

Board



Date: 24 September 2014

Item 6: Operational and Financial Performance Report and Investment Programme Report – First Quarter, 2014/15

This paper will be considered in public

1 Summary

1.1 This paper informs the Board of TfL's Operational and Financial Performance (OFR) and presents the Investment Programme Report (IPR) for the first quarter of 2014/15 (1 April – 21 June 2014).

2 Recommendation

2.1 **The Board is asked to note the reports.**

3 Reporting improvements

3.1 From Quarter 1, 2014/15, the OFR contains one combined Executive Summary for the OFR and the IPR and a consistent format and structure across both reports.

3.2 Ordinarily, both the OFR and IPR would be reviewed by the Finance and Policy Committee. This had not been possible due to the report production and validation timetable and the meeting cycle.

List of appendices to this report:

Appendix 1: Operational and Financial Performance Report – First Quarter 2014/15

Appendix 2: Investment Programme Report – First Quarter 2014/15

List of Background Papers:

None

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TfL's quarterly finance, investment and operational performance reports

Quarter 1, 2014/15

MAYOR OF LONDON



**TRANSPORT
FOR LONDON**
EVERY JOURNEY MATTERS

Executive Summary

Quarter 1 (Periods 1-3), 1 April 2014 – 21 June 2014

- From Quarter 1, 2014/15, this Executive Summary includes financial and project information from TfL's Investment Programme Report (IPR) - in addition to highlights from the Operational and Financial Performance Report (OFR) previously provided – as well as prior year's financial comparators in the OFR
- In Quarter 1, customer satisfaction was above or met target across all services except the Emirates Air Line; customer satisfaction shows continuing and marked year-on-year improvements, with the DLR up two points against both target and the same period last year
- Reliability levels remain high in Quarter 1. Underlying Tube reliability – excluding the effects of industrial action in April 2014 - was better than target, showing a 14 per cent improvement from the same quarter last year. Including the effects of Industrial action, lost customer hours were 2.5 million hours worse than target with 3.2 million hours lost through the action
- TfL remains on track to reduce Tube delays by 30 per cent¹ by 2015, further to the almost 40 per cent reduction achieved between 2007/08 and 2011/12
- Journey time reliability on London's roads shows signs of deterioration - continuing the trend from Quarter 3 last year - as buoyant economic growth returns to the capital. Economic growth has led to increases in traffic volumes, up almost three per cent over the past year. Bus excess wait time was nonetheless been maintained throughout the quarter despite the traffic volume increase
- TfL is investing £4bn on road improvements over the next 10 years to maintain roads reliability levels in the face of continuing economic and population growth
- In Quarter 1, we rolled out the full fleet of new longer, air conditioned trains on the Circle and Hammersmith and City lines. We also completed the final section of the new Northern line signalling system, starting service on 1 June, six months ahead of schedule
- Crime rates and total number of incidents on the Tube, DLR and buses show further reductions; since 2010/11 the crime rate has fallen by almost 30 per cent on buses and by 25 per cent on the Tube and DLR network. Crime levels in Quarter 1 are down by 24 per cent on the LU and DLR network and by almost 17 per cent on London's buses
- The number of people killed and seriously injured on London's roads have dropped by over eight index points since the same quarter last year: this was the second lowest level of KSIs recorded in a quarter. TfL is on track to reduce KSIs by 40 per cent by 2020
- In the year to date, TfL has so far secured a further £22m of savings on top of its target. TfL has now secured savings of £1.2bn up to 2020/21, with a further £4bn to deliver over the coming years
- Fares income is slightly lower than Budget, largely due to lower than expected passenger demand on the Tube and the affects of industrial action in April 2014
- TfL's total cash balances (including funds ring fenced for the Crossrail project) are forecast to be £248m higher than Budget by the end of the year, driven by:
 - Timing differences in expenditure, funding, and in payments and receipts totalling £247m
 - Additional savings of £22m, partly offsetting lower than expected fares income of £1.2m
- TfL's cash balance (beyond a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan to 2020/21 which will be updated in December 2014.

¹ From the 2011 calendar year baseline

Delivery

Reliability

Reliability	Quarter I	Variance to Target
LU: lost customer hours ²	7.1	2.5 ▲
LU: lost customer hours (excl. Industrial Action)	3.9	-0.7 ▼
LU: excess journey time ³	4.75	-0.05 ▼
Buses: excess wait time ⁴	1.0	-▶
DLR departures ⁵	99.5	0.7 ▲
London Overground PPM ⁶	96.1	0.1 ▲
TLRN reliability ⁷	88.2	-1.0 ▼

Reliability continues to be one of TfL's key priorities. Last year saw significant improvements across most of the network, with underlying Tube reliability showing a five per cent year-on-year improvement. Reliability remains strong in Quarter I, with London Underground (LU) excess journey time, the Docklands Light Railway (DLR) and London Overground all better than target. Reliability on the Tube was affected by industrial action in April 2014, which added 3.2 million hours to lost customer hours in the Quarter. However, underlying reliability, which excludes the effect of industrial action, was significantly better than target and the same quarter last year. Reliability on London's roads has shown some recent deterioration, largely due to increases in traffic volumes due to renewed economic growth. Serious and severe disruption is also expected to get significantly worse over the course of the year, driven by both increased traffic volumes and highways projects, the latter including work on the Hammersmith Flyover. Nonetheless, bus excess wait time has been maintained at its recent high levels. TfL is planning on investing over £4bn on roads over the next decade, to improve the road network for all road users.

Safety and security

Recorded crime ⁸	Quarter I	Variance to Target
LU and DLR	6.7	-0.9 ▼
London Buses	6.7	-1.0 ▼

Crime has continued to fall on both the LU and DLR, and the bus network. Since 2010/11, the crime rate has dropped by 29 per cent on buses and by 30 per cent on the LU and DLR network. This has continued into Quarter I, which shows significant improvements on last year and against target. This is the result of additional measures put in place by the British Transport Police (BTP) to tackle crime on London Underground and DLR, and partnership working with TfL's policing partners to further reduce crime on London Buses.

² Total additional journey time, measured in million hours, experienced by all customers as a result of delays that lasted two minutes or longer

³ The average extra time that it took to complete a journey, compared to the time it would have taken if there were no delays, measured in minutes

⁴ The number of minutes that a passenger has had to wait in excess of the time that they should expect to wait if buses ran as scheduled

⁵ Docklands Light Railway (DLR) departures: the percentage of actual train departures of the base service departures

⁶ The percentage of trains which arrive at their destination on time

⁷ Transport for London Road Network (TLRN) journey time reliability: the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak

⁸ Recorded crime per million passenger journeys

Safety	Quarter I	Variance to Target
Cumulative reduction in killed and seriously injured ⁹	35.9	-0.8 ▼

The number of people killed and seriously injured (KSI) on London's roads in Quarter I was down 35.9 per cent from the baseline, the second lowest level on record in any quarter. The quarter's results show significant improvement from the same quarter last year. TfL expects to make further progress on the quarter, forecasting to reduce KSIs by almost 38.7 per cent over the full year. TfL is on track to meet its long-term goal of reducing KSIs by 40 per cent by 2020.

Project and milestone progress

As part of TfL's multi-billion investment programme, a number of projects were completed and significant milestones met in Quarter I, including:

- The final section of the new Northern line signalling system entered service on 1 June, six months ahead of schedule. Along with a new timetable introduced on 22 June, we have been able to provide an additional two trains per hour on the central branches during peak hours and three trains per hour during off peak services throughout the line.
- The last C stock train was removed from service on the Circle and Hammersmith & City lines and the full fleet of new longer, air conditioned S-stock trains have now been rolled out on the Circle and Hammersmith and City lines
- Route 38 became the latest in the capital to be served entirely by New Routemasters in June 2014. Over 260 New Routemasters are now in operation, with a further 340 to be delivered by the end of April 2016
- Work was completed on the new DLR station at Pudding Mill Lane, to enable a capacity boost on the Stratford to Canary Wharf route by 1,100 passengers per hour when the new service plan is introduced next year

Budget milestone completion ¹⁰	Quarter I, 2014/15
Completed on time or early	93%
Late by less than 90 days	5%
Late by 90 days or more	2%

The investment programme is currently forecasting to achieve 93 per cent of its significant milestones early or on time. Of the milestones that are reporting a variance only the Cycle Superhighways delay will impact the current project end date due to a decision to defer delivery of some works.

⁹ Cumulative percentage reduction from a baseline of the 2005-2009 average. Full year refers to the 12 months from November 2013 – December 2014, due to lead times in obtaining KSI data from third parties

¹⁰ Automatic Train Control (ATC) milestones have been excluded from this following the cancellation of the ATC contract in December 2013

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Capital expenditure	(471)	(7) ▼	(51) ▼
Revenue investment	(73)	28 ▲	51 ▲
Total investment	(544)	21 ▲	0 ▼

Investment expenditure¹¹ –which includes all capital expenditure and over £500m of operating expenditure allocated to investment projects in 2014/15 – is £21m under Budget in the year to date, a variance of less than four per cent. Over the full year, investment expenditure is now forecast to be almost exactly inline with Budget, with a variance of less than £0.5m.

¹¹ A reconciliation between the investment programme financials and the OFR is provided in Appendix B of the OFR

Value

Financial summary

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Fares income	938	(12) ▼	(21) ▼
Other income	147	(0) ▼	(7) ▼
Operating expenditure	(1,342)	51 ▲	59 ▲
Group Items	(67)	10 ▲	12 ▲
Margin	(323)	48 ▲	43 ▲
Net capital expenditure	(460)	(2) ▼	(43) ▼
Crossrail expenditure	(339)	56 ▲	35 ▲
Net service expenditure	(1,122)	102 ▲	35 ▲
DfT grants	409	2 ▲	1 ▲
GLA precept	1	- ►	- ►
Business rates retention	153	- ►	- ►
Other grants	23	17 ▲	(70) ▼
Crossrail funding sources	421	8 ▲	15 ▲
Working capital	53	151 ▲	216 ▲
Net borrowing	618	(32) ▼	(5) ▼
Cash movements	555	248 ▲	191 ▲

TfL fares income is £12m below Budget in the year to date. This is due to a combination of lower passenger demand on the Tube, with £10m less revenue than expected, and a further £5m from the impact of industrial action. This fares downside has been offset by higher than expected bus fares income, which was £5m higher than Budget due to higher numbers of fare-paying journeys and a £1m benefit from industrial action on the Tube.

Operating expenditure is £51m – or four per cent – under Budget in the year to date. This is driven primarily by £42m of rephasing, including £8m on Fit for the Future Stations and £6m on infrastructure renewals in LU and a further £7m of in-year rephasing across Surface Transport, the latter including Local Implementation Plans (LIPs) work on road corridors and cycling initiatives including Quietways, Cycle Hire transformation feasibility, and the Cycle to School partnership programme.

Group items are £10m under Budget in the year to date, due to lower debt service charges of £5m and £5m for group contingency which has not been required.

Net capital expenditure (excluding Crossrail) is £2m higher than Budget in the year to date. Northern Line Extension (NLE) spend is £32m higher than expected, from bringing forward works originally budgeted for later this year – this has no effect on total NLE project costs. This is partly offset by a £10m underspend on SSR, due to the earlier than expected delivery of new trains in March 2014, in-year rephasing of almost £6m on station upgrades and Crossrail interface works, and an increase of £4m from property income, where sales have been brought forward.

Crossrail spend is £56m under Budget in the year to date, predominantly due to lower than anticipated risk drawdown. Direct costs are £6m more than Budget in the year to date, predominantly due to increased costs from the growth of utility works at Farringdon, double shift working at Whitechapel to maintain project schedule, and cost overruns at Paddington New Yard Farringdon and Pudding Mill Lane. Indirect costs are £8m below Budget, largely a result of unfilled vacancies in the Central and Technical areas. These variances have no material impact on

Crossrail's overall project costs, which will be delivered to time and within budget.

The Quarter 1 full-year forecast shows a £35m upside to the full-year Budget. The main updates to the 2014/15 Budget include:

- A fares income reduction of £21m, largely from lower demand on the Tube, the effects of industrial action in April 2014, and lower inflation forecasts than previously assumed – from 3.7 per cent assumed in the Budget to 2.7 per cent – offset by increased fares income on buses
- £66m of spend on the Earl's Court joint venture brought forward from later years of the Business Plan. The Earls Court joint venture was approved by the Board in February 2014. The investment is subject to further Finance and Policy Committee (F&PC) level approval
- Rephasing of almost £47m of NLE costs to future years, following greater clarity on the expenditure profile, with total project costs remaining the same
- Rephasing of £35m of Crossrail expenditure into future years
- Rephasing of £26m of Northern Line Upgrade risk to future years
- London Overground Capacity Improvement Programme (LOCIP) rephasing of £20m; and
- The release of £117m of overprogramming in London Underground to offset rephasing of capital programmes, as forecast accuracy improves.

Cash balances

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Crossrail SFA	2,194	99 ▲	158 ▲
Other TfL	3,129	149 ▲	32 ▲
Closing cash	5,323	248 ▲	191 ▲

Cash movements

£m	Year to date actual variance to Budget
Crossrail	56 ▲
Acceleration	(24) ▼
Rephasing	55 ▲
Savings	22 ▲
Fares Income	(12) ▼
Grant	41 ▲
Working capital	151 ▲
Borrowing	(32) ▼
Other	(9) ▼
Cash movements	248 ▲

Cash balances excluding Crossrail stand at just over £3.1bn at the end of Quarter 1, £149m more than Budget. Cash balances including Crossrail now stand at just over £5.3bn, £248m higher than forecast in the Budget. This is driven by:

- Timing differences in expenditure, funding, and in payments and receipts totalling £247m including a £151m working capital upside from an increase in trade and capital creditors of £113m, a £13m earlier than expected VAT receipt and a later than forecast insurance premium of £10m
- Other timing differences include £56m of Crossrail project costs and £55m of investment rephasing - which are both now expected to be incurred at a later date than originally planned - and offsetting acceleration of work into late last year and early this year totalling £24m
- Additional savings of £22m which partly offset the reduction in fares income as a result of lower than expected passenger demand and the impact from industrial action on the Tube

Over the course of the year, TfL's total cash balances are expected to reduce to just over £4.1bn, as improvements projects are completed. This is £191m more than expected, largely driven by:

- Timing differences from: a £214m working capital upside from a £65m lower than expected loan to Network Rail for works associated with the Crossrail project and higher net creditors of £139m; lower than budgeted grants of £55m, largely due to an update to the funding schedule for the NLE to reflect the revised expenditure profile- this does not change the total funding profile; and project rephasing identified above

TfL's cash balances (beyond a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan - which will be updated later this year - including:

- Almost £1.2bn on the Sub-Surface Rail upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
- Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
- £800m for key cycling programmes, as part of the

- Mayor's overall £913m Cycling Vision commitment
- £130m for a further 340 New Routemasters by the end of 2015/16, bringing the total to 600

Efficiencies

£m	Year to date	Year to date actual variance to Budget	Full-year forecast variance to Budget
Efficiencies	28	22 ▲	23 ▲

TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to further invest in infrastructure improvements while holding down fares and managing with lower levels of government funding. We have already secured £12bn, with a further £4bn still to be secured. The savings programme will be achieved by reducing back-office expenditure and driving out inefficient activity to protect front-line services and our long-term investment programme, providing tangible benefits to our customers.

In 2014/15 TfL has already secured almost £1.4bn of savings. To meet its long-term savings target, we are targeting a further £29m of savings to be secured in this year. At the end of Quarter 1, TfL is £22m higher than target. This mainly relates to the rephasing of implementation costs for the Fit for the Future stations programme, which has now been forecast into future years.

Customer

Passenger journeys

Million	Quarter 1	Variance to Target
London Underground	279.1	-9.5 ▼
London Buses	545	-2 ▼
DLR	24.1	-0.4 ▼
London Overground	30.7	-0.9 ▼
Tramlink	6.9	-0.3 ▼
Emirates Air Line	0.4	0 ►

In Quarter 1, passenger numbers are down against target and from the same quarter last year across most services. Tube passenger journeys are 9.5 million under target, largely due to industrial action on the Tube in April 2014, which reduced Tube passenger numbers by approximately four million. Passenger demand is also down against Budget and from the same quarter last year on London's buses; this was partly due to lower than expected numbers of non-fare paying passengers, which has had no effect on TfL's finances. Over the course of the year, passenger numbers are expected to pick up, with all services showing year-on-year improvement except Tramlink.

Cycling

Cycling index	Quarter 1	Variance to Target
Cycling levels on TLRN ¹²	362	46 ▲

The index of cycle flows on London's roads reached 362 in Quarter 1, the highest levels of cycling seen in Quarter 1 and 64 index points – over 20 per cent – up on the same quarter last year.

£913m will be spent on cycling schemes up to 2021/22, to boost cycling levels, delivering a step-change in cycling provision to support the growing numbers of cyclists in the capital.

Customer satisfaction and complaints

CSS score	Quarter 1	Variance to Target
London Underground	83	- ►
London Buses	83	- ►
DLR	88	2 ▲
London Overground	82	1 ▲
Tramlink	89	- ►
Emirates Air Line	92	-1 ▼

Customer satisfaction levels are on or above target across most services, maintaining the high levels of customer satisfaction seen since the 2012 Games.

Customer satisfaction with the DLR was up two index points against target and from the same quarter last year. London Overground was also better than target and maintained levels from last year. All other areas maintained historically high levels, except Emirates Air Line which, while down from last year, has the highest customer satisfaction level of all of TfL's services. The Tube was in line with target and the same quarter last year, despite the impact of industrial action; and buses has continued its record performance.

TfL continues to maintain a low level of complaints for most

Complaints per 100,000	Quarter	Variance
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¹² Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

journeys	I	to last year
London Underground	1.11	0.03 ▲
London Buses	2.42	0.39 ▲
DLR	2.93	-0.62 ▼
London Overground	2.63	-0.18 ▼
Congestion Charge	7.23	-4.77 ▼
Barclays Cycle Hire	5.84	-2.12 ▼
Dial-a-Ride ¹³	159.37	63.2 ▲

of its services. Significant improvements have been made on the DLR, Barclays Cycle Hire and Congestion Charge, the latter reducing complaints by almost 40 per cent over the past year. Complaints on the Tube are consistently around one per 100,000 journeys, lower than other rail operators in the country. The latest National Passenger Survey results show that overall satisfaction with London Overground has increased by two index points.

Customer complaints over the quarter are broadly in line or below last years levels with the exception of Dial-a-Ride, which has been affected by industrial action.

¹³ Per 100,000 journey requests

People

Headcount

FTE	Quarter 1	Variance to Budget
London Underground	21,092	266 ▼
London Rail	234	(3) ▲
Surface Transport	3,369	63 ▼
Corporate	3,779	(146) ▲
Crossrail	901	78 ▼
Total TfL	29,382	250 ▼

TfL (including Crossrail) employed 29,382 FTE at the end of Quarter 1, 59 more than at the end of 2013/14, and 250 fewer than Budget.

Staff numbers in LU are 266 below Budget, largely due to holding of vacancies in advance of organisational changes and from continuing recruitment delays. Surface Transport are 63 FTE under Budget, mainly due to slower than expected recruitment in Asset Management and Projects and Programmes due to skill shortages, and a recruitment freeze in Dial-a-Ride pending the outcomes of the Social Needs Transport Review. These have been partly offset by higher than budgeted staff numbers in Taxi and Private Hire to address the backlog of licence applications. The Corporate directorates are 146 over Budget, partly due to 90 new temporary roles working on IM projects, the Future Ticketing Programme – including contactless ticketing – and Fit for the Future Stations, where costs were included in the Budget, but staff levels required were not finalised; and 56 further roles funded by other non-staff savings within the appropriate departments. Crossrail is 78 FTE under Budget, largely due to slower than expected recruitment in the Central and Technical areas.

Operational and Financial Performance Report

Quarter 1, 2014/15

MAYOR OF LONDON



Operational and Financial Performance Report

Quarter 1 (Periods 1-3), 1 April 2014 – 21 June 2014

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Delivery

Reliability

Table 1: Reliability performance




Performance indicator	Unit	Quarter 1, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010 – 2015
▼ lower is better								
London Underground: total lost customer hours	Millions of hours	7.1	2.5 ▲	2.5	20.7	- ▶	-2.5	
London Underground: total lost customer hours (excl. industrial action)	Millions of hours	3.9	-0.7 ▼	-0.7	20.7	- ▶	-	
London Underground: excess journey time	Minutes	4.75	-0.05 ▼	-0.08	4.90	- ▶	-0.31	
London Buses: excess wait time	Minutes	1.0	- ▶	-	1.0	- ▶	-	
TLRN: serious and severe disruption	Hours	649	- ▶	214	3,262	1,267 ▲	999	
▲ higher is better								
DLR: Departures	%	99.5	0.7 ▲	NA	98.8	- ▶	NA	NA
London Overground: public performance measure	%	96.1	0.1 ▲	-0.7	96.0	- ▶	-0.1	
Emirates Air Line: availability	%	97.9	3.1 ▲	1.0	94.8	- ▶	-0.1	
TLRN: journey time reliability (AM peak)	%	88.2	-1.0 ▼	-1.2	88.8	- ▶	-0.2	
Dial-a-Ride: trip requests scheduled	%	89	-1 ▼	-1	90	- ▶	-1	NA

1.1 Between 2007/08 and 2011/12, Tube delays were reduced by 40 per cent. TfL is further targeting to reduce Tube delays by 30 per cent by 2015, compared to the 2011 baseline. In 2013/14, underlying Tube delays (i.e. excluding the impact of industrial action) were down 5 per cent from the previous year. Quarter 1 of 2014/15 has seen further improvements in underlying Tube reliability: Lost Customer Hours (LCH) – TfL’s measure for Tube reliability – are down 0.7 million hours compared to target and the same quarter last year, an improvement of 14 per cent. However, after taking into account the industrial action in April 2014, reliability was worse than both target and the same quarter last year, adding almost 3.2 million LCH in the Quarter. The impact from industrial action was lower than in the earlier action in March 2014, which increased LCH by 3.5 million hours.

- 1.2** Tube Excess journey time (EJT) was similarly affected by industrial action in Quarter 1. Nonetheless, EJT was almost 0.1 minute better than target and almost 0.1 minutes better than the same quarter last year.
- 1.3** London Overground Public Performance Measure was above target in the Quarter, although slightly worse than the same quarter last year due to a number of infrastructure failures.
- 1.4** Reliability on London's roads has suffered from the impacts of renewed economic growth – and the consequential rise in traffic volumes – combined with increases in planned and unplanned disruption and the unexpected effects of the industrial action on the Tube in April 2014. Journey time reliability (JTR) in the morning peak on the Transport for London Road Network (TLRN) is worse than target and the same quarter last year; serious and severe disruption on the TLRN is similarly worse than the same quarter last year. TfL does not now expect to meet the Serious and Severe Disruption full-year target in 2014/15. Despite the drop in reliability on London's roads, bus excess wait time has been maintained at its historically high levels, which is forecast to continue over the full year.
- 1.5** In Quarter 1, traffic volumes on the TLRN were up 2.8 index points – or 3 per cent – from the same quarter last year. Traffic accounts for nearly 80 per cent of journey time reliability; therefore, a significant increase in traffic volumes is expected to result in a worsening of JTR. TfL modelling indicates that for every 2 per cent annual increases in traffic flows, JTR will fall by approximately 0.5 index points. Increased traffic volumes on the road network translate to a more than proportional increase in the amount of unplanned serious and severe disruption we expect to see on the TLRN as more traffic overall is squeezed into the same road space across 24 hours.
- 1.6** In addition to increased traffic volumes, increases in planned serious and severe disruption hours, industrial action on the Tube in April 2014, and congestion related to the State opening of Parliament on 4 June 2014, contributed a further 0.3 index points to the adverse variance in JTR.
- 1.7** In Quarter 1, there were 649 hours of serious and severe (S&S) disruption from both unplanned and planned events spread across 298 separate incidents. This compares to 435 hours spread across 231 incidents in Quarter 1 of the previous year. This difference of 214 hours compared to the same quarter last year is made up of an increase of 78 planned S&S disruption hours and an increase of 136 unplanned S&S disruption hours. Planned disruption was up 78 hours compared to Quarter 1 last year due to an increase in Highway Authority and other works, including the Hammersmith and Redbridge flyovers. Unplanned S&S disruption on the TLRN for Quarter 1 was 136 hours worse than the same quarter last year. The main drivers include increased Traffic Collisions, Hazards and Traffic Volumes.
- 1.8** In the Quarter, Dial-a-Ride's percentage of trips scheduled was down against target and on the same period last year. Scheduled trips have been affected by industrial action short of formal strike action during the quarter.

Safety and security

Table 2: Safety and security

Performance indicator	Unit	Quarter 1, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010 – 2014
▼ lower is better								
LU and DLR recorded crime *	Million passenger journeys	6.7	-0.9 ▼	-2.0	7.4	- ▶	-0.6	
London Buses: recorded crime *	Million passenger journeys	6.7	-1.0 ▼	-1.3	7.4	- ▶	-0.1	
Rail & Underground significant injuries per million hours	Rate	0.48	-0.07 ▼	NA	0.55	- ▶	NA	NA
▲ higher is better								
Cumulative reduction in KSI Londonwide †	%	35.9	-0.8 ▼	8.4	38.7	3.6 ▲	4.4	

1.9 Both the rate and levels of crime have significantly improved on the LU and DLR networks and on buses in recent years; since 2010/11, the crime rate has fallen by 29 per cent on buses and by 30 per cent on the LU and DLR network.

1.10 The rate of crime per million passenger journeys on the LU and DLR network and on London's buses in Quarter 1 saw significant improvement against target and the same quarter last year. The level of crime on the LU and DLR network was 24.1 per cent lower than the same period last year, with 476 fewer offences. The most notable reduction was seen in theft of passenger property (40.9 per cent, 425 fewer offences). During 2013/14, the British Transport Police (BTP), which has responsibility for policing the LU and DLR networks, put in place measures to reduce theft from the 2012/13 levels, including the redeployment of officers to theft hotspots, a new crime reduction and awareness campaign, and targeted police enforcement activity against organised thieves operating on the network as part of Operation Magnum. These measures are continuing into 2014/15 as the BTP aim to reduce theft offences by a further 10 per cent from the 2013/14 level.

1.11 The level of crime on the bus network was 16.7 per cent lower in Quarter 1 than the same quarter last year, with 532 fewer offences. Notable reductions were seen in robbery (40.7 per cent, 129 fewer offences) and theft and handling (14.5 per cent, 213 fewer offences). These results build on the significant reductions in bus-related crime over recent years and reflect the work done by TfL and its policing partners to ensure that the bus network remains a safe, low crime environment.

* Quarter 1 refers to snapshot crime figures for April 2014 – May 2014. The information reported here may be different to other Quarter 4 crime information published by TfL which covers January 2014 – March 2014

† Cumulative reduction from a baseline of the 2005–2009 average. Quarter 1 refers to December 2013 – February 2014; full-year 12 months from November 2013 to December 2014

- 1.12** Rail & Underground significant injuries per million hours is a new measure for 2014/15. This measure includes death (excluding suicide) and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable injuries to all customers, staff and contractors and is aligned with the revised Office of the Rail Regulator (ORR) standard. During Quarter 1, the rate was 0.48 injuries per million hours, an almost 13 per cent improvement against target.
- 1.13** The numbers of killed and seriously injured (KSI) on London's roads continues its long-term trend of improvement. 2013 saw casualties on London's roads at the lowest level, with total KSIs reduced by 23 per cent and pedestrian KSIs down by 25 per cent from the previous year. Provisional data for Quarter 1 of 2014/15 shows that total KSIs for Quarter 1 are the second lowest level recorded in a quarter, with 526 people killed or seriously injured (KSI). This is almost a 36 per cent reduction from the 2005-2009 baseline for Quarter 1 and is the second lowest level on record.
- 1.14** Over the full year, TfL now expects a 38.7 per cent reduction in KSIs from the 2005/09 baseline, significantly better than target and previous years. Reductions in KSI levels have been achieved through the new Safe Streets for London safety plan, Operation Safeway – with up to 1,000 police officers stationed simultaneously at around 100 key junctions - as well as sustained levels of cycling investment and the continuing rollout of Pedestrian Countdown. TfL is also trialling new cyclist and pedestrian detection technology on buses, which will be tested from August 2014. TfL is on track to meet its long-term target of a 40 per cent reduction in KSIs by 2020.

Value

The operating budget table below shows financial variances for actuals as of the end of Quarter 1 2014/15 against the TfL 2014/15 Budget, as well as the latest full-year forecast as of Quarter 1. The table highlights TfL's operating contribution to fund investment, after revenue grants, including DfT General Grant, Business Rates Retention and the Greater London Authority (GLA) precept. The operating contribution is used to help fund investment and is allocated to projects through the annual business planning process.

Table 3: TfL group finances – operating income, costs and funding

TfL group (£m)	Year to date			Full year 2014/15		
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
Fares income	938	951	(12) ▼	4,310	(21) ▼	0%
Other operating income	147	148	(0) ▼	673	(7) ▼	1%
Total income	1,086	1,098	(13) ▼	4,983	(28) ▼	1%
Operating expenditure (net of third-party contributions)	(1,342)	(1,393)	51 ▲	(6,275)	59 ▲	1%
Operating margin	(256)	(295)	39 ▲	(1,292)	31 ▲	2%
Interest income ²	6	6	0 ▲	19	(5) ▼	22%
Debt interest	(79)	(83)	5 ▲	(356)	16 ▲	4%
Contingency and group items	6	1	5 ▲	(15)	1 ▲	8%
Margin	(323)	(372)	48 ▲	(1,644)	43 ▲	3%
Finance sources						
General grant	193	191	2 ▲	835	- ►	0%
Overground grant	7	7	0 ►	28	- ►	0%
GLA precept	1	1	(1) ▼	6	- ►	0%
Business Rates Retention	153	153	- ►	828	- ►	0%
Other revenue grants	1	5	(4) ▼	3	(3) ▼	45%
Total revenue grants	354	357	(2) ▼	1,701	(3) ▼	0%
Operating contribution to fund investment	30	(16)	46 ▲	53	36 ▲	211%

² Includes interest on the Crossrail Sponsors' Fund Account

Table 4: TfL group finances – capital expenditure, income and funding

TfL group (£m)	Year to date			Full year 2014/15		
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
Capital expenditure	(471)	(465)	(7) ▼	(2,107)	(51) ▼	2%
Third-party contributions – capital	7	6	0 ▲	44	8 ▲	22%
Sales of property and other assets	5	1	4 ▲	42	(0) ▼	0%
Net capital expenditure excl. Crossrail	(460)	(458)	(2) ▼	(2,021)	(43) ▼	2%
Crossrail capital expenditure	(339)	(394)	56 ▲	(1,653)	35 ▲	2%
Net capital expenditure incl. Crossrail	(799)	(852)	53 ▲	(3,674)	(8) ▼	0%
Finance sources						
Surplus/ -deficit to fund investment	30	(16)	46 ▲	53	36 ▲	211%
Crossrail funding sources	421	413	8 ▲	1,702	15 ▲	1%
Investment grant	210	210	0 ►	909	0 ►	0%
Other capital grants	21	0	21 ▲	73	(68) ▼	48%
Working capital	54	(97)	151 ▲	(337)	214 ▲	39%
Net borrowing and reserve movements	63	342	(279) ▲	1,269	(194) ▲	13%
Total	799	852	(53) ▲	3,674	8 ▲	0%

Fares income

2.1 TfL fares income is tracking very close to Budget in the year to date, with a small variance of just over one per cent. Fares income is £12m below Budget, from a combination of lower passenger demand on the Tube - with £10m less income than expected - and £5m from the impact of industrial action in April 2014. This fares downside has been partly offset by higher than expected bus fares income, which is £5m more than Budget due to higher numbers of fare-paying journeys and a £1m benefit from industrial action on the Tube. The net effect of industrial action on TfL is £4m.

Table 5: Fares income

Fares income (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	516	533	(17) ▼	2,419	(28) ▼
London Rail	71	72	(0) ▼	325	(1) ▼
Emirates Air Line	1	1	0 ▲	7	0 ▲
London Buses	349	344	5 ▲	1,559	9 ▲
Total fares income	938	951	(12) ▼	4,310	(21) ▼

2.2 TfL forecast that passenger demand on the Tube will slightly pick up over the rest of the year, with an impact of £8m over the full year. However, lower than previously anticipated retail price index (RPI) forecasts are expected to reduce Tube fares revenue by a further £9m. Combined with the impact from industrial action, Tube fares income is expected to be £28m lower than Budget over the full year.

2.3 Bus fares income growth is forecast to continue over the full year, with an upside of £9m against the Budget. This is due to a combination of increased economic and population growth assumptions, which has been slightly offset by a forecast lower fares increase in January 2015, due to lower RPI forecasts. The actual change in fares for 2015, which will be implemented in January 2015, will be determined by the Mayor.

Other operating income

Table 6: Other operating income

Other operating income (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	48	48	0 ▲	211	0 ▲
London Rail	3	3	0 ▲	17	(2) ▼
Congestion Charge and LEZ and Road Network Compliance	63	66	(3) ▼	298	(9) ▼
Barclays Cycle Hire	4	3	1 ▲	15	1 ▲
Other Surface Transport	21	20	0 ▲	87	(1) ▼
Corporate	8	8	0 ▲	44	3 ▲
Total other income	147	148	(0) ▼	673	(7) ▼

- 2.4** Road User Charging - Congestion Charge (CC), Low Emission Zone (LEZ) and Road Network Compliance (RNC) - income in the year to date was £3m lower than Budget in the year to date, mainly due to lower volumes of Penalty Charge Notices (PCN). The full-year forecast has been reduced from the Budget by £9m, reflecting the current trend in PCN volumes.
- 2.5** Barclays Cycle Hire income in the year to date was £1m higher than Budget, with the daily access fee income from non-members substantially higher than anticipated. Contributing factors included sustained spells of excellent weather and targeted spring and summer marketing campaigns. The variance also includes additional sponsorship income agreed with Barclays for the intensification of sites and extension of the pre-existing zone to South West. The full-year forecast has been increased by £1m to reflect the additional sponsorship.
- 2.6** Operating income across the Corporate directorates was in line with the Budget in Quarter 1. Over the full-year, operating income is forecast to be £3m higher than Budget. This reflects the value of work done by TfL on behalf of the Greater London Authority, Network Rail and the London Legacy Development Corporation (LLDC); this income is fully offset by corresponding higher expenditure of £2m and has no net effect on TfL's finances.

Operating expenditure

Table 7: Operating expenditure

Operating expenditure (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	(511)	(544)	33 ▲	(2,354)	61 ▲
London Rail	(84)	(91)	7 ▲	(407)	3 ▲
Surface Transport	(610)	(619)	8 ▲	(2,851)	9 ▲
Corporate	(136)	(140)	3 ▲	(664)	(14) ▼
Total operating expenditure	(1,342)	(1,393)	51 ▲	(6,275)	59▲

- 2.7** TfL's operating expenditure is £51m under Budget in the year to date, a variance of under four per cent. Over the full year, the variance is expected to reduce to less than one per cent.
- 2.8** LU operating expenditure was £33m lower than Budget in the year to date. The main drivers include: rephasing of £26m, £24m of which will reverse in the current year, mainly relating to £8m of deferred works on Fit for the Future Stations, £6m on infrastructure renewals and £3m in Legacy Train Systems (relating to renewal projects associated with legacy fleets); cost decreases of £4m relating to reduced staff costs from vacancies, attrition and industrial action; and £3m from a combination of minor movements.
- 2.9** Over the full year, LU operating expenditure is now forecast to be £61m – 2.6 per cent – under Budget. The main variances are: £41m of renewals expenditure now classified as capital following a better understanding of the scope of works; £27m of efficiency and operational savings including a higher than expected number of staff vacancies; and £10m of savings due to lower than budgeted inflation assumptions which offsets a similar reduction in revenue. This is partly offset by a total of £17m due to accelerated spend on renewals and reliability projects of £5m augmented by budgeted slippage of £12m.
- 2.10** Surface Transport operating expenditure in the year to date was £8m below Budget, primarily due to £7m of in-year rephasing. The most significant movements included £2m rephasing of Local Implementation Plans (LIPs) works on road corridors, £1m rephasing of Cycle Hire Transformation feasibility, £1m slippage on Quietways detailed design due to delays in achieving stakeholder agreement and £1m from delays in approvals for the 2014/15 Cycle To School Partnership Programme, pending finalisation of the project scope.
- 2.11** The full-year Surface Transport operating expenditure is now forecast to be £9m lower than Budget, primarily due to favourable Road User Charging bad debt movements of £5m. The forecast reflects the current trend where less Congestion Charge enforcement PCNs are escalating to the full charge, a slight improvement in outstanding payments rates over the last six months, and the reduced PCN volumes referenced above (see Section 2.4 above).

2.12 Across the Corporate directorates, operating expenditure was £3m lower than Budget in the year to date, mainly due to the rephasing of expenditure to later this year. This reflected demand-driven buildings maintenance and property services of almost £2m; £1m for the review and subsequent re-scoping of IM projects and over £1m for Planning projects, the latter including Garden Bridge and River Crossings. These were partly offset by the acceleration of expenditure on TfL's new website and marketing campaigns for Every Journey Matters.

2.13 In the full year, operating expenditure is now forecast to be £14m higher than Budget across the Corporate directorates. This is mainly due to £9m from re-profiling of Commercial Development Investment Programme (CDIP) and the Future Ticketing Project (FTP) from 2013/14. In addition, the Traffic System team has been transferred from Surface Transport to Corporate IM, along with the £4m costs; this has no net effect on TfL's financial position. As above (see Section 2.6), TfL has also completed work to the value of £2m on behalf of the GLA, Network Rail and the LLDC. These increases are partly offset by an insurance refund of almost £3m, which was originally expected to be received in 2013/14.

Interest income, debt service and other group items

2.14 Interest income is in line with the Budget in the year to date. Over the full year, interest income is now expected to be £5m lower than Budget, due to market implied rates being lower than those originally assumed in the Budget. This is as a result of market expectations that rates will remain lower for longer in the short term.

2.15 In the year to date, debt service is £5m under Budget, due to TfL issuing a total of £500m of borrowing in two separate bond transactions at rates significantly below those expected when completing the Budget. The savings created from these bonds are reflected in the full-year forecast which is now expected to be £16m lower than Budget.

Table 8: Interest income, debt service and other group items

Interest income, debt service and other group items (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Interest income	6	6	0 ▲	19	(5) ▼
Debt service	(79)	(83)	5 ▲	(356)	16 ▲
Contingency and other group items	6	1	5 ▲	(15)	1 ▲
Total interest, debt service and other group items	(67)	(77)	10 ▲	(352)	12 ▲

Capital expenditure

Table 9: Capital expenditure

Gross Capital expenditure (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	(316)	(310)	(6) ▼	(1,333)	(20) ▼
London Rail	(55)	(58)	2 ▲	(233)	21 ▲
Surface Transport	(79)	(75)	(5) ▼	(386)	(7) ▼
Corporate	(21)	(23)	2 ▲	(155)	(45) ▼
Gross capital expenditure	(471)	(465)	(7) ▼	(2,107)	(51) ▼

2.16 In the year to date, capital expenditure is broadly in line with Budget, showing a variance of just under 1.5 per cent, with all business areas tracking very close to Budget.

2.17 LU capital expenditure is £6m – just under 2 per cent - over Budget in the year to date. Key variances include: current year rephasing of £6m over Budget including; £32m higher than Budget from the Northern Line Extension, due to earlier than expected property acquisitions which started one quarter ahead of schedule; £10m under on the Sub-Surface Rail upgrade, with £12m from the earlier than budgeted delivery of new trains in March 2014, which was partially offset by other timing changes; £8m under for infrastructure renewals rephasing; and £6m under for stations upgrade across various projects including the rephasing of Vauxhall Station following tunnelling contractor delay.

2.18 Over the full year, LU capital expenditure is now forecast to be £20m higher than Budget. The main increases include £41m reclassified from operating to capital expenditure and £13m of cost increases due to movements across a number of programmes. These are partially offset by reductions of £32m including: £11m relating to revised inflation assumptions; £15m of cost decreases, primarily in infrastructure renewals; and £6m of additional efficiencies. In addition, there was a net rephasing decrease of £6m from a combination of £47m for the Northern Line Extension relating to property acquisition, risk and other works phasing, £23m reprofiling of risk for the Northern Line Upgrade, £14m due to World Class Capacity Jubilee Line works and a £38m decrease across the remaining programmes, offset by £11m on acceleration of the Transport and Works Act Order at Bank and a central overprogramming release of £105m. Within SSR there was minimal overall movement, with the rephasing of depots and signal immunisation being offset by the impact of prior year acceleration of train acceptances and a number of smaller programme phasing variances.

2.19 Year-to-date Surface Transport capital expenditure is £5m higher than Budget, primarily due to accelerated project spend, including £3m relating to New Routemaster delivery, as the annual factory shutdown is later than the budget assumption, and £2m on Fore Street Tunnel, Chiswick Bridge and Hogarth Flyover, where main works started early.

2.20 The full-year forecast for Surface Transport capital expenditure is £7m above Budget mainly due to investment programme rephasing. The most notable variances are £8m accelerated spend on Fore

Street Tunnel, where works have been compressed by 5 months as design is now combined with build to maximise efficiencies, £3m acceleration on Woolwich Ferry Life Extension and £5m rephased to future years on Cycle Superhighways following detailed route planning.

2.21 Capital expenditure in the Corporate directorates was £2m lower than Budget in the year to date. This reflected a £5m change in the estimate for project contingency which was included in the budget. Project reprioritisation resulted in in-year rephasing of IM and CEM&C projects, including £2m for Technical Refresh and Operational Support System (OSS) and £2m of reprofiling to future years of the IM Investment Programme and FTP phases 2 and 3 to reflect the revised schedule. These favourable variances were offset by £8m for the earlier than budgeted purchase of Buck Street in Camden - to secure site provision with vacant possession - and a £2m unbudgeted property purchase to safeguard a future development proposal.

2.22 In the Corporate directorates, capital expenditure is now forecast to be £45m higher than Budget over the full year. This reflects a £66m payment for the Earl's Court joint venture which is expected to be brought forward from 2014/15, partly offset by a £19m movement in project contingency and other minor variances.

Capital third-party contributions

Table 10: Capital third-party contributions

Third-party contributions (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	3	4	(1) ▼	21	1 ▲
London Rail	1	0	1 ▲	7	2 ▲
Surface Transport	3	1	2 ▲	16	7 ▲
Corporate	0	1	(1) ▼	1	(3) ▼
Capital third-party contributions	7	6	0 ▲	44	8 ▲

2.23 LU third-party contributions year to date and full year minor variances reflecting small movements on stations and Sub-Surface Rail upgrades funded works.

2.24 London Rail third-party contributions for the full year have increased by £2m due to minor rephasing within London Overground programmes.

Sales of property and other assets

Table 11: Sales of property and other assets

Sales of property and other assets (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Total sales of property and other assets	5	1	4 ▲	42	(0) ▼

2.25 Property sales and other asset income was £4m higher than Budget in the year to date. This reflected £2m from the sale of property at Inglis Road, which was originally planned for Quarter 4 2013/14, and the New Land Improvement Payment of £2m for the Hammersmith Met site following contract re-negotiation. Property sales income is expected to be in line with Budget over the full year.

Crossrail

Table 12: Crossrail

Crossrail (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Crossrail	(339)	(394)	56 ▲	(1,653)	35 ▲

2.26 In the year to date, Crossrail is £56m under Budget, mainly due to lower than anticipated risk drawdown. In addition, direct costs are £6m more than Budget in the year to date, predominantly due to increased costs from the growth of utility works at Farringdon, double shift working at Whitechapel to maintain project schedule, and cost overruns at Paddington New Yard, Farringdon and Pudding Mill Lane. Indirect costs are £8m below Budget, largely a result of unfilled vacancies in the Central and Technical areas. Land and Property commitments are also £1m over budget for the YTD mainly due to a £1m downward revaluation at Gidea Park.

2.27 Crossrail is forecast to be £35m under Budget for the full year, due to a rephasing of risk profiles over the remaining years.

Working capital

2.28 At the end of Quarter 1, working capital is £151m higher than Budget. This was driven by a combination of factors, including an increase in trade and capital creditors of £113m, a £13m earlier than expected VAT receipt and a later than forecast insurance premium of £10m.

2.29 At the end of 2014/15, working capital is now forecast to be £214m higher than Budget. This is due to £65m lower than expected loan to Network Rail for works associated with the Crossrail project and higher net creditors of £139m.

Table 13: Working capital

Working capital (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Working capital	54	(97)	151 ▲	(337)	214 ▲

Government grants and other funding

Table 14: Government grants and other funding

Government grants and funding (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
DfT General grant	193	191	2 ▲	835	- ►
DfT Investment grant	210	210	0 ►	909	- ►
DfT Overground grant	7	7	0 ►	28	- ►
GLA precept	1	1	(1) ▼	6	- ►
Business Rates Retention (BRR)	153	153	- ►	828	- ►
Crossrail funding sources	421	413	8 ▲	1,702	15 ▲
Other capital grants	21	0	21 ▲	73	(68) ▼
Other revenue grants	1	5	(4) ▼	3	(3) ▼
Total grants and funding	1,006	980	26 ▲	4,386	(55) ▼

2.30 In the year to date, grants are largely in line with Budget, with a variance of less than three per cent. This is largely due to a variance of £21m in other capital grants, from payments from the Greater London Authority for the Northern Line Extension (NLE) which were received earlier than expected.

2.31 Over the full year, grants and funding are now forecast to be £55m – or 1.2 per cent - less than Budget. This is from a combination of: deferred funding from the GLA for the NLE, which is now forecast to be received in future years in line with the revised expenditure profile; offset by £15m from earlier than expected funding for Crossrail. Both of these variances are timing differences which are expected to reverse in the subsequent financial year.

Borrowing and reserve movements

Table 15: Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Borrowings Raised	618	650	(32) ▼	646	(4) ▼
Borrowings Repaid	-	-	- ►	(22)	- ►
Net borrowing	618	650	(32) ▼	624	(4) ▼
Reserve movements	(555)	(308)	(248) ▲	(645)	(191) ▲
Net borrowing and reserve movements	63	342	(279) ▲	1,269	(194) ▲

2.32 In the year to date, TfL has borrowed £618m, £32m less than expected at the time of the budget. This is a timing difference; TfL expects that the full level of borrowing will be completed by the end of the financial year.

Cash movements

2.33 TfL's closing cash (including Crossrail's cash balances) at the end of Quarter 1 is just over £5.3bn, £248m higher than expected.

Table 16: Cash movements ³

Cash summary (£m)	Year to date			Full year 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Crossrail Sponsors' Funding Account	2,194	2,095	99 ▲	2,098	158 ▲
Other TfL cash balances	3,129	2,985	149 ▲	2,031	32 ▲
Closing cash	5,323	5,080	248 ▲	4,129	191 ▲

2.34 This is driven by:

- Timing differences for expenditure, funding and in payments and receipts totalling £247m including a £151m working capital upside, £56m on the Crossrail project and £55m of investment rephasing which is expected to be incurred at a later time than originally planned, and acceleration of work into late last year and early this year totalling £24m

³ The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well fair value adjustments for long-term investments.

- Additional savings of £22m which partly offset the reduction in fares income as a result of lower than expected passenger demand and the impact from industrial action on the Tube

2.35 TfL's cash balances (beyond a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan - which will be updated later this year – including:

- Almost £1.2bn on the Sub-Surface Rail upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
- Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
- £800m for key cycling programmes, as part of the Mayor's overall £913m Cycling Vision commitment
- £130m for a further 340 New Routemasters by the end of 2015/16, bringing the total to 600

TfL's efficiency programme

Table 17: Efficiencies

Efficiencies Programme ⁴ (£m)	Year to date			Full year 2014/15	
	Actual	Target	Variance to target	Quarter 1 forecast	Variance to target
Progress towards TfL's total efficiency programme	28	6	22 ▲	52	23 ▲

2.36 TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to further invest in infrastructure improvements while holding down fares and managing with lower levels of government funding. We have already secured £12bn, with a further £4bn still to be secured. The savings programme will be achieved by reducing back-office expenditure and driving out inefficient activity, while protecting front-line services and our long-term investment programme, providing tangible benefits to our customers.

2.37 For 2014/15, TfL has already secured almost £1.4bn of savings. To meet its long-term savings target, a further £29m is targeted to be secured this year. At the end of Quarter 1, TfL was £22m higher than target. This mainly relates to the rephasing of implementation costs for the Fit for the Future stations programme, which is now forecast for next year.

2.38 The bus tender programme for 2014/15 has so far secured 12 per cent of the expected gross cash free buses saving, which is in line with target. The remaining savings will be secured through the on-going competitive tendering programme for bus routes. Further savings have been achieved across the Corporate directorates, including efficiencies in legal, archiving, audit and General Counsel functions.

2.39 Over the full year, TfL is now expected to achieve £52m of net savings, £23m more than target. The variance mainly relates to rephasing of Fit for the Future stations programme implementation costs, additional Rail and Underground maintenance savings, JNP support savings and insurance savings, first identified and budgeted last year, but now forecast to be realised this year.

⁴ Efficiencies are quoted net of implementation costs

Customer

Passenger journeys

Table 18: Passenger journeys

Millions	Quarter 1, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010 – 2015
▲ higher is better							
London Underground	279.1	(9.5) ▼	(6.0)	1,306	(6) ►	47	
London Buses	545	(2) ▼	(5)	2,440	15 ▲	35	
DLR	24.1	(0.4) ▼	0.9	107.4	- ►	5.8	
London Overground	30.7	(0.9) ▼	(0.8)	145.0	- ►	9.3	
London Tramlink	6.9	(0.3) ▼	(0.2)	30.3	- ►	(0.9)	
Emirates Air Line	0.4	0 ►	0	1.8	- ►	0.3	
London River Services	2.4	0.1 ▲	0.2	8.5	- ►	0.1	

- 3.1** In Quarter 1 passenger numbers are down against target and from the same quarter last year across most services. Industrial action on the Tube in April 2014 reduced passenger numbers by approximately four million. Passenger demand is also down against target and from the same quarter last year on London's buses; this was partly due to lower than expected numbers of non-fare paying passengers, which has no impact on TfL's finances, and from Quarter 1 being one day shorter than the comparable quarter last year. Over the course of the year, passenger numbers are expected to pick up, with all services showing year-on-year improvement except Tramlink.
- 3.2** Tube passenger journeys in the quarter were 9.5 million lower than target and 6 million lower than the same quarter last year. This was due to Industrial action in April 2014 (see Section 3.1) and a lower number of high profile sporting events compared to the same quarter last year.
- 3.3** Bus passenger journeys in Quarter 1 were 2.3 million - 0.4 per cent - below target. Non-fare paying passengers were significantly lower than expected at 4.2 million or 2.2 per cent below target. This was mostly due to fewer numbers of 11-15 year old and 16+ passenger journeys than expected. TfL's forecasts for these passenger groups have been re-modelled and incorporated into the Quarter 1 full-year forecast. Fare paying passenger numbers remain buoyant, at 1.9 million - or 0.5 per cent - over target, of which 0.7 million was a result of industrial action on the Tube in April 2014. Passenger journeys were 4.7 million - 0.9 per cent - lower than the same quarter last year, primarily because Quarter 1 2013/14 included one extra day compared to this year. Underlying bus year-on-year journey

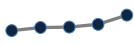
growth (excluding period length and exceptional events, the latter including the impacts of industrial action) is around one per cent.

- 3.4** DLR passenger journeys were 24.1 million in Quarter 1, four per cent higher than the same quarter last year, but 0.4 million lower than target. DLR passenger numbers have been affected by Crossrail engineering works.
- 3.5** London Overground passenger numbers in Quarter 1 were 0.9 million lower than target and are 0.8 million lower than the first quarter of 2013/14. This is due to the greater than anticipated impacts on passenger numbers from weekend closures for the London Overground Capacity Improvement Programme (LOCIP). This investment, introducing five-car trains by 2015/16, will increase Overground train capacity by 25 per cent.
- 3.6** Tramlink passenger numbers were under target and the same quarter last year in Quarter 1, largely due to closures on the Beckenham branch for engineering works.
- 3.7** Emirates Air Line (EAL) passenger numbers were 0.4 million in Quarter 1, were in line with target and the same quarter last year. Over the full year, EAL passenger numbers are expected to be 0.3 million higher than 2013/14.

Cycling

- 3.8** More than 580,000 cycle journeys are made every day in London and this continues to increase. Levels of cycling on the Transport for London Road Network (TLRN) are presented as an index of flow relative to a baseline of March 2000, which represents 100 on the index. This shows that levels of cycling on the TLRN during Quarter 1 of 2014/15 were 64 index points, or 21 per cent, higher than in the same quarter last year. This is the highest level of cycling seen in Quarter 1 since the index began and 46 index points (14.4 per cent) above target for Quarter 1 of 2014/15. Weather does have an impact on cycling flows; mild and dry spring conditions may have contributed to cycling growth during Quarter 1, 2014/15.

Table 19: Cycling journeys on the Transport for London Road Network (TLRN)

Millions	Quarter 1, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010 – 2015
▲ <i>higher is better</i>							
Cycling levels on the TLRN ⁵	362	46 ▲	64	364	66 ▲	68	

- 3.9** The full-year index of cycle flows forecast on the TLRN for 2014/15 is 364, an increase of almost 68 index points (23.1 per cent) since last year and 66 index points (22.1 per cent) above this year's cycling journey target.

⁵ Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

3.10 With the future growth of cycling expected to take place not only on the TLRN, but on all the capital's roads, TfL has developed a new methodology for recording cycling journeys that will run in parallel with the existing cycling index. At the current phase of development, monitoring using this metric is restricted to the central London congestion. Based on this metric, a daily average of 402,199 kilometres – or 131,000 cycle journeys - were cycled during the first Quarter of 2014.

3.11 The Mayor published his Vision for Cycling in March 2013, outlining plans to spend £913m on cycling improvements over the next 10 years, with a gross budget of £107m in 2014/15. This investment will deliver a step-change in cycling provision that will support the growing numbers of cyclists in London.

Table 20: Mayor's Vision for Cycling: expenditure, 2012/13 to 2021/22

Cycling vision (£m)	Year to date			Full year 2014/15		2012/13 to 2021/22	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	Quarter 1 forecast	Variance to total budget
Gross Cycling Vision investment	(11)	(20)	9 ▲	(85)	22 ▲	(913)	- ►
Overprogramming adjustment ⁶	0	5	(5) ▼	11	(15) ▼	-	- ►
Net Cycling Vision expenditure	(11)	(15)	4 ▲	(74)	7 ▲	(913)	- ►

3.12 To date, £108m has been invested in cycling improvements, with £97m in earlier years and £11m so far this year.

3.13 In the year to date, gross cycling vision investment is £9m under Budget. This includes £5m of expenditure rephasing, including:

- £1m on the Cycle to School partnership programme
- £1m on Quietways, due to delays in agreement between relevant stakeholders
- £1m of rescheduling of Cycle Hire transformation feasibility






3.14 Over the full year, net expenditure is now forecast to be £7m under Budget. This is mainly due to £6m of savings in Cycle Hire operating costs (including contractual charges, back office savings including call centre and payroll), Cycle Hire Extension & Intensification (CHEI) and Cycle Hire Phase II. These savings will be reinvested in cycling improvements. In addition, investment on the Cycle Superhighways routes four and five has been rescheduled to begin in 2016/17.

3.15 The full 10-year budget of £913m remains unchanged.

⁶ As with TfL's overall investment programme, a central overprogramming assumption is included in forecast expenditure to correct for optimism bias and levels of slippage that occur on complex investment programmes. This is held centrally and therefore does not act as a disincentive to the timely delivery of schemes.

Customer satisfaction

Table 2 | Customer satisfaction by service

Score (out of 100)	Quarter 1, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010 – 2015
▲ higher is better							
London Underground	83	- ▶	-	83	- ▶	-	
London Buses	83	- ▶	-	83	- ▶	-	
DLR	88	2 ▲	2	86	- ▶	(1)	
London Overground	82	1 ▲	-	81	- ▶	(1)	
London Tramlink	89	- ▶	-	89	- ▶	-	
Emirates Air Line	92	(1) ▼	(1)	93	- ▶	-	
TLRN	75	- ▶	NA	75	- ▶	-	

3.16 Customer satisfaction has seen continuous long-term improvements; since 2010/11, customer satisfaction with the DLR has increased by six index points, with the Tube by four index points and with buses by three index points. Buses customer satisfaction continues at the highest level since the survey began.

3.17 In Quarter 1, customer satisfaction on the DLR showed improvement, with specific improvements in value for money and staff availability. This is up one index point from Quarter 4, 2013/14, and two index points better than target. London Overground CSS remained at 82 in Quarter 1.

3.18 From 2014/15, customer satisfaction with the TLRN will be reported quarterly, rather than annually as in previous years. TLRN customer satisfaction is in line with target in Quarter 1.

Customer satisfaction – environment

3.19 TfL is committed to reducing the levels of NOx pollutants emitted from its bus fleet. We are retrofitting the older and most polluting buses, as well as retiring those buses where this is not possible. TfL is on track to retrofit all Euro 3 generation engines by December 2015, or to replace with Euro 6 generation buses.

3.20 The number of low-carbon emission and quieter diesel-electric hybrid buses in the fleet rose to 834 by the end of Quarter 1. The hybrid introduction programme remains on target to raise overall numbers to 1,700 by 2016, supported by the delivery of 600 New Routemasters.

Table 22: Environmental performance

Score (out of 100)	Quarter 1, 2014/15			Full year 2014/15		
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year
▲ higher is better						
Euro 3 upgrade/ early retirement of buses	Annual measure			1,250	- ►	NA
Hybrid bus introduction	834	92 ▲	336	1,250	- ►	575

Customer complaints

Table 23: Customer complaints

No. complaints per 100,000 journeys	Quarter 1, 2014/15	
	Actual	Variance to Quarter 1, 2013/14
▼ lower is better		
London Underground	1.11	0.03 ▲
Docklands Light Railway	2.93	-0.62 ▼
London Overground	2.63	-0.18 ▼
Emirates Air Line	2.85	1.14 ▲
London Buses	2.42	0.39 ▲
Congestion Charge	7.23	-4.77 ▼
Barclays Cycle Hire	5.84	-2.12 ▼
Dial-a-Ride ⁷	159.37	63.2 ▲
Oyster	0.92	-0.20 ▼
River	0.68	0.68 ▲

3.21 TfL continues to maintain a low complaints rate for most of its services. London Overground, the Congestion Charge and Oyster ticketing show sustained improvements from the previous quarter and from the same quarter last year.

3.22 LU consistently records around one complaint per 100,000 passenger journeys, lower than other rail-based operators in the country. Complaints on the Tube were broadly in line with the same quarter last year and show slight improvement from the previous quarter. Delayed journeys continue to be the most significant single cause for complaint, contributing a fifth of total complaints. Underlying Tube performance was both better than target and the same quarter last year, although services were affected by industrial action in April 2014.

3.23 The DLR recorded a lower complaints rate compared to the same quarter last year. Problems with ticket vending machines are the most common type of complaint. TfL has been making progress with issues relating to Oyster top-ups and short change vouchers from the machines, which have helped to reduce the overall figure. The main issue reported this quarter was a technical fault that resulted in delays to debit and credit card transactions reaching customers' bank accounts.

3.24 The latest National Passenger Survey (NPS) results show that overall satisfaction with the London Overground has increased by two to 91 per cent. The complaints rate is slightly down on the same quarter last year and on the previous quarter. A key determinant of customer satisfaction is train

⁷ Per 100,000 journey requests

punctuality; our recent good performance has had a positive impact, with 87 per cent of customers now satisfied with the service. Following a number of initiatives customers are also telling us that they are satisfied with how we are handling delays, an 18 per cent increase in this area.

- 3.25** The absolute number of complaints received by Emirates Air Line this quarter is extremely low, with 11 recorded over the quarter. Of these, seven related to ticketing and customer information. Ticketing information has since been refreshed at the terminals to provide greater clarity to the customer.
- 3.26** The overall complaints rate for London Buses is slightly higher than the same quarter last year, largely due to increases in complaints about service delays. The most common single cause of complaint is drivers refusing to stop; we have conducted research into this problem and will be implementing an action plan to improve this area of customer service.
- 3.27** There has been a significant fall in the number of complaints relating to enforcement of the Congestion Charge. The complaints rate has fallen both against the same quarter last year, and from the previous quarter; complaints are down almost 40 per cent from Quarter 1, 2013/14. This is as a result of work TfL has carried out with our service provider to improve our response to challenges against Penalty Charge Notices (PCNs). In addition, the TfL website has been improved; this now provides clearer guidance on the statutory representations and appeals procedures.
- 3.28** Barclays Cycle Hire saw an improved redistribution of bikes and better weather, which helped contribute to an increased number of hires and a low complaints rate when compared with the same quarter last year. The newly expanded zone in South West London saw a million hires in the final period of Quarter 1, 2014/15. Customers do contact us if they are unable to hire or dock in their preferred location. To help users when docking stations are full or empty, we have made capacity information for all sites available online and through third-party apps.
- 3.29** Dial-a-Ride's number of complaints is around five per day. Industrial action has affected TfL's ability to meet customer demand, and has led a higher rate of complaints from recent quarters. Booking refusals remained the main source of complaint in Quarter 1, accounting for almost one third of complaints received; Dial-a-Ride is unable to accommodate all requests, largely due to resource constraints at times of peak demand. Driver complaints averaged one a day; however, this was against a backdrop of a customer satisfaction rating of 96 for courtesy and helpfulness.
- 3.30** Oyster continues to record one of the lowest rates of any of our services, with less than one per 100,000 journeys. Charging issues represent the main driver of dissatisfaction. We have reinforced the message that customers are required to touch in and out correctly in order to pay the correct fare. Our system allows us to rectify some incorrect charges automatically, saving the customer time and hassle. These measures are paying dividends, which is being seen through lower complaint volumes..
- 3.31** The complaints rate for Contactless Payment Cards remains low. Ahead of capping being introduced on buses and the facility being available on other TfL services in September, we are continuing to communicate to customers how they can avoid card clash.

People

Headcount

Table 24: TfL full-time equivalent (FTE) ⁸

Full-time equivalent	Quarter 1			2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	21,092	21,358	266 ▼	21,124	(329) ▲
London Rail	234	231	(3) ▲	288	(40) ▲
Surface Transport	3,369	3,432	63 ▼	3,441	16 ▼
Corporate	3,779	3,633	(146) ▲	3,741	(183) ▲
Crossrail	901	979	78 ▼	933	0 ►
Total FTE	29,382	29,633	250 ▼	29,527	(536) ▲

4.1 Over the past year, TfL has sought to improve its headcount forecasting to align with its operations and project delivery. The project has identified several areas for improvement, including:

- Factoring in the recruitment pipeline into headcount forecasts (e.g the elapsed time from start to end of the recruitment process)
- Taking into account the internal recruitment rate at an organisational level. A significant level of TfL's recruitment is internal, meaning when individual department's headcount is increased, this does not immediately translate into an increase in TfL's overall headcount
- Including a vacancy factor in our forecasts: this is to be included on the basis that not all available roles are simultaneously filled.

4.2 At the end of Quarter 1 TfL employed 29,382 full-time equivalent staff, 59 more than at the end of 2013/14, and 250 less than Budget.

4.3 London Underground was 266 FTE under Budget at the end of Quarter 1, primarily driven by holding 144 FTE vacancies in advance of organisational change and continuing recruitment delays. These variances have been partially offset by a central vacancy adjustment of 108 FTE.

4.4 London Underground full-year forecast position is 329 FTE higher than the budget. This was mainly driven by the operations directorate being 305 FTE higher than budget, reflecting the delay to the implementation of efficiencies programmes, with staff leaving the organisation later than was assumed in the budget. Project work (mainly Fit for the Future and maintenance instruction manuals) and other minor variances accounts for a further 33 FTE increase.

⁸ From Quarter 1, 2014/15 FTE numbers include staff on maternity leave to better reflect the associated costs. Comparisons with last year have been made on a like-for-like basis.

- 4.5** London Rail headcount was 3 FTE higher than Budget at Quarter 1. London Rail is forecasting 40 FTE over budget for the full year. This is largely due to 23 additional staff required for London Overground capacity and West Anglia devolution works whilst 16 additional staff are required by Trams due to work no longer being outsourced.
- 4.6** Surface Transport was 63 FTE below Budget at the end of Quarter 1, mainly due to the transfer of 40 staff from Intelligent Traffic Systems to IM. In addition, there has been slower than expected recruitment in Asset Management and Projects and Programmes due to skill shortages, and a recruitment freeze in Dial-a-Ride pending the outcomes of the Social Needs Transport Review. These have been partly offset by higher than budgeted staff numbers in Taxi and Private Hire to address the backlog of licence applications, and Strategy & Planning's business requirement to recruit staff to work on various projects.
- 4.7** Surface Transport is now forecast to be 16 FTE below Budget at the end of 2014/15. Delays in completing Business Cases and approvals in Road Space Management have resulted in recruitment campaigns commencing later than anticipated. Vacancies are expected in Dial a Ride at year end as a result of the driver recruitment freeze. In addition, there is an increase in the vacancy factor of 40 FTE. This is partially offset by FTE increases in Strategy Planning and Asset Management due to the increased investment programme.
- 4.8** Over the full year, staff numbers across the Corporate directorates are now forecast to exceed Budget by 183 FTE. This reflects 144 temporary project staff required for, and funded by, IM, CEM&C, Commercial and business change projects and 3 temporary lawyers transferred from LLDA as part of a shared services arrangement. The Corporate directorates' permanent FTE is forecast to increase by 27, with 16 required by HR, largely to support organisational change, higher volumes of work, and the new flexible project team. In Finance, there are 8 additional apprenticeships and other roles funded by projects.
- 4.9** Crossrail is 78 FTE under Budget at Quarter 1, largely due to lower staff in the central and technical areas.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground & London Rail (£m)	Quarter 1, 2014/15			Full year, 2014/15		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
London Underground	516	533	(17) ▼	2,419	(28) ▼	2.1 and 2.2
London Rail	71	72	(0) ▼	325	(1) ▼	2.1 and 2.2
Emirates Air Line	1	1	0 ▲	7	0 ▲	2.1 and 2.2
Total fares income	589	606	(17) ▼	2,751	(30) ▼	
Other operating income	51	50	1 ▲	228	(1) ▼	2.1 and 2.2
Total operating income	640	657	(16) ▲	2,979	(31) ▼	
Chief Operating Officer	(363)	(368)	(5) ▼	(1,636)	33 ▲	
Capital programmes directorates operating costs	(12)	(8)	(4) ▼	(36)	(1) ▼	
Other Operational Expenses	(80)	(88)	7 ▲	(432)	(14) ▼	2.8 and 2.9
London Rail Operations	(84)	(91)	7 ▲	(407)	3 ▲	
Renewals and reliability Projects	(56)	(80)	25 ▼	(249)	43 ▲	
Total operating expenditure	(595)	(635)	40 ▼	(2,760)	64 ▲	
Capital expenditure						
London Underground	(313)	(306)	(8) ▼	(1,312)	(19) ▼	2.17
LU third-party contributions	3	4	(1) ▼	21	1 ▲	2.23
London Rail	(55)	(58)	3 ▲	(226)	23 ▲	2.17
London Rail third-party contributions	1	0	1 ▲	7	2 ▲	2.24
Net capital expenditure	(368)	(363)	(5) ▼	(1,538)	4 ▲	
Net Service Expenditure	(323)	(342)	19 ▲	(1,319)	37 ▲	

Surface Transport

Surface Transport (£m)	Quarter 1, 2014/15			Full year, 2014/15		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
Bus fares income	349	344	5 ▲	1,559	9 ▲	2.3
Bus contract costs & ticket commission	(451)	(451)	0 ►	(1,988)	(3) ▼	2.10 and 2.11
Direct Bus Subsidy	(102)	(107)	4 ▲	(429)	6 ▲	
Other Bus Income	6	6	0 ►	25	0 ►	-
Bus operating Expenditure (net of third-party contributions)	(20)	(20)	0 ►	(87)	3 ▲	2.10 and 2.11
Bus Capital Expenditure	(23)	(22)	(1) ▼	(108)	2 ▲	2.18
Net Bus Service Expenditure	(139)	(142)	3 ▲	(599)	10 ▲	
Other Surface Transport						
Other Operating Income	80	82	(1) ▼	367	(9) ▼	2.4 and 2.5
Other Operating Expenditure (net of third-party contributions)	(138)	(146)	9 ▲	(768)	9 ▲	2.10 and 2.11
Other Capital Expenditure (net of third-party contributions)	(53)	(52)	(1) ▼	(262)	(2) ▼	2.18
Net Service Expenditure	(249)	(258)	9 ▲	(1,262)	9 ▲	

Corporate directorates

Corporate (£m)	Quarter 1, 2014/15			Full year, 2014/15		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
Other Operating Income	8	8	0 ►	44	3 ▲	2.6
Operating Expenditure (net of third-party contributions)	(136)	(140)	3 ▲	(664)	(14) ▼	2.12 and 2.13
Net Capital Expenditure	(16)	(21)	5 ▲	(113)	(49) ▼	2.20, 2.22 and 2.25
Net Service Expenditure	(145)	(153)	8 ▲	(733)	(59) ▼	

Appendix B: Reconciliation to the Investment Programme Report (IPR)

TfL group (£m)	Quarter 1, 2014/15			Full year, 2014/15		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
TfL gross capital expenditure						
London Underground	(316)	(310)	(6) ▼	(1,333)	(20) ▼	2.17
London Rail	(55)	(58)	2 ▲	(233)	21 ▲	2.17
Surface Transport	(79)	(74)	(5) ▼	(386)	(7) ▼	2.18
Corporate directorates	(21)	(23)	2 ▲	(155)	(45) ▼	2.20 and 2.22
TfL investment programme	(471)	(465)	(7) ▼	(2,107)	(51) ▼	
Plus revenue investment (included in operating expenditure):						
London Underground	(56)	(80)	25 ▲	(249)	43 ▲	2.8 and 2.9
Surface Transport	(17)	(20)	3 ▲	(205)	8 ▲	2.10 and 2.11
TfL revenue investment	(73)	(100)	28 ▲	(454)	51 ▲	
TfL gross investment programme						
London Underground	(372)	(390)	18 ▲	(1,582)	23 ▲	
London Rail	(55)	(58)	2 ▲	(233)	21 ▲	
Surface Transport	(96)	(94)	(2) ▼	591	1 ▲	See Investment Programme Report, p.48
Corporate	(21)	(23)	2 ▲	(155)	(45) ▼	
Gross capital expenditure	544	565	21 ▲	2,561	0 ▼	

Appendix C: Balance Sheet ⁹

TfL Group Balance Sheet at Quarter 1	Full year 2014/15			
	Actual	Variance to Budget	Quarter 1 forecast	Variance to Budget
Non-current assets (-higher / lower than budget)	31,384	(1)	33,514	57
Current assets (exc. cash & investments) (-higher / lower than budget)	613	26	573	2
Cash & investments (-higher / lower than budget)	5,067	(190)	4,129	(193)
Creditors (higher / -lower than budget)	(3,033)	113	(2,903)	157
Derivative liabilities (higher / -lower than budget)	(65)	(3)	(72)	4
Borrowings (higher / -lower than budget)	(8,485)	(32)	(8,492)	(4)
Provisions (higher / -lower than budget)	(2,826)	17	(2,735)	(1)
Total Net Assets – (higher) / lower than budget	22,655	(70)	24,014	22

Non-current assets

5.1 Non-current assets stood at £31,384m at the end of Quarter 1, within £1m of Budget. However, this variance was the net of lower fixed assets of £61m, offset by higher long-term investments of £60m and debtors of £2m. The fixed asset variance was driven primarily by lower additions to the Crossrail project (£56m) with a further £5m due to net depreciation and disposal changes. Cash underspends to date have meant that higher than budget balances have been left on long term deposit to optimise interest income (£264m against a budget of £204m). The full-year forecast for long term assets is £57m below budget, reflecting a lower cash advance to Network Rail as part of the Crossrail project.

Current assets

5.2 Current assets were £26m lower than budget at the end of Quarter 1, half of which was for a VAT repayment received just before quarter end, which was not expected to be received until the following quarter. Additionally grant debtors were lower than budget by £6m, split equally between lower than expected ITSO grant in TfL, as the project is now drawing to a close, and a delay to third party receipts in R&U. Finally payments in advance were £8m lower than expected, largely due to the terrorism insurance premium of £10m, which will not be paid until Period 5. The forecast position remains close to budget.

Cash and investments

5.3 A breakdown of the cash variances to date and forecast is shown in the table at Appendix 3. At the end of the quarter, total cash and investments (long and short term) was £5,330m, £250m higher than budget. Activity underspends of £102m allied to higher net working capital balances of £155m and increased grant of £25m were partially off-set by lower borrowings of £32m arising from a decision not to renew a tranche of commercial paper before the period end. Cash at the year end is forecast to be £193m above budget, due to activity underspends of £35m, higher net creditors of £139m, lower cash advances to Network Rail of £66m, partially offset by lower grant and borrowings of £47m.

⁹ The Balance Sheet and the Cash Summary (Appendix C) show the full consolidated accounts for TfL. This includes London Transport Museum (LTM) activity; cash balances as well fair value adjustments for long-term investments.

Creditors

- 5.4** Total creditor balances for the year to date position were £113m higher than budget. Capital accruals in Crossrail were £27m higher than budget, as the budget was based on lower than expected activity at the end of last year. Similarly, in R&U trade creditors (£54m) and capital creditors (£22m) were higher than Budget, with the Budget adopting prudent assumption of the timing of payments. Deferred income was also £7m over budget in R&U due to a change in profile of the release of non-fares income to the P&L.
- 5.5** The forecast position at Quarter 1 shows creditors at £157m above budget. Of this, £80m is in respect of Crossrail capital creditors, largely driven by higher forecast activity in the last three periods of the year, including recognition of a liability for repairs to damaged infrastructure. As per the year to date position, R&U trade creditors (£46m) and capital creditors (£19m) are forecast to be above budgeted levels. Again this is due to prudent budgeting combined with the effect of capital spend now being weighted more toward the year end.

Derivatives

- 5.6** The derivatives position at Quarter 1 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. However, as TfL only enters into such contracts to fix interest rates on its future borrowings, hedge accounting applies and any movement in the fair value of the derivative liability is recognised directly in reserves. The fair value liability is expected to reverse by maturity in future years.

Borrowings

- 5.7** External borrowings at Quarter 1 were £32m below Budget, as a result £28m of commercial paper not being renewed before period end and £4m of fees and discounts incurred not included in the budget. These fees and discounts have been included in the full-year forecast.

Provisions

- 5.8** Provisions at the end of Quarter 1 were £17m higher than budget, primarily due to £23m lower payments against property claims and £2m higher anticipated final costs against the Crossrail project. These variance are offset by reductions to claims provisions in Crossrail and R&U
- 5.9** Provisions are forecast to be close to budget at year end across the group.

Balance Sheet (£m)	Year to date			Full year, 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget
Intangible assets	116	114	(2)	173	(47)
Property, plant & equipment	29,856	29,919	63	31,934	43
Investment properties	593	593	-	593	-
Long term investments	263	203	(60)	-	-
Long term debtors	556	554	(2)	814	61
Non Current Assets	31,384	31,383	(1)	33,514	57
Stocks	50	48	(2)	50	(2)
Short term debtors	563	591	28	523	4
Cash and Investments	5,067	4,877	(190)	4,129	(193)
Current Assets	5,680	5,516	(164)	4,702	(191)
Short term creditors	(2,153)	(2,043)	110	(2,085)	154
Short term derivatives	(1)	-	1	-	-
Short term borrowings	(731)	(709)	22	(764)	55
Short term lease liabilities	(64)	(68)	(4)	(82)	38
Short term provisions	(205)	(187)	18	(180)	18
Current Liabilities	(3,154)	(3,007)	147	(3,111)	265
Long term creditors	(75)	(73)	2	(73)	-
Long term borrowings	(7,754)	(7,808)	(54)	(7,728)	(59)
Long term lease liabilities	(741)	(736)	5	(663)	(35)
Long term derivatives	(64)	(68)	(4)	(72)	4
Other provisions	(143)	(143)	-	(86)	(19)
Pension provision	(2,478)	(2,479)	(1)	(2,469)	-
Long Term Liabilities	(11,255)	(11,307)	(52)	(11,091)	(109)
Total Net Assets	22,655	22,585	(70)	24,014	22
Capital and Reserves					
Usable reserves	5,229	5,041	(188)	4,034	(148)
Unusable reserves	17,426	17,544	118	19,980	170
Total Capital Employed	22,655	22,585	(70)	24,014	22
Cash and Investments					
CRL Sponsor funding account	2,194	2,095	(99)	2,098	(158)
Other cash and investments	3,136	2,985	(151)	2,031	(35)
Total as above ¹⁰	5,330	5,080	(250)	4,129	(193)

¹⁰ Includes Cash and Investments, and long-term investments

Appendix D: Cash summary

Cash Summary In / (Out) Flow (£m)	Year to date			Full year, 2014/15	
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget
£m					
Margin	(324)	(373)	(49)	(1,648)	(38)
Working Capital Movements	30	(63)	(93)	78	(140)
Cash Spend on Operating Activities	(294)	(436)	(142)	(1,570)	(178)
Net Capital Expenditure	(460)	(458)	2	(2,017)	39
Crossrail	(339)	(394)	(55)	(1,653)	(36)
Working Capital Movements	77	14	(63)	(149)	(14)
Cash Spend on Capital Activities	(722)	(838)	(116)	(3,819)	(11)
Cash Settlement of derivatives					
Non-cash items included in activity	14	16	2	61	3
Fair value adjustment for long term investments	-	-	-	-	-
Loans to third parties (paid) / repaid	(64)	(64)	-	(325)	(66)
Non-Activity Cash Movements	(50)	(48)	2	(264)	(63)
Grants, Precept & other contributions	1,006	980	(26)	4,386	55
Borrowings Raised	618	650	32	646	4
Borrowings Repaid	-	-	-	(22)	-
Total Funding	1,624	1,630	6	5,010	59
Net Movement in Cash	558	308	(250)	(643)	(193)

Appendix E: Financial comparison with 2013/14

TfL group finances – operating income, expenditure and funding

TfL group (£m)	Quarter 1			
	Year to date, 2013/14	Year to date, 2014/15	Year on year change	Year on year change (%)
Fares income	918	938	20	2%
Other operating income	143	147	4	3%
Total income	1,061	1,086	25	2%
Operating expenditure (net of third-party contributions)	(1,266)	(1,342)	(76)	6%
Operating margin	(205)	(256)	(51)	25%
Interest income	4	6	2	50%
Debt interest	(71)	(79)	(8)	11%
Contingency and group items	3	6	3	100%
Margin	(269)	(323)	(54)	20%
Finances sources				
General grant	252	193	(59)	(23%)
Overground grant	7	7	0	0%
GLA precept	1	1	0	0%
Business Rates Retention	224	153	(71)	(32%)
Other revenue grants	4	1	(3)	(75%)
Total revenue grants	488	354	(134)	(27%)
Operating contribution to fund investment	219	30	(189)	(86%)

Full-year			
Full-year actuals, 2013/14	Quarter 1 forecast, 2014/15	Year on year change	Year on year change (%)
4,095	4,310	215	5%
646	673	27	4%
4,740	4,983	243	5%
(5,875)	(6,275)	(400)	7%
(1,153)	(1,292)	(157)	14%
21	19	(2)	(10%)
(344)	(356)	(12)	3%
16	(15)	(31)	(194%)
(1,442)	(1,644)	(202)	14%
1,094	835	(259)	(24%)
29	28	(1)	(3%)
6	6	0	0%
803	828	25	3%
43	3	(40)	(93%)
1,974	1,701	(273)	(14%)
532	53	(479)	(90%)

TfL group finances – capital expenditure, income and funding

TfL group (£m)	Quarter 1			
	Q1 FY2013/14	Q1 FY2014/15	Difference (Abs)	Difference (%)
Capital expenditure	(337)	(471)	(134)	40%
Third-party contributions – capital	10	7	(3)	(30%)
Sales of property and other assets	4	5	1	25%
Net capital expenditure excl. Crossrail	(323)	(460)	(137)	42%
Crossrail capital expenditure	(421)	(339)	82	(19%)
Net capital expenditure incl. Crossrail	(744)	(799)	(55)	7%
Finance sources				
Surplus/ -deficit to fund investment	219	30	(189)	(86%)
Crossrail funding sources	488	421	(67)	(14%)
Investment grant	207	210	3	1%
Metronet grant	0	0	0	0%
Other capital grants	0	21	21	0%
Working capital	(61)	54	115	(189%)
Net borrowing and reserve movements	(108)	63	171	(158%)
Total	744	799	55	7%

Full-year			
Full-year actuals, 2013/14	Quarter 1 forecast, 2014/15	Difference (Abs)	Difference (%)
(1,638)	(2,107)	(469)	29%
67	44	(23)	(34%)
41	42	1	2%
(1,531)	(2,021)	(490)	32%
(1,576)	(1,653)	(77)	5%
(3,108)	(3,674)	(566)	18%
532	53	(479)	(90%)
2,066	1,702	(364)	(18%)
895	909	14	2%
184	0	(184)	(100%)
110	73	(37)	34%
(138)	(337)	(199)	144%
543	1,269	726	134%
3,108	3,674	566	18%

Glossary

Measure	Unit	Description
London Underground: total lost customer hours	Hours	The total additional journey time, measured in hours, experienced by all customers as a result of delays that lasted two minutes or longer. A delay at a busy location or during peak hours results in more 'lost customer hours' because more customers are affected.
London Underground: excess journey time	Perceived minutes	<p>The average extra time that it took to complete a journey, compared to the time it would have taken if there were no delays. This can be affected by many things, such as queues to buy tickets or board trains, escalators being out of service, delays to trains, longer walking routes within stations, or planned weekend closures. A lower EJ' figure means customers experience less delay whether planned or unplanned.</p> <p>TfL weight the figures according to when and where the delay occurred. For example, we know that for customers, waiting on a train that is delayed in the tunnel feels longer than waiting on a platform for a delayed train to arrive, even if the total length of delay is the same. This means that the 'minutes' used in the measure are not actual minutes, but reflect customers' perception of the delay they experience.</p>
London buses: excess wait time	Minutes	<p>Excess wait time (EWT) represents the amount of time that a passenger has had to wait in excess of the time that they should expect to wait if buses ran as scheduled.</p> <p>EWT is the key measure of reliability of high frequency bus services as experienced by passengers and is also used to calculate operator performance bonuses or penalties.</p>
Transport for London Road Network (TLRN): serious and severe disruption	Hours	The KPI measures the numbers of hours of serious and severe disruption on the Transport for London Road Network (TLRN) as a result of planned and unplanned interventions.

Docklands Light Railway: on-time performance	%	The number of valid train departures expressed as a percentage of the base service departures: valid departures must have a minimum dwell of 5 seconds, the correct number of carriages and complete the whole of the scheduled route.
London Overground: public performance measure	%	<p>The Public Performance Measure (PPM) shows the percentage of trains which arrive at their destination on time.</p> <p>The PPM combines figures for punctuality and reliability into a single performance measure. It is the rail industry standard measurement of performance.</p> <p>PPM measures the performance of individual trains advertised as passenger services against their planned timetable as agreed between the operator and Network Rail at 22:00 the night before. PPM is therefore the percentage of trains 'on time' compared to the total number of trains planned.</p> <p>In London and the South East, a train is defined as on time if it arrives at the destination within five minutes (ie 4 minutes 59 seconds or less) of the planned arrival time. Where a train fails to run its entire planned route calling at all timetabled stations it will count as a PPM failure.</p>
Emirates Air Line: availability	%	Operating availability is the ratio of actual operating hours / planned operating hours. Planned operating hours are not necessarily the same as scheduled due to instances when the EAL is open outside of schedule in support of local events – particularly those at the O ₂ .
TLRN: journey time reliability (am peak)	%	The key measure for monitoring smoothing traffic flow is journey time reliability (JTR). It is defined as the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak.

Scheduled services operated	%	The amount of service that TfL actually operated, compared to what we planned beforehand – comparing peak and off-peak times. (Peak times are 07.00 – 10.00 and 16.00 – 19.00 Monday – Friday.) This helps us check whether the service we operate at the busiest times of day is as good as during quieter periods.
Recorded crime	Per million passenger journeys	The number of recorded (or notifiable) crimes per million passenger journeys on the appropriate network.
LU and LR major injury frequency rate	Major injuries/million hours	<p>The KPI records the number of serious injuries to customers, employees and contractors using or working on London Underground and London Rail as a measure of customer and employee safety.</p> <p>A major injury is one classified as ‘major’ under schedule 1 of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Injuries arising from criminal acts, alleged suicide attempts, and medical conditions are excluded.</p>
Cumulative reduction in killed and seriously injured (KSI) Londonwide	%	The percentage reduction in Killed or Seriously injured (KSI) KPI relates to personal injury road traffic collisions occurring on the public highway, and reported to the police, in accordance with the Stats 19 national reporting system. The KPI measures the percentage change in KSI casualties on London's roads compared to the baseline average number of KSI casualties between 2005 and 2009. The Safe Streets for London (SSfL) Road Safety Action Plan published on 6 June 2013 sets out the target of a 40 per cent reduction in KSI casualties by 2020 against the 2005-09 baseline.
Vehicles operated by FORS accredited companies	Number	The KPI measures the cumulative total of vehicles operated by Fleet Operators’ Recognition Scheme (FORS) accredited companies. The numbers of vehicles recognises those from at all levels (bronze, silver & gold) of accreditation. The cumulative total starts from 2008.
Passenger journeys	Millions	It’s important to know how much people are travelling on TfL services. We use this information to plan for the future.
	Index	The purpose of this indicator is to assess the level of cycle

Cycling levels on the TLRN

use on the TLRN. The overall ambition is to increase cycling levels by 400% such that by 2025 cycling will equate to a 5% mode share of all journey trips. This indicator does not represent cycling across London as a whole; It only represents cycling on the 5% of London's roads that are the TLRN. The indicator is presented as an indexed flow relative to a baseline of March 2000 (a flow level that is represented as 100 on the index). Sixty automatic cycle counters on the TLRN provide sample counts of cyclists using the network. The indicator converts these counts into an index that is used to represent increases in cycle flows on the TLRN over time. It does not represent the total number of cyclists in London. Automatic cycling counters are pieces of monitoring equipment that emit a magnetic field that detects the presence of a moving cycle.

Customer satisfaction

%

One of our most important performance measures is customer satisfaction; this helps us understand what the people who use our services really think.

An independent research company interviews around 10,000 customers every year, as they complete their trip. They are asked to make an 'overall evaluation' of their journey experience, by giving a score out of 10. We take the average of everybody's scores and multiply it by 10, to give a final result out of 100



London Rail Stabling Yard Sidings Silwood London Borough of Lewisham

Investment Programme Report Quarter One

April – June 2014/15

Synopsis of Change

The following details changes that have been made to the Investment Programme Report since the last report in quarter four 2013/14.

- The Executive Summary has been removed as there will be a joint summary with the Operational Financial Report (OFR)
- The format has changed to the new TfL standard template
- Quarterly movement has been added to the milestone tables to identify any changes since the last report
- A new format for programme financial forecast has been adopted to align with the OFR. Per cent variance to authority is now included with a RAG arrow indication
- The detailed Programme Reports title has been changed to Programme Update
- Track Renewals has been renamed to Track Programme
- Within the Rail and Underground section, Civils (BCV/SSR), Cooling the Tube, SSR Major Power Works (Signalling), and Station Developments have been removed as they do not meet the annual requirements for the report. Paddington Station Upgrade and Jubilee Line Upgrade have been removed as they are substantially complete while London Overground Stations Capacity Programme (LOSTAT) has been added for quarter one
- The Specialist Services section has been removed as the programmes have been substantially completed and other programmes are not sufficiently defined to be included at quarter one
- Within the Surface Transport section Barclays Cycle Hire Phase 2, Barclays Cycle Hire Cycle Hire Expansion and Intensification (CHEI) and New Investment SCOOT have been removed as the works are substantially complete and Cycling Mini Hollands, Quietways and Central London Cycling Grid have been added from quarter one
- Financial variance has been added as a separate section to better align it with the OFR

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TfL Investment Programmes

Transport for London's purpose is to keep London working and growing and to make life in London better.

Our multi-billion pound capital programme, covering public transport and road networks, is a core element in maintaining London's position as a world-leading city, driving economic growth, jobs and apprenticeships across the country.

London is growing faster than any other European city. Its population is projected to rise from 8.4 million today to 10 million by 2030. This rate of growth is equivalent to six new residents every hour, two buses full of people every day or a Tube train full of people every week. The future of London is dependent on its transport system – we must keep pace with rapidly increasing demand, providing more services at better value, at the same time as we offer an improved experience to our customers.

The Investment Programme described in this report – one of the largest in Europe – contains a range of projects that will deliver world-class transport services to London. This report covers the larger projects, defined as those with an estimated final cost of over £50m.

The report includes:

- Group Summary of progress
- Programme Update
- Financial Variance
- Milestone and Project variance



Resurfacing works at Hammersmith Flyover during a weekend closure

Q1 2014/15 Budget Milestone Analysis

93%

5% 2%

■ On Time or Early ■ Late - up to 89 days ■ Late - 90 days or more

Investment Programme highlights

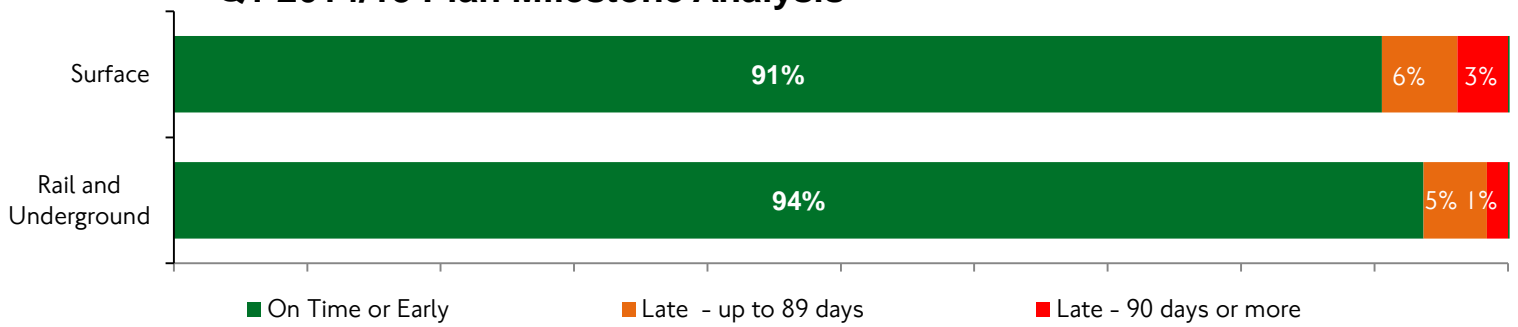
Safety remains the highest priority for the Investment Programme for both the people working on our projects as well as the customers using our network. Although TfL's safety performance is one of the best in the industry, we continue to drive improvement and have commenced an initiative to investigate pre-cursors to incidents to learn lessons and improve safety further. We are also investing heavily in new cycling initiatives with the London Boroughs to make the roads safer by delivering segregated lanes on busy routes and improving route information to take cyclists off major routes by diverting them through quieter, less busy streets.

Delivery performance on our projects remains high with 93 per cent of our budget milestones forecast to be delivered on time or early. The upgrade on the Northern line to deliver Transmission Based Train Control (TBTC) signalling was completed six months ahead of schedule, within budget and with high levels of reliability, and is an essential part of the works to increase capacity on the line by 20 per cent. On the Sub-surface Upgrade Programme, Ealing Common depot was commissioned, providing maintenance capacity for the new S stock trains. The stopping of Central line trains at Bond Street station was restored on plan. Completion of Cycle Superhighway 5 (CS5) Outer provided cyclists with a route from New Cross Gate to Oval and drivers saw an end to narrow lanes on the Hammersmith Flyover as central reservation work was completed early.

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Q1 2014/15 Plan Milestone Analysis



London Underground and London Rail

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* For variance definitions please go to page 51

London Underground



S-Stock on the District line

The Sub-surface Railway (SSR) covers 40 per cent of the Underground network. The upgrade programme includes the replacement of trains, signalling and supporting systems, improved journey times and capacity. The programme will deliver a 33 per cent increase in peak hour capacity, operating 32 air conditioned trains per hour on one of the world's most complex railways.

Milestone variance	■	See significantly late milestones
Financial variance	■	

Sub-Surface Railway (SSR) Upgrade

The full fleet of new, longer, air conditioned S-stock trains has now been rolled out on the Circle and Hammersmith and City lines. They are also being introduced on the District line, where rollout will be complete by 2016.

Work continues to improve the infrastructure on these lines – which together make up 40 per cent of the Tube network – to enable the introduction of an automated train control signalling system.

A re-built depot at Ealing Common, which provides a maintenance and overhaul capability for the new fleet, received its first S stock train in May. The depot at Upminster will also be ready for train maintenance by the end of 2014.

Following a detailed pre-qualification process, Thales was invited to tender for the contract to supply the automatic train control (ATC) signalling system, with the contract due to be awarded later this year. The next stage of the process is to work together with Thales to secure a firm commitment with a competitive cost, delivering value for money, with a realistic and reliable delivery roll-out and commissioning programme.

Reliability on the S stock trains is improving. Issues with the One Person Operation system, which accounted for the highest number of train failures, have now been resolved. This is the system that ensures the safe dispatch of the train by giving the driver visibility via cameras and monitors of what is occurring on the station platform; however, it should be noted that the failures do not impact safe operation of the train, as there are operational procedures which are put in place when a failure does occur.

Milestone and financial variance issues will be addressed as part of the SUP re-baseline in Q2.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC (£m)	Authority (£m)	Variance to Authority	Commentary
3,089.5	4,258.2	4,259.1	0.9 ▼0.0%	

All financials exclude the impact of the ATC contract re-let

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Roll out of new air-conditioned trains on the Circle, Hammersmith & City Lines complete	31-Dec-14	02-Jun-14	-	Complete	
Roll out of new air-conditioned trains on the District Line complete	31-Dec-16	31-Dec-16	-	●	
Full signalling upgrade across the Sub-Surface network complete.(Annex B:2018)	31-Dec-18	31-Dec-18	-	●	
Sub-Surface Upgrade complete delivering 33% capacity increase	31-Dec-18	31-Dec-18	-	●	
Modification Workbank Package Complete	28-Feb-14	15-Apr-14	-	Complete	

All future ATC milestones and any impact have been removed from this section as they are to be subject to a programme re-scheduling exercise once the contract for these works is re-let.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Neasden Depot Winterisation Works Complete	31-Oct-13	-273	Technical issues required re-design delaying start of site works. Consequently, the work has been re-planned to be ready for winter 2014/15.

EFC exceeds authority (more than 2.5 per cent)

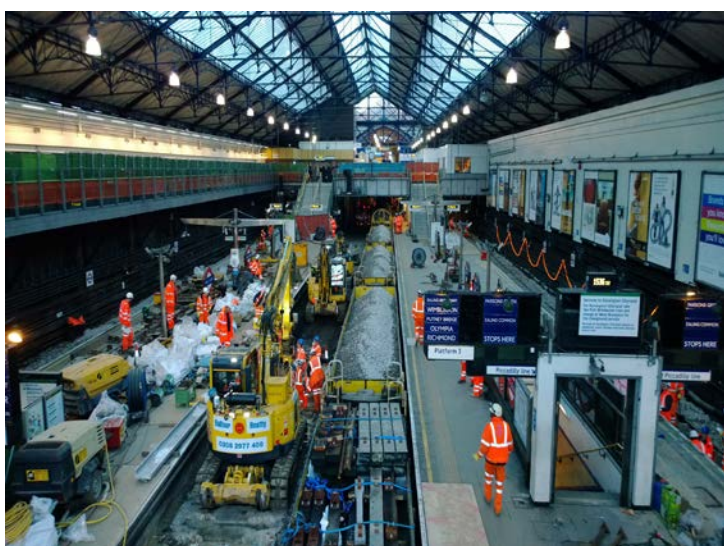
Project Name	RAG	% over	£m	Variance Commentary
Depots	■	14	47	EFC is in excess of authority due to asset condition, prolongation issues and risk regarding the commercial settlement with the contractor. Project Authority will be sought as part of the SUP re-baseline in Q2.
Signal Immunisation	■	5	11	The scope and costs of remaining works has now been established with Atkins following resolution of technical issues. Project Authority will be sought as part of the SUP re-baseline in Q2.

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2013/14	Variance Commentary
Signal Immunisation	232	3	The commercial settlement with Atkins established the scope and costs of remaining works following resolution of the technical issues.
Depots	358	6	Cost increase identified as part of SUP re-baseline, which re-estimated all residual work. A value engineering exercise is underway to minimise the scope of works at Ealing Common and Upminster depots that is essential for the introduction of S stock and therefore reduce the cost increase.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Signal Immunisation	14	4	-10	-244%	The previous delays in immunisation work led to less work being completed in 2013/14 than assumed in the budget.
Rolling Stock	296	303	7	2%	Acceleration of train acceptance in 2013/14 has reduced planned expenditure in 2014/15.
Depots	51	35	-16	-44%	Re-planning of the Neasden depot winterisation works in 2014 following previous delays; acceleration of works at Ealing Common and Upminster depots following previous delays has increased the forecasted costs in 2014/15.



Track renewal at Earl's Court station

A well-managed infrastructure portfolio is the bedrock of our network. Maintaining asset condition not only safeguards reliability, it also enables our capacity improvements. We're carrying out this work in ever more efficient ways. The programme is renewing assets and restoring their residual life, including over 1,000km of track.

Milestone variance ●
Financial variance ●

Track Programme

A number of innovations have seen a significant increase in the volume of track, points and crossings and track drainage being renewed. In quarter one the Track Partnership delivered 6.3km of ballasted track renewal, 4.4km of track drainage renewals and renewed 14 points and crossing units, 280 per cent more than the previous year. The Track Delivery Unit (TDU) delivered 1.4km of deep tube renewals and ground over 80km of rail to reduce defects. Over 35km of this rail grinding was carried out in a single bank holiday weekend using new milling machines.

One such innovation is a 'new concrete' bursting methodology at a disused platform at Holborn station, trialled by the LU TDU. This method managed to break up a significant piece of concrete in half the time, with very little noise or dust, and with less manpower than with previous methods. Trials of this methodology will continue this summer on other asset types. The success of this could lead to significant efficiencies being made across TfL.

Innovations such as this are being used to reach the target to renew 25 per cent of the track on the Bakerloo, Central and Victoria and Sub-surface lines by 2018, as well as renewing points and crossing and track drainage across the network.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
62.5	265.8	264.7	-1.1 ▲-0.4%	In order to reduce the level of rolling contact fatigue on our rolling stock the Track Programme has received additional funding from the Reliability, Availability, Maintainability and Safety (RAMS) programme to carry out priority re-railing work and improve reliability. Authority was received post quarter one.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Renew Points & Crossing units - Achieve 18 units	10-Oct-14	10-Oct-14	-	●	
Ballasted Track Renewal & Re-ballast Metres - Achieve 13,260 metres	10-Oct-14	10-Oct-14	-	●	
Track Drainage Renewal - Achieve 7,100 metres	10-Oct-14	10-Oct-14	-	●	
25,344m of Track replaced (total 13% replaced)	31-Mar-15	31-Mar-15	-	●	
Ballasted Track Renewal & Re-ballast Metres - Achieve 18,600 metres	31-Mar-15	31-Mar-15	-	●	
Track Drainage - Renewal 9990 metres	31-Mar-15	31-Mar-15	-	●	
Deep Tube Renewal - Achieve 6,852 metres P13	31-Mar-15	31-Mar-15	-	●	
Rail Defect Programme- Project works complete.	31-Mar-15	31-Mar-15	-	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	EFC (£m)	% change	Variance Commentary
Civils (BCV/SSL)	25	-29	Civils forecast has reduced as 4 sites no longer require upgrades following reassessment as a result of changes to delivery methodology with some bridge painting and cast ironing works being de-scoped.
Track	266	41	Track forecast rose as authorized scope is increased to include the Reliability, Availability, Maintainability and Safety (RAMS) works to reduce rolling contact fatigue (RCF) and reduce rail defects programmes (Rail Grinding). Authority was received post quarter one.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Civils (BCV/SSL)	18	26	8	31%	Civils forecast has reduced as 4 sites no longer require upgrades following reassessment as a result of changes to delivery methodology and some bridge painting and cast ironing works being de-scoped.



Bulk Supply Point at Griffith House

To meet the increased energy demands created by the SSR upgrade, we are upgrading the associated power systems. Project work includes construction of substations, bulk supply points and transformer rectifiers, and installation of distribution cabling.

Milestone variance ●
Financial variance ●

SSR Major Power Works (Traction)

Modern power systems will help support the extra services that are being introduced to meet rapidly growing passenger demand. Installation of a new Bulk Supply Point at Griffith House has ensured that there is sufficient power on the network to support the new S Stock train fleet. This programme will continue to deliver power upgrades in support of other programmes as they introduce new fleets to the network.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
392.6	497.4	521.4	23.9 ▼ 4.8%	EFC is less than authority as the forecast includes embedded savings to be delivered across the plan years.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Additional Traction Capacity Available for Use at Victoria - 3 Txrs	05-May-14	17-Apr-14	-	Complete	
Removal of Redundant 11kV Cabling Assets (Neasden BSP to Harrow Sub)	21-May-14	02-May-14	7	Complete	
Contractor Finish on Site (Cat A & B Snagging Works Complete)	27-May-14	23-May-14	-14	Complete	
PK5B - CDS Preparation complete	27-Jun-14	13-Jun-14	3	Complete	
Package 3A - First Substation Substantial Completion	18-Aug-14	18-Jul-14	-	●	
Package 3B - Structural Works Substantially Completed at Farringdon	30-Oct-14	02-Oct-14	-	●	
Package 7B - 132kV Cable Factory Acceptance Test	31-Oct-14	31-Oct-14	-	●	



London Bridge station

The World Class Capacity programme will provide additional capacity beyond that delivered by the first wave of upgrades on the Victoria, Jubilee and Northern lines, with an aspiration to provide up to 36 trains per hour at peak times.

Milestone variance ●
Financial variance ●

World Class Capacity

A single option has been defined to increase the number of trains per hour on the Jubilee line. The full cost and scope of this programme can now be developed and application for full funding is due in November.

The programme is also defining options to increase capacity on the Victoria and Northern lines. The sponsor requirements have been received for the Northern line allowing the feasibility study to commence.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC (£m)	Authority (£m)	Variance to Authority	Commentary
3.2	*	*	*	The current authority is only for the initial stage of the programme and further authority will be applied for as required. The next tranche of funding is due to be applied for in November.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Issue Final Feasibility Study report to sponsor	31-May-14	30-Apr-14	-	Complete	
Issue OJEU notice for supply of Rolling Stock	10-Nov-14	17-Sep-14	-	●	
Concept Phase Complete	30-Jan-15	19-Dec-14	-	●	
Issue Invitation to Tender (ITT) for supply of Rolling Stock	28-Feb-15	05-Jan-15	-	●	

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
World Class Capacity	14	28	14	51%	Option selection has identified that the Jubilee line will need to start later than originally forecast reducing the budget required this year.

* The content of this page has been updated, following the publication of the Board papers, to correct a production error.



Battery loco undergoing works

This programme is responsible for all renewals projects associated with legacy fleets and associated line signalling and communication systems. The aim is to ensure that the existing asset base is kept in a safe and reliable condition until planned upgrades commence.

Milestone variance ●
Financial variance ●

Legacy Train Systems

As the existing train stock ages it requires upgrades and improvements that may not be covered in the scope of the larger upgrade programmes. This portfolio carries out work to keep the rolling stock and other signalling systems in good working order.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
128.6	638.7	317.3	-321.4▲-50.3%	A provision has been made in the forecast to provide life extension work on the Central and Bakerloo lines rolling stock. Funding is to be sought later this year to bring authority to the value of EFC.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Battery Loco Life Extension 750v Upgrade 5th Loco Complete	11-Sep-14	12-Aug-14	-	●	
92 TS Gearboxes 1000 Gearbox Overhauls Complete	03-Oct-14	18-Aug-14	-	●	
ATMS Installed on 3rd S Stock	28-Oct-14	30-Sep-14	-	●	
Battery Loco Life Extension Loco 12 - Complete	03-Mar-15	14-Jan-15	-	●	
Battery Loco Life Extension 750v Upgrade 10th Loco Complete	24-Apr-15	26-Feb-15	-	●	



The New Tube for London programme will form the next generation of line upgrades as a coordinated series. The programme aims to transform the customer experience and operating and maintenance model on the Piccadilly, Bakerloo, Central and Waterloo & City lines.

Milestone variance ●
Financial variance ●

New Tube for London

The New Tube for London will mean faster, more frequent and reliable journeys on the deep-level Tube network – the Piccadilly, Bakerloo, Central and Waterloo & City lines. With a new train design and vital replacement of signalling the New Tube for London will provide greater capacity and more comfortable journeys, with the first deep-level, walk-through and air-cooled Tube trains.

Alongside new modern signalling systems, the new trains will help TfL meet the challenge of London’s growing population – set to increase from 8.4 million today to around 10 million by 2030 – by increasing capacity on the Central line by 25 per cent, the Bakerloo line by 25 per cent, the Waterloo & City line by 50 per cent and the Piccadilly line by 60 per cent.

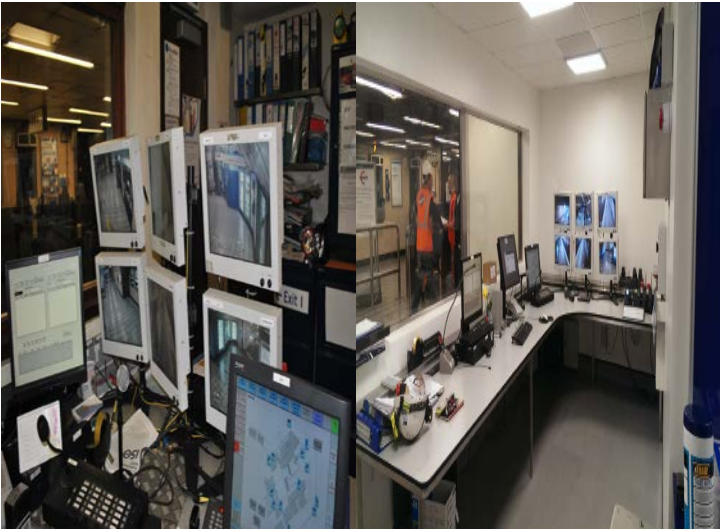
Pre qualification questionnaires (PQQ) have been received from six out of the seven suppliers involved in the rolling stock procurement. Using a single train design creates economies of scale, allowing procurement and long-term maintenance to be more efficient. The team is working with these suppliers to answer questions relating to development risk, reliability, system integration and service introduction. A short-list of qualified bidders will be announced this autumn, with a view to issue an Invitation to Tender (ITT) in January 2015 for a contract award in 2016.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
22.5	*	*	*	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
PMM NTfL Saloon Air Cooling Stage 2 (Hybrid) Report Complete	02-Jul-14	21-May-14	14	Complete	
PMM RS PQQ Shortlist Recommendation	19-Nov-14	07-Aug-14	-	●	
Issue ITT for New Tube for London (NTfL) Rolling Stock	29-Dec-15	09-Dec-15	-	●	



Old station control facility and new station control facility at Vauxhall station

The Vauxhall station upgrade will reduce congestion and queuing, increasing station capacity and reducing the risk of unplanned station closures. The project will deliver additional gate line and ticket hall capacity and step-free access from ticket hall to platform level.

Milestone variance ▲

Financial variance ●

Vauxhall Station Upgrade

Vauxhall station serves a key regeneration area and is a major interchange with the bus network, National Rail and river services, and for walkers and cyclists. It is being modernised to increase capacity, add step-free access and reduce congestion. A new control facility will manage additional gate lines and the larger ticket hall.

During work, asbestos has been discovered which has resulted in delays to delivery and an extension of time has been awarded to the contractor. The programme is pursuing opportunities to recover these delays.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
8.2	34.2	35.1	0.9 ▼ 2.5%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Vauxhall Station Capacity & SFA - Bring Into Use (SFA Lift and Stairs)	23-Oct-15	13-Nov-15	-49	▲	Delay caused by the discovery of asbestos. The programme is pursuing opportunities to recover these delays.



Improvement works at Embankment to freshen up the ticket hall

The Station stabilisation programme (SSP) undertakes station-wide asset stabilisation for more than 70 stations across the network, providing interventions to ensure safety critical work is completed and assets remain in compliant order, ensure stations assets are brought up to a 'fair for 10 years' condition, and prevent further asset degradation.

Milestone variance ●
Financial variance ●

Station Stabilisation Programme

The Station Stabilisation Programme will see stations across the Underground network modernised with upgraded flooring, walls and ceilings, CCTV systems and energy-efficient lighting over the next seven years. Stations will be brought up to a modern standard, meaning better, brighter customer journeys, and fewer closures for remedial work that can cause disruption.

Work has started on site at Harrow on the Hill and Greenford stations. Detailed design was completed for Sloane Square, Parsons Green, St James's Park and High Street Kensington stations to enable site works to commence in the autumn.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
57.0	456.0	176.2	-279.8▲ -61.4%	Due to the nature of this programme the EFC exceeds the existing authority. The EFC is based on scope for all 74 stations on the network but the programme is only authorised for the existing work bank and not all future works

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Population of Workbank Complete Liverpool Street	18-Jul-14	20-Jun-14	-	Complete	
Start On Site - Harrow on the Hill	18-Aug-14	02-Jun-14	-	Complete	
Start On Site High Street kensington Station	06-Oct-14	11-Aug-14	11	●	
Start On Site Sloane Square Station	06-Oct-14	11-Aug-14	-	●	
Start On Site Parsons Green Station	07-Oct-14	25-Jul-14	-	●	
Start On Site - Latimer Road	29-Dec-14	28-Nov-14	-	●	
Start On Site - Euston Square	30-Dec-14	02-Dec-14	-	●	



Embankment station installation of temporary works runway system for new escalator delivery route

The lift and escalator portfolio delivers the cyclical renewal of lifts and escalators to ensure safety critical systems are functional and compliant with standards and legislation, as well as preventing the degradation of assets through whole life asset management decisions /modelling.

Milestone variance ●
Financial variance ●

LU Lifts and Escalators

Work on six escalators and two lifts was completed on time bringing them back into use for customers. Work has commenced on a further nine escalators and six lifts.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
12.2	57.3	59.4	2.2 ▼ 3.8%	Main variances are the reprioritisation of works for example South Kensington escalators.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Bring Into Use (BIU) Old Street escalator E3	31-Jul-14	13-Jul-14	-	●	
Knightsbridge E6 - BIU (Bring Into Use)	31-Jul-14	03-Jul-14	-	●	
Kilburn Park E2 Return To Service (RTS)	18-Aug-14	02-Jun-14	25	Complete	
Elephant & Castle - Bring into Use L6	31-Oct-14	30-Sep-14	-	●	
Bring Into Use (BIU) - Embankment Esc 5-8	29-Nov-14	01-Nov-14	-	●	
Bond St E3 & 5 Bring into Use (BIU)	25-Jan-15	29-Nov-14	2	●	
Queensway - Bring into Use L2	20-Feb-15	09-Dec-14	3	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2013/14	Variance Commentary
Lifts & Escalators	57	14	EFC has reduced as work has been reprioritised to align with asset condition.



Tottenham Court Road station's Oxford Street entrance planar glass artwork

The Tottenham Court Road station upgrade includes construction of a new larger ticket hall and new entrances. Five new lifts will provide step-free access from the street to all platforms and eight new escalators will serve both the Northern line and Crossrail services.

Milestone variance ●
Financial variance ●

Tottenham Court Road Station Upgrade

London Underground is overhauling this major interchange station and gateway to one of the UK's largest retail areas. Once complete, the station will be fully accessible and far more spacious. It will also be an interchange station for Crossrail from 2018.

A joint approach was agreed between LU and Almacantar, the owners of Centre Point, to manage the interface with their refurbishment works and our project, which includes a provision for a new public square at St Giles Circus in front of the building.

Terrazzo floor tiling is progressing in the new ticket hall which is six times bigger than the existing hall. The new ticket hall, along with new escalators and lifts, will increase capacity at the station as well as improve access between the street and the platform.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
351.6	485.0	538.0	53.1 ▼ 10.9%	Efficiency savings have reduced the project EFC.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Section 3 Completion (Consolidated Piling)	19-Sep-14	26-Aug-14	-	●	
Completion of Phase I (Partial Opening of Ticket Hall)	31-Mar-15	12-Jan-15	-	●	
TCR - New Passenger Facilities Open - (Annex B: 2016)	20-Nov-16	09-Sep-16	-	●	



Bond Street station excavation works

The Bond Street station upgrade includes a new station entrance on Marylebone Lane, step-free access to all platforms, a connection with Crossrail and new escalators serving the north end Jubilee line.

Milestone variance ●
Financial variance ●

Bond Street Station Upgrade

Once complete the works at Bond Street will relieve congestion and prepare it for the forecasted increased growth as Crossrail completes in 2018 and more customers use the station for commuting and leisure travel. New escalators serving the Jubilee line and lifts providing step-free access from street to platform will improve accessibility.

The Central line platforms returned to service at the end of June as planned with the new lift shafts now in place. Construction of the four new lifts can start to allow step free access to platforms on both the Central and Jubilee lines. Access to the Jubilee platforms has been closed as intrusive work on constructing the two new escalators begins.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
188.4	306.8	307.6	0.8 ▼ 0.3%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Early hand back Jubilee Line Platforms, Escs 6,7,&8, 3,4,&5, 4/092 into public use	02-May-15	22-Dec-14	-	●	
SC03 OSD Frame to be handover to Developer - Planned Date	28-Apr-17	28-Sep-16	-	●	
Bond St Station Upgrade - Practical completion (Annex B:2017)	28-Apr-17	24-Mar-17	-4	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2013/14	Variance Commentary
Bond Street	307	5	EFC includes new scope for "Cooling the Tube" works and recognises the revised outturn position with the contractors further to recent commercial negotiations.



Bloomberg Site, looking towards LU box and St Stephen's Church

The Bank Waterloo & City project will deliver a new station entrance at Walbrook Square, connecting the redevelopment which will be known as Bloomberg Place to the existing Waterloo and City concourse.

Milestone variance ■
 Financial variance ●

Bank Waterloo & City

We are working in partnership with Bloomberg to provide direct access to the Waterloo & City line and step-free access to Bank station.

In the summer of 2015, Bloomberg will hand the site over to enable the fit out of escalators, lifts and the new ticket hall, with expected completion in 2017. Post-quarter update: contract let to Hochtief UK Ltd in August 2014.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
18.9	*	*	*	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Bank Stn (W&C) - Bring Into Use (Stage 5) (Annex B:2015)	31-Dec-15	TBA	Developer's programme has now stabilised with no further delay and currently intends to hand over to LU early in August 2015. LU is now revising its programme to establish a new forecast date.
Contract Award for Implementation Works	03-Feb-14	TBA	Developer's programme has now stabilised. Following box handover we will be able to finalise the date for scheme completion. LU is now revising its programme to establish a new forecast date.

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Bank Stn (W&C) - Bring Into Use (Stage 5) (Annex B:2015)	31-Dec-15 ■	TBA	TBA	Developer's programme has now stabilised with no further delay and currently intends to hand over to LU early in August 2015. LU is now revising its programme to establish a new forecast date.

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2013/14	Variance Commentary
Bank Waterloo & City	TBA	TBA	Main Design & Build Contract estimate has been resubmitted at a lower cost resulting in an EFC reduction.



Victoria station excavation breakthrough into the concourse

The Victoria station upgrade will provide a new underground ticket hall and entrance at Bressenden Place and Victoria Street. The existing ticket hall will be enlarged. Work also includes nine new escalators and the provision of step-free access to the station.

Milestone variance ▲
Financial variance ●

Victoria Station Upgrade

Victoria Underground station, which sees more passengers each year pass through its gates than Heathrow, is being fully modernised to increase capacity, provide step-free access and provide improved connections with National Rail services.

Excavation of the new North Ticket Hall is now complete, with mitigating actions being planned to make up for milestone slippage due to unplanned works by Thames Water. Concrete pours for the South Ticket Hall, which is being extended to increase capacity, have been finalised.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
335.4	603.4	677.4	74.0 ▼ 12.3%	Efficiency savings have resulted in an EFC significantly below authority.

Programme milestones forecast

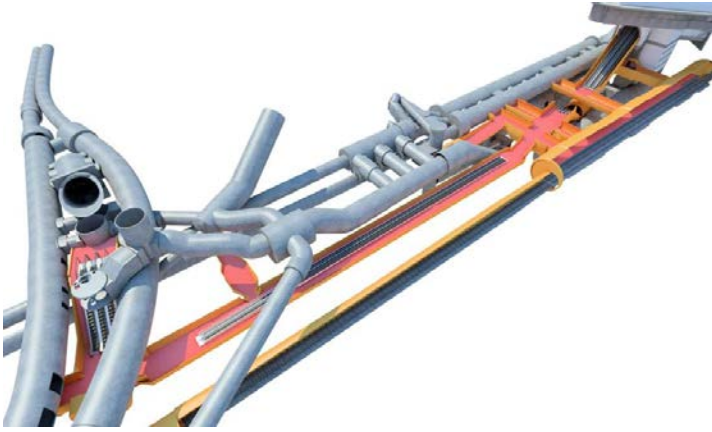
Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
North Ticket Hall Civils Complete	13-Mar-15	10-Dec-14	8	●	
North Ticket Hall, access to Vic Line, LFEPa Shaft (Sectional Completion S1) - DIS (Annex B:2016)	23-Oct-16	31-Dec-16	-	▲	Slippage due to issues with Thames Water. Mitigating actions to recover the planned date are currently underway.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Ground Treatment Complete	11-Nov-14	-134	Thames Water have completed the re-lining of the 800mm water main which releases further jet grouting; a recovery plan is now being developed.

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
South Ticket Hall and remainder of VSU works (Sectional completion S4) - DIS (Annex B:2018)	04-Jun-18 ●	17-Aug-17	-90	Slippage due to issues with unplanned works instigated by Thames Water. Mitigating actions to recover the planned date are currently underway.



Bank station capacity project delivers additional platform stairs and concourse capacity for Northern line platforms through the provision of a new southbound running tunnel, additional interchange capacity between lines and a new entrance on Cannon Street.

Milestone variance ●
Financial variance ●

Bank Station Capacity

A huge interchange serving the financial centre of London is being completely overhauled to reduce congestion and improve journey times through the station. Step-free access to the Northern line is part of the large-scale improvements being delivered.

Preparatory works on the Transport and Works Act Order) are progressing to the revised plan to enable a new southbound running tunnel and platform and to utilise the existing platform as a concourse area. This will relieve congestion and reduce the need for station closures in the DLR and Northern line areas.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
100.4	562.9	177.5	-385.4 ▲-68.5%	Project partially authorised as still in the development phase. Further authority will be sort following approval of the planning application.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Submit for Transport & Works Act Order (TWAO)	27-Aug-14	16-Jul-14	-	●	
Completion of all designs to Compliance to S1538	23-Feb-16	23-Feb-16	-	●	
TWAO Grant of Powers	15-Jun-16	21-Apr-16	-	●	
Start on Site - Bank	16-Jun-16	21-Apr-16	-	●	
New Ticket Hall Open to Public	14-Sep-21	25-Aug-21	-	●	
Works to relieve station congestion on the Northern Line at Bank Complete (Annex B:2021)	31-Dec-21	31-Dec-21	-	●	

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecastl (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Bank Station Capacity	49	34	14	42%	Increase in full year spend is from acceleration of work on Transport and Works Act Order and property purchases.



New Control room delivered at Moorgate

This project provides LU support and infrastructure protection to the Crossrail Programme delivered by Crossrail Limited (CRL). The vast majority of the expenditure is reimbursed by CRL.

Milestone variance ●

Financial variance ●

Crossrail London Underground Works

The first Crossrail services – between Liverpool Street and Shenfield – will start in 2015, and will be managed by an operator appointed by TfL (Post-quarter update: TfL announced its intention to award the contract to the MTR Corporation in July 2014.). Trains will begin running through the new core tunnel in 2018, and the whole network will be up and running in 2019 adding 10 per cent to London's rail-based public transport capacity.

The new substation at Liverpool Street is now fully commissioned and ready for transfer to the Crossrail Programme. The final design statement has been received for the Platform Edge Screens to be agreed.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
214.4	285.2	227.5	-57.7 ▲ -20.2%	Due to the nature of the relationship with Crossrail the EFC reflects the full scope of works of the programme. The difference between EFC and Authority reflects a lag between the instruction of work and the transfer of funds to deliver the scope, so no impact.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
LU Support Complete for Crossrail Trial Running Stations (Central Section)	28-Feb-19	31-Dec-18	-	●	



Tunnel ring segment being lowered on cradle

The Baker Street to Bond Street tunnel lining project will remediate 215 meters of the concrete tunnel lining rings that are showing signs of deterioration on this section of the Jubilee line.

Milestone variance ●
 Financial variance ▲

Baker Street to Bond Street Tunnel Lining

Work on the 215 metre section of tunnel on the Jubilee line continues to replace 359 rings. The first of 19 heavy duty strapped rings was successfully converted and replaced as well as another 39 rings. Since work commenced in June 2013, 97 of the 359 rings have been replaced. (Post quarter 100 rings have been completed.)

The provision of trains/crew for the planned closures remain a concern with 18 shifts impacted during the quarter. Weekly planning meetings are being held with all stakeholders to improve collaboration and mitigate this risk. The programme fully expects to recover this delay and is forecasting to deliver as scheduled. In addition, the sponsor is reviewing the financial impact of the increase in scope, and expects to bring it in line with authority in the next quarter.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
21.1	35.2	34.4	-0.8 ▲ -2.3%	EFC still remains higher than authority following the increase in scope instructed in quarter 3 2013/14. The sponsor is reviewing improvements to the programme to reduce the impact of the scope change to the EFC. Some improvements have been made and the increase reduced by £4.3m since the last quarter. The EFC is expected to be reduced in line with authority in the next quarter.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Replace 100 No of Baker Street to Bond Street Tunnel Rings	28-Nov-14	31-Oct-14	-	●	
Replace 150 No of Baker Street to Bond Street Tunnel rings	31-Mar-15	31-Mar-15	-	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2013/14	Variance Commentary
Bond Street to Baker Street Tunnel Lining	35	-11	Forecast decreased due to a reduction in risk following a recent Quantitative Risk Assessment (QRA).



The Northern Line Extension will extend the Northern line Charing Cross branch from Kennington to a new southern terminus within the Battersea Power Station site with an intermediate station within south Lambeth, as part of the regeneration of the Vauxhall Nine Elms Battersea (VNEB) Opportunity Area.

Milestone variance ●
Financial variance ●

Northern Line Extension

The extension of the Northern line from Kennington forms part, of wider plans to transform a key growth area of central London. Two new stations, Nine Elms and Battersea Power Station, and 3.5km of new track will connect residents and businesses in this regeneration area to the Tube network. The extension will also reduce pressure on Vauxhall station, provide relief to the existing Northern line south of Kennington and give wider access to leisure and employment opportunities. The new infrastructure would directly support the creation of 25,000 new jobs and the delivery of 16,000 new homes.

Following the tender evaluation exercise and subsequent negotiations with two of the original four tenderers in August, LU awarded a six-year contract to design and build the Northern Line Extension to Ferrovial Agroman Laing O'Rourke.

The public enquiry Inspector has delivered a report recommending approval of the scheme, which is likely to be given in the autumn. We continue to engage the community in the process, including work with recently elected local councillors.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
61.6	*	*	*	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Complete tender evaluation with recommendation to RUB	27-Jun-14	21-May-14	-	Complete	
Award Main Design & Build contract	11-Aug-14	11-Aug-14	-	●	Completed post quarter one.
Commence baseline monitoring	15-Sep-14	15-Sep-14	-	●	
Commence Detailed Design & Build Design	01-Dec-14	03-Nov-14	-	●	
Commence defect surveys	08-Dec-14	10-Nov-14	-	●	
Programme Manager accepts Construction Phase Plan	15-Dec-14	17-Nov-14	-	●	
Award Tunnel Boring machine contract	30-Jan-15	05-Dec-14	-	●	
Commence utility diversions (gas and electric) at Nine Elms	06-Feb-15	05-Dec-14	-	●	



The Northern line upgrade programme involves the replacement of life-expired signalling assets that date back to the 1960s, with a brand new Automatic Train Control (ATC) signalling system. The programme also includes the replacement of some conductor rail and track.

Milestone variance ●
Financial variance ●

Northern Line Upgrade

The final section of the new Northern line signalling system entered service on 1 June, six months ahead of schedule and to budget. Along with a new timetable introduced on 22 June, we have been able to provide an additional two trains per hour on the central branches during peak hours and three trains per hour during off peak services throughout the line.

The programme is on schedule to achieve its target to uplift the capacity on the Northern line by 20 per cent by December.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
274.8	400.9	464.4	63.5 ▼ 15.9%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All NMA dirt clearance signed off for commissioning	10-Apr-14	07-Apr-14	-	Complete	
Ready for Operational Proving NMA6 (Edgware to Belsize Park)	09-Aug-14	30-May-14	-	Complete	
In Revenue Service NMA6 (Edgware to Belsize Park)	25-Aug-14	02-Jun-14	-	Complete	
Re-railing completed (All NMAs)	14-Dec-14	14-Dec-14	-	●	
Grinding work completed all NMAs	14-Dec-14	14-Dec-14	-	●	
Northern Line Upgrade complete, delivering 20% increase in capacity	31-Dec-14	31-Dec-14	-	●	



Northern line train before and after refurbishment

The programme will deliver mid life refurbishment of the 63 trains on the Jubilee line and 106 trains on the Northern line. The refurbishment will improve ambience and preserve fleet saloon condition to meet residual life and accessibility requirements.

Milestone variance ▲

Financial variance ●

Jubilee and Northern Line mid life Refurbishment

To improve ambience, increase accessibility and preserve performance of the Northern line fleet, we have refurbished 50 of the 106 trains. This milestone was achieved one month early.

There are a further 63 trains on the Jubilee line that will also be refurbished, with the contract to carry out this work due to be let in February 2015.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
13.5	57.0	67.0	10.0 ▼ 17.6%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Complete fitment of 50 Northern Line trains	30-Jul-14	30-Jun-14	30	●	
Northern Line Complete fitment of 80 trains	30-Nov-14	30-Nov-14	-	●	
Northern Line Complete fitment of 106 trains	28-Feb-15	03-Apr-15	-	▲	Forecast based on Alstoms rate of 16 days to refurbish a train and the physical start date being delayed by a month. Alstom are investigating mitigating actions to recover the delay.
Award "key" contracts for JL R/S Midlife fit out	28-Feb-15	28-Feb-15	-	●	
Close out of the JL R/S TBTC fit out project	30-Mar-15	30-Mar-15	-	●	
Commencement of Midlife fit out	31-Mar-15	30-Mar-15	-	●	

London Rail



Twin tracking works

This programme of works will address congestion on services between Therapia Lane and Wimbledon. Single track sections between Beddington Lane and Mitcham Junction will be twin tracked. An additional platform and new tram infrastructure at Wimbledon will be delivered, and four new trams will increase capacity.

Milestone variance ●
Financial variance ●

London Tramlink Wimbledon Line Enhancement

Network Rail has completed stripping out the existing track and work continues to adjust the high voltage cable within the site boundary and slewing the signalling and telecommunications cables.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
7.2	30.0	30.0	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Commencement of site works	22-Feb-15	22-Feb-15	-	●	



New Cross Gate Depot steelwork

This project will upgrade the existing London Overground stock to five carriages capable of selective door opening. The upgrade will include a number of infrastructure changes to depots and stabling, platforms, signalling and electrification.

Milestone variance ●
Financial variance ●

London Overground Capacity Improvement

Capacity enhancements on our London Overground network will ease congestion. We are adding a fifth carriage to most of our trains by 2015, increasing space by 25 per cent.

Platform extension works have been completed at Surrey Quays, Shadwell and Wapping stations with work continuing at four other stations ahead of the delivery of the extended rolling stock. Silwood stabling yard sidings were in the final phase of signalling and testing before commissioning, with the installation of the final noise barrier to reduce the level of disruption to local residents completed. The sidings were officially opened post-quarter one on 1 September.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
78.5	174.7	174.7	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
First East London Line 5 car unit in operation on the East London Line	31-Dec-14	31-Dec-14	-	●	



Piling at West Hampstead

The London Overground Stations Capacity Programme will expand capacity and relieve congestion during peak periods, improve accessibility through new access points, improve accessibility to passengers with reduced mobility, improve ambience and reduce dwell times. Priority stations include; Kensal Rise, South Tottenham, Hackney and Crystal Palace.

Milestone variance ●
Financial variance ●

London Overground Stations Capacity Programme (LOSTAT)

To help relieve congestion, improve accessibility, and enhance customer experience, a number of London Overground stations have been identified for capacity improvements. These improvements will include modifications to stations and installation of lifts and footbridges to reduce dwell times on platforms and ease over-crowding.

Works have commenced at a number of stations. At West Hampstead platforms are being widened, a new walkway between Hackney Downs and Hackney Central will link the two stations, a new lift is being installed at Kensal Rise, entrance improvements and a new lift are underway at South Tottenham, and Crystal Palace will have a new gate line and platform canopy.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
2.9	33.5	27.5	-6.0 ▲ -18.0%	Four priority stations have been identified for capacity improvements to help relieve congestion and improve accessibility, and the customer experience. Further authority will be sought following completion of design on other stations.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Submit concept design package for Finchley Road & Frognal to Network Rail	15-Sep-14	15-Sep-14	-	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2013/14	Variance Commentary
London Overground Stations Programme	33	-10	Forecast has decreased as budget is due to be transferred out of the programme to cover works on the West Anglia route.

Surface Transport

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Surface Transport

Investing in assets

This £1.8bn portfolio is designed to bring our asset condition up to a good state of repair, which will help maintain network performance and customer satisfaction while minimising whole life costs. The key programmes it contains are the Structures and Tunnels Investment Programme, which includes Hammersmith Flyover strengthening and Transport for London Road Network (TLRN) capital renewals.



Waterproofing being applied to Hammersmith Flyover during a weekend closure

The A4 Hammersmith Flyover Phase 2 works involve strengthening the whole structure, renewal of the deck waterproofing, modification and renewal of the drainage system and replacement of the bearings and expansion joints.

Milestone variance ●

Financial variance ●

Hammersmith Flyover Strengthening

Central reservation work was completed early due to an improved working methodology on the highway. This allowed the narrow lanes on the flyover to be removed early improving traffic flow for road users. The bearing pits supporting the main piers have required extensive remedial works due to the poor condition of the concrete in areas of the pit that were previously inaccessible. An extensive media campaign for road users warning of a series of one-directional closures was carried out in the summer. (Post Quarter 1 resurfacing work was completed using fewer weekend closures than planned.)

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
30.6	76.8	76.8	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Central reservation works completed	10-Jul-14	10-Jun-14	30	Complete	
Bearing installation completed	31-Dec-14	31-Dec-14	-	●	
Finish on site completed	30-Aug-15	30-Aug-15	-	●	
Project close completed	27-Nov-16	27-Nov-16	-	●	



A41 Edgware Way – renewal of 3,046m of vehicle restraint barriers

Capital Renewals maintain the physical infrastructure of the TLRN in a state of good repair, including carriageways, footways, structures, tunnels, lighting, drainage, green estate and street furniture. The programme consists of activities that lengthen the life of an asset either by repair or renewal.

Milestone variance ●
Financial variance ●

Transport for London Road Network (TLRN) Capital Renewal Programme

Quarter one delivery included the upgrade, ahead of schedule, of the Smiths Factory pumping station on the A4 in the London Borough of Hounslow to alleviate the risk of flooding to the pedestrian subway. This reduces the risk of flooding to the pedestrian subway. Carriageway delivery in quarter one was behind target because in quarter four 2013/14 a number of schemes were brought forward from quarter one 2014/15 to make use of additional severe weather funding from the DfT.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
6.6	58.8	58.8	0.0 ▼ 0.1%	

Programme volume delivery

Output	Unit	Annual Target	YTD Actual	YTD Forecast	Commentary
Carriageway resurfacing	m2	560,000	49,598	122,251	8% of annual target achieved. This is behind target because 2014/15 Q1 schemes were accelerated to make use of severe weather funding from DfT not utilised by boroughs in 2013/14 this meant c. 75,000m ² . 22% was achieved in Q4 last year. This change was after submission of forecasts and opportunities to re-profile work has been limited. Full year target will be achieved
Footway resurfacing	m2	55,370	3,925	24,617	7% of annual target achieved. A slower than anticipated turnaround of designs and more stringent lane rental, permitting, and environmental requirements have impacted delivery. Full year target will be achieved.
Lighting columns	Nr.	1,000	269	706	27% of annual target achieved.
Luminaires renewed	Nr.	1,900	513	405	27% of annual target achieved.
Vehicle restraint barriers	km	13	3	2	23% of annual target achieved.
Bridges repaired	Nr.	15	0	0	0% of annual target achieved – sites identified and investigations progressing; designs started in Q1 and delivery is planned to commence in Q2.
Pumping station upgrades	Nr.	7	1	0	8% of annual target achieved.

Major Highways Enhancements

This is a £600m portfolio to transform London's streets and deliver recommendations from the Mayor's Roads Task Force. It will deliver major projects which will improve the road network for all road users and support developments in key opportunity areas. In addition to Elephant & Castle Northern Roundabout, significant projects include Wandsworth Gyrotory removal and Vauxhall Cross, which are at early stages of the development process.



Artist's impression of proposed improvements at Elephant & Castle Northern Roundabout

Elephant & Castle Northern Roundabout project is part of the Roads Task Force initiative to improve the poor performance of the roundabout. It will address safety issues, provide enhanced pedestrian and cycle facilities along with high quality urban realm, making Elephant & Castle a place not a traffic island.

Milestone variance ●
Financial variance ●

Elephant & Castle Northern Roundabout

Concept design is progressing and reflecting changes from consultation responses and traffic modelling. (Post quarter one the consultation on the urban realm proposals commenced).

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
0.5	25.9	1.0	-24.9 ▲ -96.1%	Further authority will be sought following completion of concept design stage.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Public consultation on urban realm proposals	7-July-14	7-July-14	-	●	
Completion of concept design	30-Sep-14	30-Sep-14	-	●	
Completion of detailed design	17-Mar-15	17-Mar-15	-	●	
Commencement of main works	11-Apr-16	13-Apr-15	-	●	It is now believed the advanced works on the LU ticket hall will not have a significant impact on the highway, so the main works programme can be brought forward.
Completion of main works	02-Jun-17	01-Apr-16	-	●	
Completion of construction stage	26-Sep-17	22-Jul-16	-	●	

Cycling

This £913m portfolio is delivering the Mayor’s ‘Vision for Cycling’ which will transform conditions for cyclists and enable a 400 per cent increase in cycling compared to 2001 levels. It contains a balanced portfolio of TfL delivered infrastructure enhancements on the TLRN, such as Cycle Superhighway and Better Junctions, infrastructure delivered by the London Boroughs such as the Central London Grid and Quietways, and non-infrastructure measures such as the continued operation of the Barclays Cycle Hire scheme.



Better Junctions will provide better cycling and walking facilities, and urban realm improvements at 33 high-profile junctions. Outdated gyratory junctions will be removed and new traffic control technology introduced to improve safety for vulnerable road users facilitating a modal shift to cycling.

Milestone variance ▲

Financial variance ●

Better Junctions

The programme team is currently working on the design of 16 schemes to improve safety at major highway junctions across London that are recognised as barriers to cycling and walking. (Post Quarter 1 public consultation began on the scheme at Oval). There are a further 17 ‘better junctions’ identified for improvements which are being completed through other programmes such as Cycle Superhighways and individual major highway enhancement projects.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
13.0	95.0	28.4	-66.6 ▲ -70.1%	Project forecast reflects work to be carried out at 16 of the 33 junctions (remaining 17 junctions to be funded from other programmes of work). Further project authority will be sought as each project progresses.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Start on site commenced – Oval	15-Dec-14	08-Dec-14	-	●	
Consultation and concept design complete – Archway	15-Dec-14	31-Dec-14	-	▲	Project team is in discussions with stakeholders and the sponsor to agree programme activity durations and bring forward the consultation date.
Complete reviews of 8 original Better Junctions	31-Dec-14	31-Dec-14	-	●	
Complete reviews of 9 original Better Junctions	31-Dec-15	31-Dec-15	-	●	



CS2 extension – Stratford High Street

Cycle Superhighways will deliver cycle routes 1, 2, 4, 5, 11, East-West, North-South; extensions to Routes 2 & 5 and upgrades to Routes 2, 3, 7 & 8. This will provide a safe, fast, direct, continuous and comfortable way of getting into and across central London by bicycle.

Milestone variance ■
 Financial variance ●

Cycle Superhighways

Cycle Superhighway 5 (CS5) Outer, from New Cross Gate to Oval, and the remaining section of CS2 Extension from Stratford to Bow were completed. Public consultation for CS5 Inner completes in September, with construction planned to start in early 2015. Consultation on the East-West and North-South Cycle Superhighways started on 2 September 2014 and will close on 19 October, and Route 2 Upgrade consultation starts in late September. This continues the work to deliver radial cycle commuter routes from outer to central London.

Programme financial forecast

Spend to end Quarter I, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
40.6	208.9	66.6	-142.3▲ -68.1%	The current authority reflects works underway and being designed. Further authority will be sought to enable construction.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
CS2 (Ext.) Completion of construction	01-Jul-14	13-Jul-14	-12	▲	The remaining section of the CS2 Extension (Stratford to Bow) was delivered 12 days later than expected due to delays incurred with the complex design and approval process for the bespoke lighting columns that needed to be relocated along the route. Additional works were requested by the Borough which also impacted the completion date.
NS Start of detailed design	01-Sep-14	01-May-14	-	Complete	
EW Start of detailed design	01-Sep-14	30-May-14	-	Complete	
CS2U Start of detailed design	01-Sep-14	30-Jun-14	-	Complete	
CS1 Start of detailed design	01-Sep-14	25-Jul-14	-	●	
CS3, 7 & 8 Upgrades - start of detailed design	01-Sep-14	01-Sep-14	-	●	
CS11 Start of detailed design	01-Sep-14	05-Jan-15	-	■	Scheduled to complete later than originally forecast due to a decision to defer delivery.
CS4 Start of detailed design	01-Sep-14	01-Dec-15	-	■	Scheduled to complete later than originally forecast due to a decision to defer delivery.
CS5 (Ext.) Start of detailed design	01-Sep-14	01-Mar-17	-	■	Scheduled to complete later than originally forecast due to a decision to defer delivery.

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2013/14	Variance Commentary
Cycle Superhighways	209	8	The EFC increase reflects more detailed cost estimates being received.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Cycle Superhighways	23	28	5	18%	Detailed route planning work, which commenced after the budget was set, highlighted deliverability constraints within TfL and its supply chain, therefore a more realistic delivery profile has been adopted with route 4, 5 extension and 11 being delivered later than originally planned This does not impact the £913m Cycling portfolio budget.



Example of cycle street parking in London Borough of Enfield

Three Boroughs – Enfield, Kingston and Waltham Forest – have been selected for full mini-Holland status. The aim is to move significant numbers of suburban car journeys, which are often short and highly cyclable, on to the bike.

Milestone variance ●
 Financial variance ●

Cycling Mini Hollands

This will include the introduction of cycle parking super-hubs at transport interchanges, schemes to address severance and safety, segregated cycle ways on busier roads and Quietways on residential roads and through open spaces. TfL received delivery plans from the three London Boroughs of Enfield, Kingston and Waltham Forest on 13 June. It is hoped these boroughs will become as cycle friendly as their Dutch counterparts, which is why they are referred to as 'Mini Hollands'.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
0.3	100.0	2.4	-97.6▲ -97.6%	The current authority reflects the early stage of the schemes and further authority will be sought as the programme develops.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Delivery programme confirmed	30-Jun-14	13-Jun-14	-	Complete	

Proposed Cycle Routes in Central London for local engagement



2016 Central London Grid

The Grid will deliver a network of well connected, safe cycle routes across central London. The routes are predominately on quieter, low-trafficked roads with limited infrastructure which link to the major routes, such as the East-West and North-South Cycle Superhighways.

Milestone variance ●

Financial variance ●

Central London Cycling Grid

The Grid Board met in April and agreed the alignment of 85km of cycle routes. It will be provided using a combination of segregated cycle lanes on major routes and more limited segregation on the majority of quieter low-trafficked streets. A key part of the Grid is the need to ensure the routes are legible and easily followed by new and existing cyclists. A new wayfinding system (a combination of road markings and signage) is therefore being developed and a proposal will be refined ready for implementation on the first phases of the Grid.

Phase 1 has seen cycling grid work implemented in the London Boroughs of Hackney, Camden and Westminster with a further 19 schemes to be delivered. TfL approved £13.1m to release to Boroughs to begin Phase 2 design and construction and the design for Phase 3. Phase 2 schemes will be delivered faster as they do not cross major junctions while Phase 3 schemes require traffic modelling.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.0	54.5	16.7	-37.8▲ -69.3%	A further £13.1m has been approved to begin Phase 2 design and construction and the design for Phase 3 future works. Further authority will be sought as the programme progresses.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Construction started of Phase 1 quick win schemes	01-Jul-14	01-Apr-14	-	Complete	



Example of Quietways type intervention in the London Borough of Enfield

The Grid will deliver a network of well connected, safe cycle routes across central London. The routes are predominately on quieter, low-trafficked roads with limited infrastructure which link to the major routes, such as the East-West and North-South Cycle Superhighways.

Milestone variance	●
Financial variance	●

Cycling Quietways

Designs for the first two Quietways (Waterloo-Greenwich and Bloomsbury-Walthamstow) have been completed and are undergoing consultation with the respective London Boroughs delivering the routes, which is taking longer than anticipated. The designs include ways to reduce the barriers to cycling such as lack of infrastructure, fear and vulnerability by using some of the new interventions being developed. Two-staged right turns and traffic segregation are some of the examples of these interventions. A key part of Quietways is the need to ensure the routes are legible and easily followed by new and existing cyclists. A new wayfinding system (a combination of road markings and signage) is therefore being developed.

Work continues to agree the next five Quietways for development and the Cycling Commissioner is due to agree the future scope in July to take the programme beyond May 2016. Authority will be sought as the routes are agreed by the Boroughs and the schedule for delivery will be refined, following agreement of the route alignment.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
0.5	114.8	0.9	-113.9▲ -99.3%	Project still in development and first two designs have been completed. Further authority will be sought following consultation and approval with the respective London Boroughs..

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Construction started of first Quietway Route	01-Sep-14	17-Nov-14	-	▲	The construction of the first Quietway route has been delayed following consultation with the Boroughs. The schedule for delivery has been refined following agreement of the route alignment.

Road Safety Investment

This £260m portfolio will improve the safety of London's roads and achieve the Mayor's target of a 40 per cent reduction in the number of people killed and seriously injured by 2020 (from a 2005-09 baseline). This includes the safety camera replacement programme, road safety engineering schemes on the TLRN and educational campaigns.



New digital safety camera at St. Georges Road/Lambeth Road

The Safety Camera Replacement programme will replace existing speed and red light safety cameras with digital equivalents where justified. This will enable the cameras to continue to deliver the safety benefits they have provided to date.

Milestone variance ▲
Financial variance ●

Safety Camera Replacement Programme

This programme will replace, where justified on safety grounds, existing wet film spot speed and red light safety cameras with digital equivalents, in order to maintain the safety benefits these cameras have provided to date. The contract for red light safety cameras has been let and installation started ahead of forecast on 19 May.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.0	36.6	36.6	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Red light speed camera installation started	16-Jun-14	19-May-14	28	Complete	
Average speed camera installation started	12-Sep-14	15-Oct-14	-	▲	Delayed due to bidder queries during the contract standstill period which delayed contract award.
Spot speed camera installation started	12-Sep-14	15-Oct-14	-	▲	
Project close approved at Surface Board	20-Dec-16	20-Dec-16		●	

Keeping London moving

This £400m portfolio is designed to maximise the performance of the road network, mitigate the impacts of road space reallocation and accommodate London's growth. This will be delivered through an expansion of SCOOT traffic signal technology as well as bus priority and intelligent traffic systems programmes which are at earlier stages of development.

Road Space Management SCOOT



The Road Space Management Split Cycle Offset Optimisation Technique (SCOOT) programme is enabling new technology on London's traffic signals. At completion, 75% of London's traffic signals will be upgraded with this technology.

Milestone variance ■
Financial variance ●

Maximising use of SCOOT technology across London's traffic signals is required to mitigate changes in road space allocation and keep delays to a minimum through adapting traffic signal timings in real time. Reduced delays of up to 12 per cent are typical from the installation of SCOOT.

The programme seeks to double the delivery rates of SCOOT compared to previous SCOOT installations. This ramp-up has proved challenging and a lean review is being undertaken to increase delivery rates, with the primary focus on delivering the enabling for 200 sites by 30 September 2014*.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
4.8	57.1	21.1	-36.0 ▲ -63.0%	Authority is less than EFC as the Authority is being released in tranches. Full Authority will be sought in January 2015 ready for the next tranche of work to begin in April 2015.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
200 sites commissioned	31-Mar-14	11-Jul-14	-41	■	*See above.
Enabling completed for 200 sites	30-Sep-14	30-Sep-14	-	●	
Designs completed for 600 sites (cumulative)	31-Dec-14	31-Dec-14	-	●	
Snagging and paperwork completed for 80% of sites commissioned	31-Mar-15	31-Mar-15	-	●	
600 sites commissioned (cumulative)	31-Mar-15	31-Mar-15	-	●	
Enabling completed for 1500 sites (cumulative) (Annex B: 2018)	30-Sep-18	30-Sep-18	-	●	

Service operations & environment

This portfolio directly supports Surface Transport service delivery through contract re-lets, business transformation and delivery of operational infrastructure. It also delivers improvements to air quality and the natural environment, reducing CO2 and noxious emissions and the impacts of noise.



Congestion Charging signage

The London Road User Charging (LRUC) and Traffic Enforcement Notice Processing project will re-let the LRUC contracts consolidating and simplifying the services after the expiry of current contracts as well as extend the current contract to enable alignment of the service contracts.

Milestone variance ●
Financial variance ●

London Road User Charging (LRUC) and Traffic Enforcement Notice Processing (TENP) Contract re-let Project

Capita completed its design and planning to prepare for the transition of services from IBM in autumn 2015. System development is nearing completion and system testing begins shortly to enable Capita to transition the LRUC and TENP services. This will see the services for the Central London Congestion Charging, Low Emission Zone and notice processing for decriminalised traffic offences on the TLRN transfer to Capita. Savings on the project have already been realised as resource costs in previous years were lower than forecast which has reduced the EFC.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
14.2	72.2	77.0	4.8 ▼ 6.6%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
System design complete - CC & Low Emission Zone (LEZ) (Lot 1)	30-Jun-14	12-Jun-14	18	Complete	
Application deployed in system test environment	15-Aug-14	15-Aug-14	-	●	
Service system in pre-production	15-Nov-14	15-Nov-14	-	●	
Traffic Enforcement Notice Processing system development complete	30-Mar-15	30-Mar-15	-	●	
Traffic Enforcement Notice Processing go-live	22-Jun-15	22-Jun-15	-	●	

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
LRUC service proving complete	30-Sep-15	30-Sep-15	-	●	
Business Operations service go-live	01-Nov-15	01-Nov-15	-	●	



New Routemaster crossing Westminster Bridge

New Routemaster will deliver 600 New Routemaster buses by the end of April 2016. They will be built by Wrightbus in Ballymena to the same generic design as the prototypes that were introduced onto route 38 in February 2012.

Milestone variance ●
Financial variance ●

New Routemaster

Seven routes have now been fully converted to the New Routemaster (NRM) buses. There are now 260 out of the 600 NRM buses in operation with four different operators. It has been announced that Route 453 is the next for conversion in late 2014 and negotiations continue with other routes. By the end of 2014, TfL expects 45 NRMs will have the new ultra-low-emission Euro VI engine which is anticipated to cut nitrogen oxide emissions further.

Programme financial forecast

Spend to end Quarter 1, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
92.6	220.0	220.0	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Conversion of tenth route	31-Dec-14	31-Dec-14	-	●	
Build completion of vehicle no. 450	30-Jun-15	30-Jun-15	-	●	
Delivery of 600 buses into service	30-Apr-16	30-Apr-16	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Build completion of vehicle no. 250	31-Aug-14 ●	31-Aug-14	75	Production of the 250th bus was achieved 75 days ahead of schedule primarily due to the introduction of an additional production line to ensure completion on contract date

Financial Performance

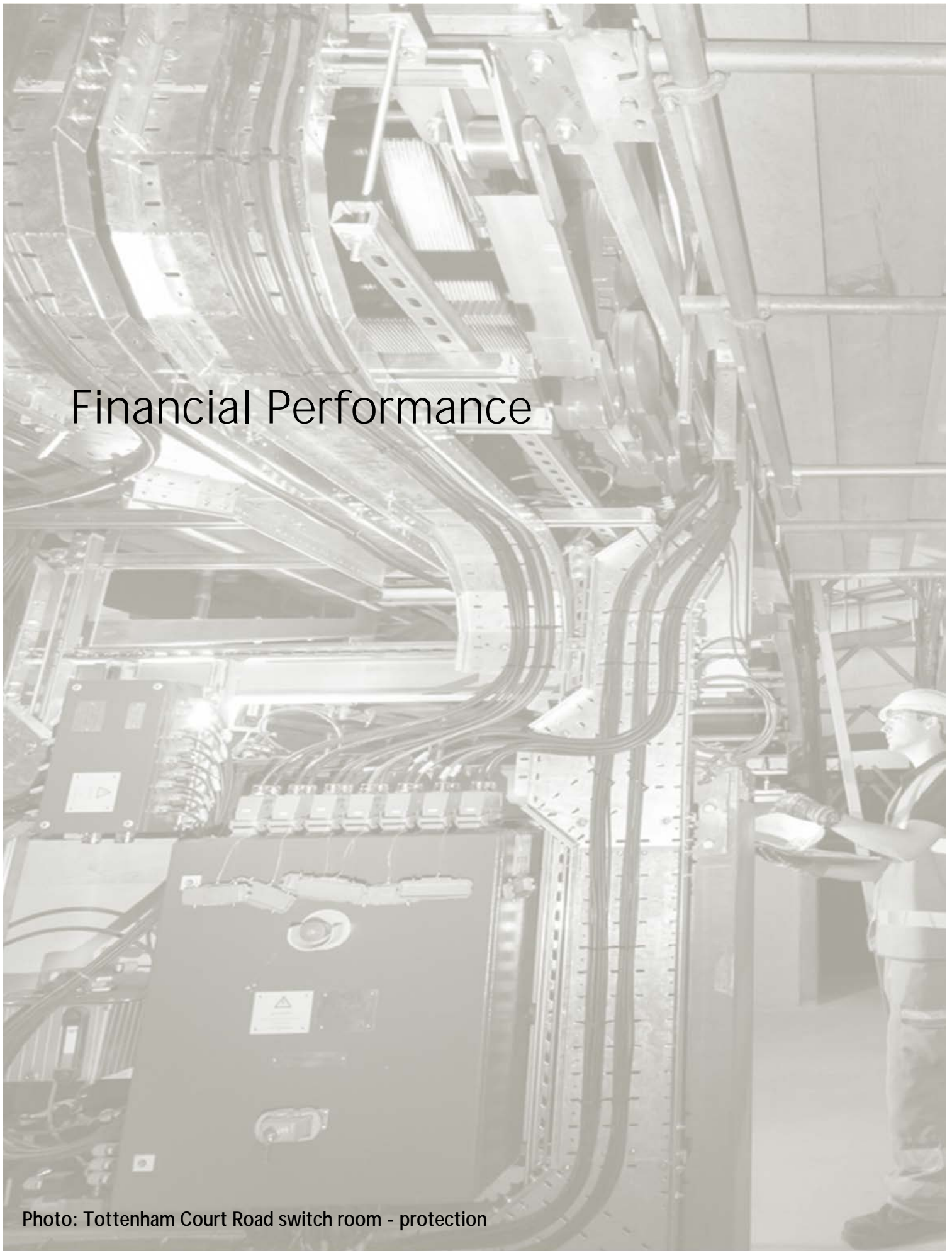


Photo: Tottenham Court Road switch room - protection

Financial performance

1.1 TfL's investment programme continues to perform well. Year-to-date investment expenditure is £21m under Budget, a variance of less than four per cent. Over the full year, expenditure is now forecast to be almost exactly inline with Budget, with a variance of less than £0.5m.

Investment programme financials as of Quarter 1, 2014/15

TfL group (£m)	Year to date			Full year 2014/15		
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
London Underground	372	390	(18) ▲	1,582	(23) ▲	1%
London Rail	55	58	(2) ▲	233	(21) ▲	8%
Surface Transport	96	94	2 ▼	591	(1) ▲	0%
Corporate directorates	21	23	(2) ▲	155	45 ▼	41%
Total TfL investment	544	565	(21) ▲	2,561	0 ▼	0%

1.2 In the year to date, TfL is £21m under Budget due to a combination of: acceleration of £12m expenditure, where work has been brought forward from the schedule in the 2014/15 Budget; net additional scope of £7m, and £39m of rephasing to later this year and future years – this represents a timing difference in expenditure.

1.3 London Underground is £18m under Budget in the year to date, due to a combination of:

- SSR upgrade: £9m of accelerated train purchase into the 2013/14 financial year after the Budget was completed
- £7m under Budget on infrastructure renewals, mainly due to £14m rephasing of the rail grinding project into later this financial year, partially offset by additional scope of almost £9m including the Rolling Contact Fatigue project, which was approved after finalisation of the Budget
- £7m under Budget on station upgrade, Crossrail and other third-party works, mainly due to almost £6m of slippage from Vauxhall station tunnelling contractor delays
- Rephasing of almost £4m of Northern Line Upgrade risk into future years
- Almost £32m from accelerated works for the Northern Line Extension

- 1.4** London Rail are £2m under Budget in the year to date, from the accelerated works at Beckton train shed which were completed in March 2014, delayed expenditure relating to the Wimbledon project and other minor variances.
- 1.5** Surface Transport was £2m above Budget in the year to date, primarily due to accelerated project spend, including £3m relating to New Routemaster delivery, as the annual factory shutdown is later than the budget assumption, and £2m on Fore Street tunnel, Chiswick Bridge and Hogarth Flyover, where main works started early. Accelerated spend was partly offset by delays, such as the rescheduling of Local Implementation Plans (LIPS) works on road corridors (£2m) and slippages on Quietways detailed design due to delays in achieving stakeholder agreement (£1m).
- 1.6** The Corporate directorates are £2m under Budget in the year to date, primarily due to rephasing of almost £2m of technical refresh and Operational Support System (OSS) projects and some elements of Phase 2 of the Future Ticketing Programme (FTP). This rephasing has been partially offset by a £2m unbudgeted property purchase to ensure future development.
- 1.7** Over the full-year, TfL's total investment expenditure is forecast to be in line with Budget.

TfL group (£m)	Full-year forecast variance to Budget
Acceleration	66 ▼
Change in scope	0 ▼
Inflation	(13) ▲
Rephasing	(148) ▲
Savings and efficiencies	(7) ▲
Release of overprogramming and contingency	106 ▼
Other	(4) ▲
Total	(0) ▼

1.8 Key changes from the Budget include:

- Acceleration of £66m for the Earl's Court joint venture which has been brought forward from later years of the Business Plan. The Earls Court joint venture was approved by the Board in February 2014 and is progressing in line with approval

- Reduced project scope of almost £12m for infrastructure renewals, which has been offset by a combination of smaller
- An inflation upside from lower inflation than previously forecast
- Rephasing of a number of projects, including: £47m for the Northern Line Extension, following greater clarity on the expenditure profile with total project costs remaining the same; £21m for the London Capacity Improvement Programme (LOCIP) into future years; £23m of Northern Line Upgrade risk; and £14m from the World Class Capacity Jubilee Line works
- Release of almost £117m of investment overprogramming in London Underground, which was partly offset by a reduction in contingency across the Corporate directorates

Variance Definitions and Key

Programme financial forecast

This report shows variance the between authority and EFC. A negative value indicates that the EFC is greater than authority while a positive value that the authority is greater than EFC. The direction of the triangle indicates whether the EFC is greater or lower than authority value. Where there is commercial confidentiality variances are removed and marked *.

RAG	Description
▲	Variance is understood and does not impact delivery
▲	Variance is understood and mitigation plans are in place to reduce the impact to delivery
▲	Variance is understood and decisions need to be made regarding delivery

Programme Milestones

This report details the level of movement against the milestone in days since the previous quarterly report. A negative value indicates slippage while a positive value indicates acceleration to the programme. The RAG indicates delivery forecast against the planned date in accordance with the below key.

Discrete projects	Status
On time or early	●
-89 days late	▲
>90 days late	■

Significant late milestones

This report details milestones that are forecast to deliver more than 90 days late against their planned completion date. Where there is commercial confidentiality variances are removed and marked * A negative value indicates slippage while a positive acceleration to the programme.

Significant quarterly milestone movements

This report shows where milestones have moved by more than 2 periods within the quarter. Where there is commercial confidentiality variances are removed and marked * A negative value indicates slippage while a positive acceleration to the programme.

EFC exceeds authority (more than 2.5 per cent)

This is where projects are fully authorised but the EFC exceeds authority by more than 2.5 per cent. Projects that are only partially authorised are not classified as being in excess of authority and will not be shown. For example, those only in the feasibility stage, or where EFC has increased with authorised additional scope.

Significant changes in EFC this quarter (more than two per cent)

This report indicates where the project EFC has changed by more than two per cent in the quarter. A negative per cent indicates a reduction in EFC.

Year end Spend Forecast v Budget

This report identifies projects where the variance between Budget and the annual forecast is greater than £5m (+/-). Budget is the agreed level of annual expenditure for specified works. This forms part of the TfL Group budget which is established around period 9 of the previous financial year.