modal involvement; sub-regional transport planning; multi-modal transport studies and assessments for transport schemes and land-use developments; providing an input to relevant Mayoral strategies (not just transport); ensuring planning frameworks are underpinned by robust analysis and leading the relationship with Government, London boroughs, the GLA and other stakeholders to ensure effective engagement with TfL on planning matters.

It is responsible for monitoring the effectiveness of the MTS through the Travel in London report and for compiling, analysing and reporting on multi-modal travel demand data, including the London

Travel Demand Survey. Planning is also responsible for developing, maintaining and running the London-wide and sub-regional, multi-modal transport models. The London-wide models are run by Planning and are available for use by others in TfL, including LTS which provides multi-modal demand forecasts, and Railplan which provides forecasts of public transport performance. The sub-regional models are available to London boroughs, developers and TfL, and will improve the quality of transport decision making across London by providing a consistent and high quality set of models. Planning also provides accessibility tools such as PTALs, which provides a measure of the density of the public transport system and is used as a standard in the London Plan, and more comprehensive measures of accessibility such as CAPITAL and ATOS.

Planning provides TfL's main strategic interface with the London boroughs; it also works with the boroughs to agree their second round LIPs, facilitates efficient engagement on joint interests and reduces bureaucracy. TfL Planning provides advice to the Mayor on the transport aspects of referred planning applications, other major third party projects, and securing Section 106 funding. Planning also coordinates and develops improvements at multi-modal interchanges; coordinates TfL wide views on design and consents; and leads on improvements to urban realm. It leads on consultation response to government and other planning initiatives.

Deliverables

Description	Date
Tottenham Hale station - develop a phased implementation plan	Jun 2011
London termini - complete demand forecasting analysis and finalise report which identifies where the key capacity constraints exist and provides a prioritised list of interventions required to address these issues over the longer-term	Oct 2011
Coordinated interchange management - report on the Finsbury Park pilot scheme	May 2011
Community Infrastructure Levy (CIL) - complete Examination in Public for new CIL charging system	Dec 2011
Assessment of Thames Water revised proposals for Thames Tideway Tunnel following initial public consultation	Mar 2012
Strategic interchanges - report on the analysis and delivery of strategic interchanges	Jan 2012
Increase in-house capacity to deliver sub-regional modelling projects by increasing the number of policy analysis staff who are skilled at, and carry out, sub-regional highway modelling 100 per cent	Mar 2012
Prepare a new forecast of travel and traffic growth using both time series and cross-section data, and incorporating new population and employment projections from GLA	Sep 2011
Complete assessment of strategic transport impacts of the London riverside and report drafted to meet GLA/borough timescales	May 2011
Complete Travel in London Report 4	Dec 2011
River crossings package public consultation	Jun 2011
Chelsea-Hackney line – Short-list options report to the Mayor	Sep 2011
Submission of planning applications required to facilitate the launch of Barclays Cycle Hire scheme phase 2 with 4,200 docking points in March 2012	Mar 2012
Produce 'live' updates of the five sub-regional transport plans - north, south, east, west and central (using modelling, scheme development and sub-regional panels)	Jan 2012

12.0 Capital Projects

12.1 Finance

Through the Future Ticketing Programme (FTP), paying for travel on London's transport network will become easier and even more convenient when TfL starts accepting contactless payment cards. From spring 2012 under phase 1, customers will be able to pay for their single bus fares by touching a contactless-enabled debit or credit card onto the card readers on all of London's 8,000 buses. As requested by the DfT, TfL will accept cards issued under the Integrated Transport Smartcard Organisation (ITSO) platform.

Finance also includes property development, which manages various opportunities to realise capital income from disposal of commercial and residential sites in TfL ownership. The Group Property and Facilities team manages land acquisition and all operational property works, and lets and manages retail, commercial and residential premises held by TfL. The team also provides facilities management services involving accommodation acquisition and planning, workspace design, building operation and maintenance. The Accommodation Strategy involves consolidating head office sites into lower cost units within easy reach of each other. There is a range of capital investments designed to support the TfL group's information system needs, including the delivery of substantial efficiency savings. These include document management systems and investment in core IM infrastructure.

Deliverables

Description	Date
ITSO 3G communications software development complete	Sept 2011
ITSO completion of changes to back-office systems	Dec 2011
FTP phase 1 – initial bus launch to be implemented, payment of the bus single fare by contactless bank card	Spring 2012

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