

TRANSPORT FOR LONDON

BOARD

**SUBJECT: OPERATIONAL AND FINANCIAL PERFORMANCE AND INVESTMENT PROGRAMME REPORTS – FIRST QUARTER 2009/10**

**DATE: 21 OCTOBER 2009**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 The following performance monitoring reports are attached for the First Quarter of 2009/10 (1 April 2009 – 27 June 2009):
  - (a) Appendix 1 - Operational and Financial Performance report; and
  - (b) Appendix 2 - Investment Programme report.
- 1.2 This report and appendices were considered by the Finance and Policy Committee at its meeting on 9 October 2009.
- 1.3 The Investment Programme Report comments on milestones as at the end of Quarter 1. Some of these will be changed as part of the Business Plan as detailed in the item considered on this agenda.

**2 RECOMMENDATION**

- 2.1 The Board is invited to NOTE the reports.

**3 CONTACT**

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Appendix I

TfL Operational and Financial Performance Report

First Quarter 2009/10



# Operational and Financial Report

## First Quarter, 2009/10

The operating year 2009/10 comprises four quarters. Quarters one to three each cover three operating periods of four weeks. Quarter four covers four operating periods of four weeks. The dates are as follows:

Quarter 1:	1 April 2009 - 27 June 2009	(Operating periods 1-3)
Quarter two:	28 June 2009 - 19 September 2009	(Operating periods 4-6)
Quarter three:	20 September - 12 December 2009	(Operating periods 7-9)
Quarter four:	13 December 2009 - 31 March 2010	(Operating periods 10-13)

# Operational and Financial Performance Report

## First Quarter, 2009/10 (1 April 2009-27 June 2009)

### Performance Summary

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This report details the operational and financial performance for quarter 1, 1 April 2009 – 27 June 2009, and covers operating periods one to three. Period 1 of 2009/10 had 6 more days (including 3 more working days) than period 1 last year therefore it is difficult to make comparisons of some measures.

In spite of a record number of passenger journeys across the TfL network in 2008/09, the rate of growth and passenger volume began to decline towards the end of the year. The growth in passenger demand continued to slow in quarter 1 2009/10, with 822.5 million passengers travelling on the Transport for London (TfL) network. This was an increase of 6.0 per cent compared to last year. As expected, during the current economic conditions, patronage on London Underground is slowing and more passengers are using London Buses. Network performance in the quarter was affected by the strike called by the leadership of the National Union of Rail, Maritime and Transport Workers (RMT) on 10 and 11 June and events outside of TfL control, including the G20 protests in the City of London and demonstrations in Parliament Square.

Economic indicators during the quarter were as follows:

- Year-on-year inflation, as measured by the Retail Price Index, was minus 1.6 per cent in June.
- In June, the Consumer Price Index measure was up 1.8 per cent.
- In June, overseas visits to the UK were 5.7 per cent higher than last year.
- During the first quarter, there were 2.5 per cent fewer working age London residents in employment than in the same period last year.
- 9.2 per cent of working age London residents were unemployed in the first quarter, compared with 7.1 per cent in the same quarter last year.
- In the first quarter there were 5.6 per cent fewer journeys on National Rail in London and the South East, compared to the same period last year.

**London Underground:** During the quarter, passenger demand on the Underground slowed as a result of the economic climate. Underground passengers made 249.0 million journeys, slightly more than last year, but less than target. In spite of the RMT strike during the quarter, service performance remained strong. If the effect of this is excluded, all targets would have been achieved or exceeded.

**London Buses:** There was strong demand for bus services during the quarter. Bus passengers made 548.8 million journeys, 38.7 million more than the previous year and 12.3 million more than target. Some of this increase was due to the overflow of Underground passengers during the RMT strike. 97.5 per cent of scheduled bus services were operated in quarter 1, with demonstrations in Parliament Square and the closure of Blackheath Hill the main causes of disruption.

**Docklands Light Railway (DLR):** In quarter 1, DLR passengers made 16.6 million journeys, 1.3 million more than target and 1.1 million more journeys than the same quarter of last year.

**Financial performance:** For the quarter, operating income was £27 million lower than budget, offset by operating expenditure of £51 million lower than budget and group items expenditure of £11 million lower than budget. Capital expenditure after third party reimbursements and overprogramming was £8 million lower than budget.

The fares revenue forecasts reflected in this report are those made at the time of the quarter 1 management reporting in July 2009. Fares revenue forecasts are currently being reconsidered and are expected to be reduced significantly in the quarter two results.

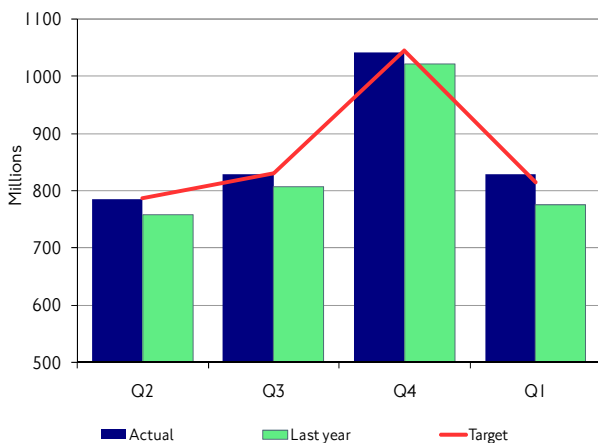
## Performance Summary – Performance Indicators

2009/10		Quarter 1				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	Forecast	Target	Var	PY
<b>Supporting Economic Development</b>									
Excess Journey Time (Weighted) – LU	Mins	6.8	6.8	-	6.5	No forecast	6.8	n/a	6.6
Excess Wait Time, High Freq Routes – Buses	Mins	1.09	1.07	0.02	1.11	1.10	1.13	(0.03)	1.13
On Time Performance (PPM Moving Annual Average) – LO	%	92.4	92.6	(0.3)	91.6	93.4	93.4	-	92.2
On Time Performance – DLR	%	94.9	96.0	(1.1)	95.7	96.0	96.0	-	94.6
<b>Person Journey Time</b>									
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	244.4	223.6	20.8	224.0	226.0	219.0	7.0	207.2
% Scheduled Services Operated – LU	%	95.4	96.3	(0.9)	96.5	96.1	96.3	(0.2)	96.4
% Scheduled Services Operated – Buses	%	97.5	97.7	(0.3)	97.6	97.4	97.5	(0.1)	97.0
% Scheduled Services Operated – DLR	'000s	98.4	98.0	0.4	98.4	98.0	98.0	-	98.4
% Scheduled Services Operated – Trams	%	99.1	98.0	1.1	99.5	98.0	98.0	-	98.4
% Scheduled Services Operated – River Services	%	98.5	98.5	-	98.1	98.5	98.5	-	98.3
<b>Quality of Life</b>									
Overall Customer Satisfaction – TfL Group (excl London Overground)	Score	79.5	79.9	(0.4)	79.4	No forecast	80.0	n/a	79.6
Overall Customer Satisfaction – LU	Score	80.0	79.0	1	79.0	No forecast	79.0	n/a	80.0
Overall Customer Satisfaction – Buses	Score	79.0	80.0	(1)	79.0	No forecast	80.0	n/a	79.0
Overall Customer Satisfaction – DLR	Score	91.3	90.0	1.3	95.0	90.0	90.0	-	90.8
Overall Customer Satisfaction – Trams	Score	88.0	86.0	2.0	86.0	No forecast	85.3	n/a	85.0
National Passenger Survey – London Overground*	Score	75.0	73.0	2.0	Not available	No forecast	73.0	n/a	77.0
<b>Ensuring Safety and Security</b>									
Number of killed or seriously injured people (Londonwide) January–April 2009	#	966	1,140	(174)	1,140	No forecast	3,434.1	n/a	3,526.00
Number of killed or seriously injured people (TLRN) January–April 2009	#	280	309	(29)	319	No forecast	947.1	n/a	1,011.00
Customer Major Injuries & Fatalities – LU (per m journeys)	#	0.11	0.13	(0.02)	0.11	No forecast	0.13	n/a	0.12
Customer & Public Major Injuries & Fatalities – Buses (per m journeys)	#	0.54	No Target	n/a	0.61	No forecast	No Target	n/a	0.55
Recorded Crime (per million journeys) – LU/DLR	#	13.7	12.5	1.2	12.5	13.3	13.3	-	13.2
Recorded Crime (per million journeys) – Buses	#	11.1	13.8	(2.7)	13.8	12.0	12.0	-	12.0
<b>Providing Better Transport Options for all Londoners</b>									
Overall Customer Satisfaction – Dial-a-Ride	Score	91.0	92.0	(1.0)	91.0	No forecast	92.0	n/a	92.0
<b>People †</b>									
Number of Staff – TfL Group (excl Crossrail)	FTE	27,487	28,823	(1,336)	21,828	27,425	28,126	(701)	21,435
No of Temporary Contractors – TfL Group (excl Crossrail)	FTE	2,523	2,546	(23)	1,543	1,519	1,675	(156)	1,284
No of Temporary Contractors – TfL Group over 12 months service	FTE	1,307	1,341	(34)	604	872	872	-	527
No of days sickness absence per employee: TfL Group	Days	2.2	2.1	0.1	2.2	9.5	9.5	-	9.7
No of days sickness absence per employee: TfL Group Operational	Days	2.7	2.4	0.4	2.7	10.4	10.7	(0.4)	12.1
No of days sickness absence per employee: TfL Group Non-Operational	Days	1.5	1.3	0.2	1.4	6.8	5.7	1.1	6.2
<b>Contextual Indicators</b>									
<b>Service Demand</b>									
Passenger Journeys – TfL Group (excl London Overground)	m	822.5	815.4	7.1	776.3	3,429.3	3,471.2	(41.9)	3,434.2
Passenger Journeys – LU	m	249.0	256.5	(7.5)	243.2	1,066.9	1,094.0	(27.1)	1,089.5
Passenger Journeys – Buses	m	548.8	536.5	12.3	510.1	2,259.5	2,274.0	(14.5)	2,246.6
Passenger Journeys – DLR	m	16.6	15.3	1.3	15.5	71.0	71.0	(0.0)	66.0
Passenger Journeys – Trams	m	6.6	5.9	0.7	6.2	27.5	27.5	-	27.0
Passenger Journeys (total) – River Services	'000s	1,173.1	758.0	415.1	981.5	3,000.0	3,000.0	-	3,892.7
Total Trips – Dial a Ride	'000s	293.8	309.3	(15.5)	271.0	1,400.0	1,400.0	-	1,178.3
<p><b>GREEN:</b> better than or equal to target; <b>AMBER:</b> within 5% of target; <b>RED:</b> 5% or more worse than target</p> <p>Notes:</p> <p>Tables may be subject to rounding errors.</p> <p>FTE = Full Time Equivalent</p> <p>*The National Passenger Survey full year score is a weighted average.</p> <p>† Prior year numbers excludes Metronet and Crossrail</p>									
+ Due to the reporting process and nature of road traffic accident data the latest data available is for April 2009.									

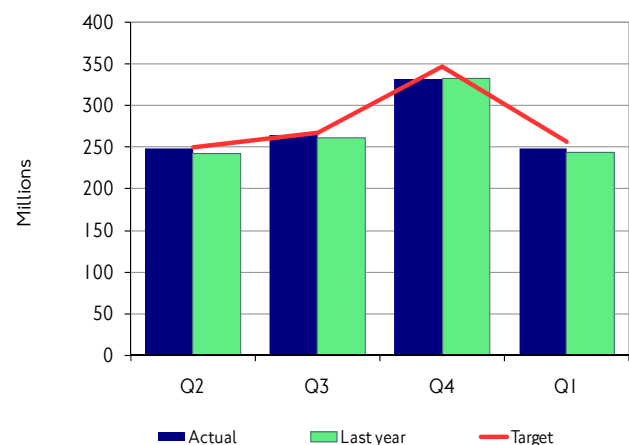
## Service Demand

- 1.0 All performance reporting for period 1 2009/10 reflects 6 extra days (including 3 more working days) than period 1 last year, therefore it is difficult to make comparisons of some measures.
- 1.1 During the first quarter of 2009/10, passengers made 822.5 million journeys, 46.2 million (5.9 per cent) more than last year and 7.1m million (0.9 per cent) more than target. This total does not include passenger journeys for London Overground.

**Total Passenger Journeys –  
Transport for London (excluding London  
Overground)**

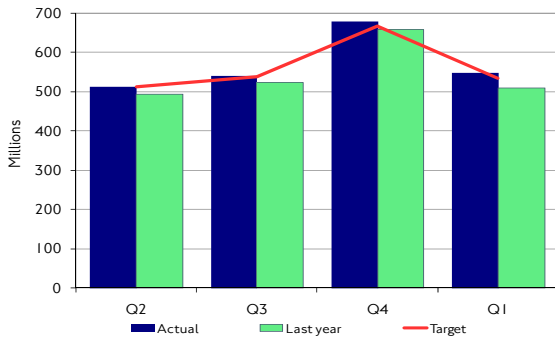


**Passenger Journeys –  
London Underground**

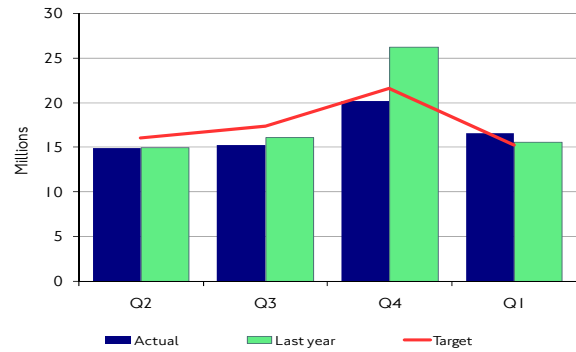


- 1.2 On the Underground, the growth rate began to slow during quarter four of last year and continued to decline in the first quarter of 2009/10. There were 249.0 million passenger journeys, an increase of 2.4 per cent compared with the shorter first quarter of 2008/09, but 7.5 million, or 2.9 per cent, less than target. This was due falling passenger numbers as a result of the economic climate, which is forecast to continue, and the RMT strike action for 48 hours from 9 June, which caused a loss of some 3 to 4 million passenger journeys. In periods 4 and 5, Underground passengers made 5.4 and 6.4 per cent fewer journeys respectively than last year. Even though this may be in part due to the school holidays, it indicates that decline in ridership is worsening.
- 1.3 **Ticket mix on the Underground:** At the end of quarter 1, 3.0 per cent of Underground passenger journeys were on cash fares, down from 3.1 per cent at the end of quarter 1 last year. Oyster pay-as-you-go (PAYG) journeys comprised 35 per cent of all Underground journeys compared to 31 per cent a year ago.

**Passenger Journeys –  
London Buses**

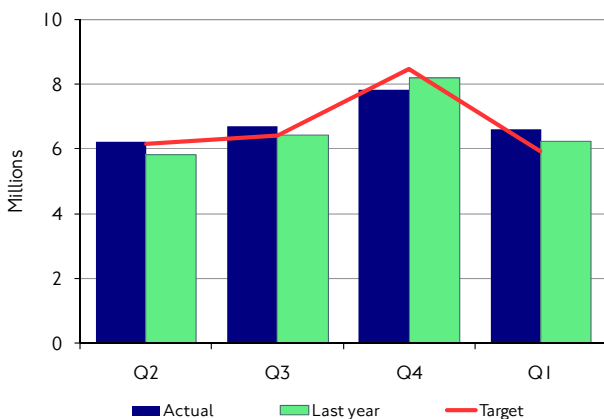


**Passenger Journeys –  
Docklands Light Rail**

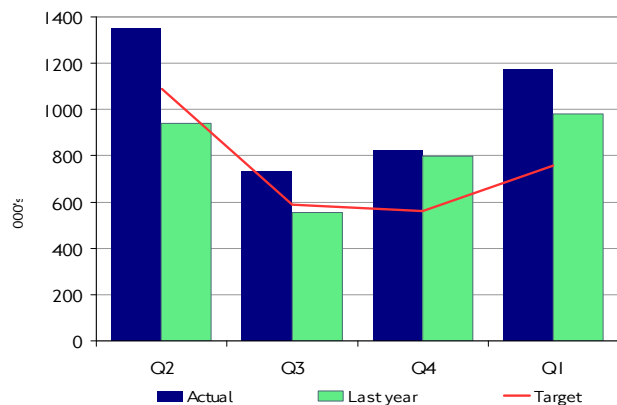


- 1.4 At the end of 2008/09, demand for bus services had remained steady and demand was strong in the first quarter of this year. Bus passengers made 548.8 million journeys in the quarter. This represented an increase of 38.7 million journeys, or 7.6 per cent, compared to 2008/09 and 12.3 million (or 2.3 per cent) more than target. Some of this increase was due to the overflow of Underground passengers during the RMT strike. Since the quarter end, demand for bus services has declined. In periods 4 and 5, Bus passengers made 1.2 and 1.3 per cent fewer journeys respectively than last year.
- 1.5 **Ticket Mix on London Buses:** At the end of quarter 1, cash single fares on buses accounted for 1.4 per cent of all journeys compared to 1.7 per cent in quarter 1 last year. Oyster PAYG fares comprised 19.6 per cent of all bus journeys (19.0 per cent last year).
- 1.6 In quarter 1, DLR passengers made 16.6 million journeys, 1.1 million (7.0 per cent) more journeys than last year due to increased demand following the opening of Woolwich Arsenal and 6 more calendar days (including 2 more working days) compared to the same quarter last year. Passengers made 1.3 million (8.7 per cent) more journeys than target due to incorrect budget phasing.

**Passenger Journeys –  
London Trams**



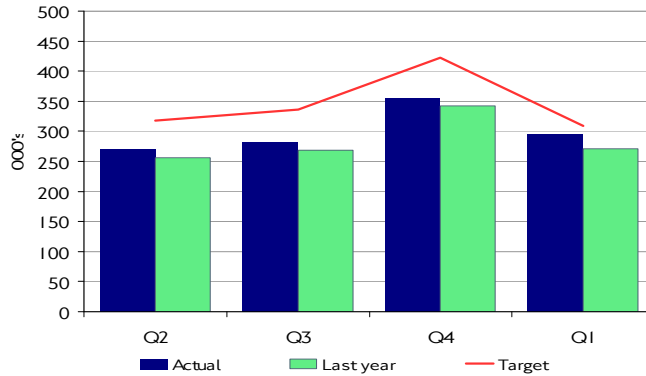
**Passenger Journeys –  
London River Services**



- 1.7 Tram passengers made 6.6 million journeys in quarter 1. This was 0.7 million (11.5 per cent) more than target and 0.4 million (6.1 per cent) more than last year.
- 1.8 Passengers made 1.2 million journeys on London's river services during the quarter. This was 0.4 million more than target and an increase of 0.2 million compared to last year. This was due to the increasing popularity of the successful Thames Clippers service between the London Eye and the O<sub>2</sub>.

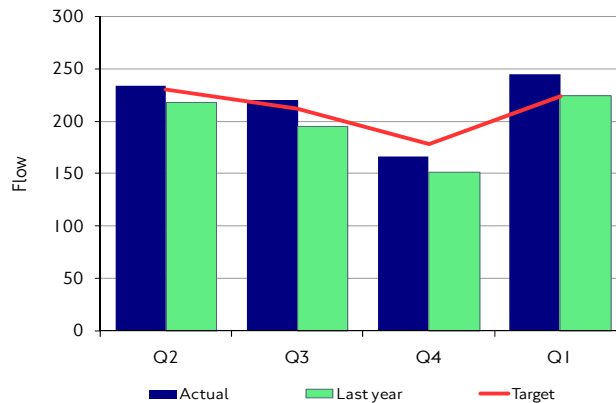


### Number of trips- Dial-a-Ride



- 1.9 In quarter 1, Dial-a-Ride operated 294,000 trips, 8.4 per cent more than last year, but 15,500 trips (5.0 per cent) lower than target. This was due to industrial action by drivers on 22 May and slow running of the scheduling system. The supply, upgrade and maintenance of the booking and scheduling system was brought in-house in quarter 1. It is expected that system stability will improve and operational efficiencies will be derived from journey pattern data. This will support the anticipated increase in journey numbers to 1.4 million for 2009/10.
- 1.10 At the end of quarter 1, there were 24,827 licensed taxi drivers, 127 more than target.
- 1.11 There were 57,163 licensed private hire drivers at quarter 1. This was 2,163 more than target and reflects a continued high level of new applicants to the trade.

### Cycle flow on the TLRN



### Cycling

- 1.12 In quarter 1, the average index of cycle flows on the TLRN (TfL Road Network) was 244.4, 20.8 points higher than target. This represents an increase of 20.4 points compared to the same quarter last year, where the index was on average 224.0. This increase is continuing the upward trend seen over the last 8 years. The figure also includes the impact of the RMT strike on 10 and 11 June when there was a significant increase in cycle flow and TfL volunteers supported the cycle rides organised by the London Cycling Campaign.

### Traffic

- 1.13 In quarter 1, 98.6 per cent of London's traffic signals were working effectively, 0.6 percentage points more than in quarter four, but 0.5 percentage points below the target of 99.1 per cent.
- 1.14 Traffic levels in London (average weekday flow over 24 hours) have a seasonal pattern that is consistent year-on-year. Traffic levels were lower across central, inner and outer London in quarter 1 compared to the same quarter in the previous year. This data follows a long term trend whereby traffic levels have been falling across London in recent years.

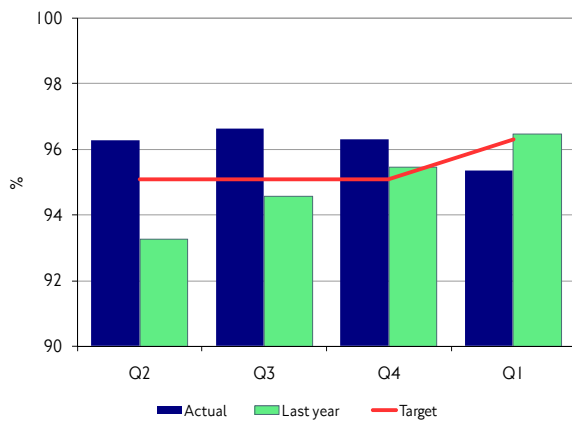
In quarter 1:

- The average 24 hour weekday traffic flows entering central London in quarter 1 2009/10 was 2.6 index points (2.6 per cent) lower than quarter 1 in 2008/09.
- The average 24 hour weekday traffic flows in inner London in quarter 1 2009/10 was 1.0 index points (1.0 per cent) lower than quarter 1 in 2008/09.
- The average 24 hour weekday traffic flows in outer London in quarter 1 2009/10 was 0.3 index points (0.3 per cent) higher than quarter 1 in 2008/09.

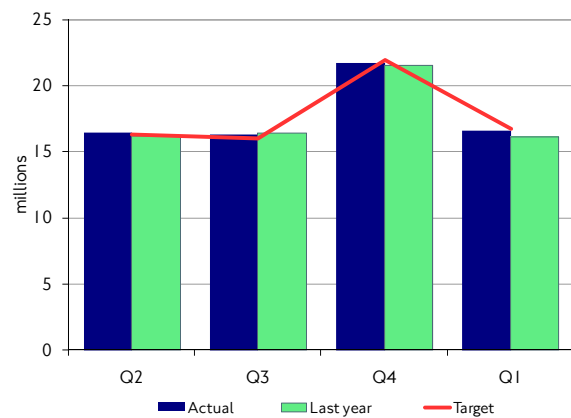
1.15 In quarter 1, 99.7 per cent of TLRN emergency call-outs were attended within one hour. This was 1.7 percentage points higher than target.

## Service Provision

**Scheduled Services Operated –  
London Underground**



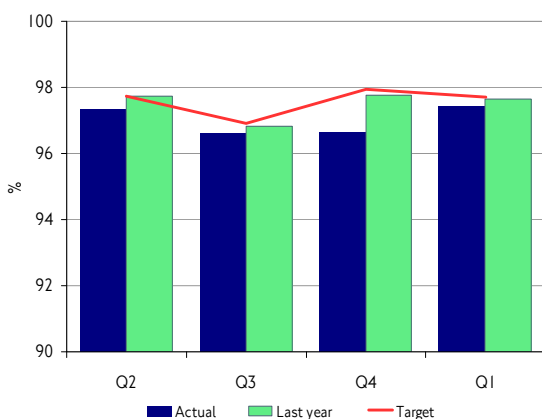
**Train Kilometres Operated –  
London Underground**



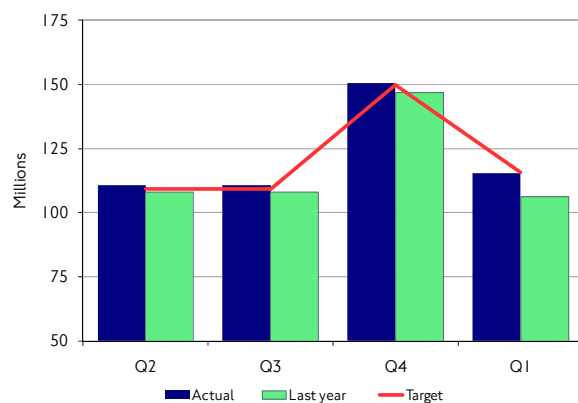
2.0 95.4 per cent of scheduled services were operated on the Underground in quarter 1. This was 0.9 percentage points worse than target and 1.1 percentage points worse than last year. However, excluding losses due the RMT strike, the result was 97.6 per cent, which exceeds both target and last year. On the 3 days affected by the RMT strike, scheduled services operated were 81.6 per cent, 24.8 per cent and 28.2 per cent respectively. Excluding RMT strike losses, all lines exceeded target apart from the Waterloo & City line, which suffered two lengthy service suspensions during the G20 protests in April and several points failures.

2.1 During quarter 1, London Underground operated 16.6 million kilometres. This was 0.2 million (1.3 per cent) lower than target but 0.4m (2.6 per cent) more than last year. It is estimated that 0.4m kilometres were lost as a consequence of the RMT strike.

**Scheduled Services Operated –  
London Buses**



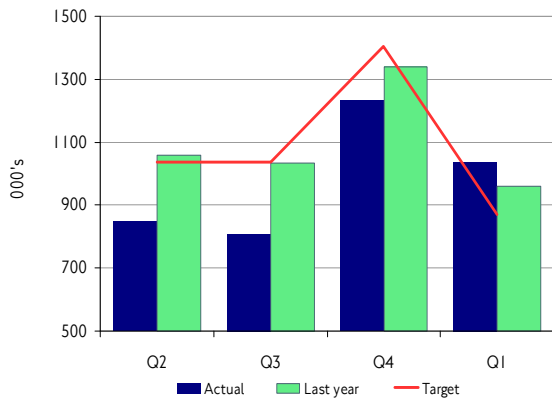
**Kilometres Operated –  
London Buses**



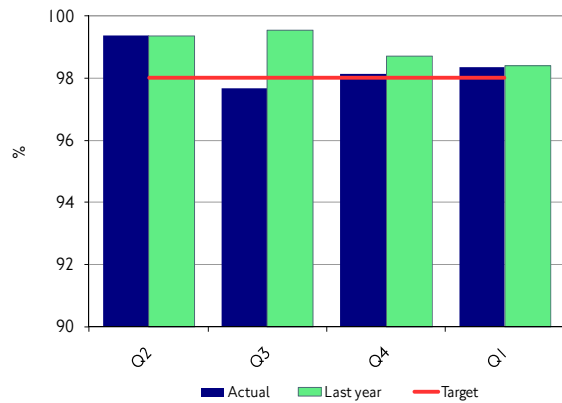
2.2 During the first quarter, 97.5 per cent of scheduled bus services were operated, 0.3 percentage points lower than target and 0.1 percentage points lower than last year. This deterioration was mainly attributable to the closure of Blackheath Hill for roadworks (which caused disruption in Greenwich and Lewisham), and demonstrations in Parliament Square.

2.3 In quarter 1, London Buses operated 115.3 million kilometres, an increase of 9.1 million kilometres (8.5 per cent) compared to last year but 0.5 million kilometres (0.4 per cent) lower than target. This decrease was mainly caused by the closure of Blackheath Hill as in 2.2 above, as well as a 48-hour RMT strike on London Underground on 10-11 June, which resulted in increased traffic congestion and exceptionally heavy passenger loadings on many services.

**Train Kilometres Operated –  
Docklands Light Rail**



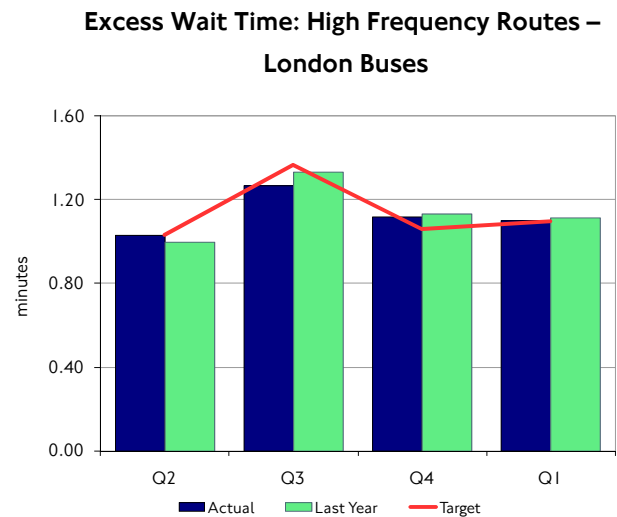
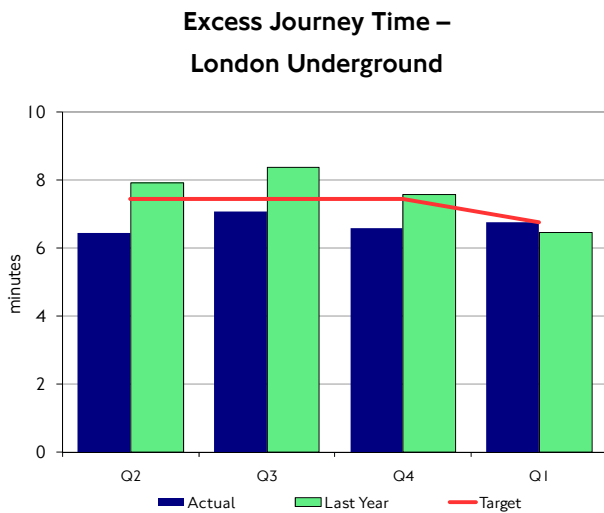
**Percentage of Schedule Operated –  
Docklands Light Rail**



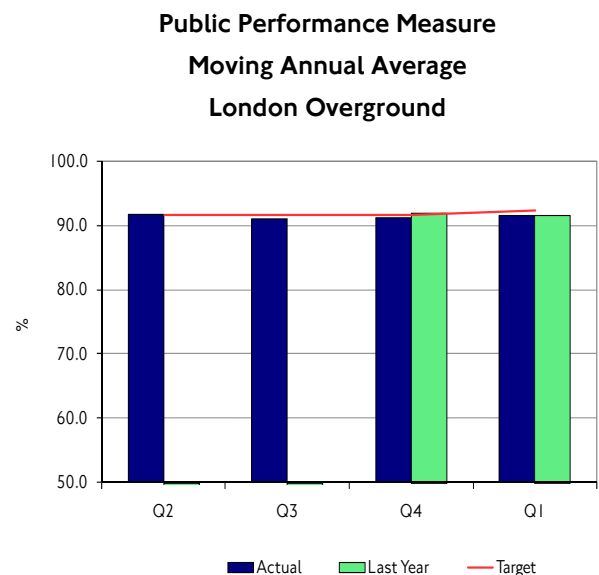
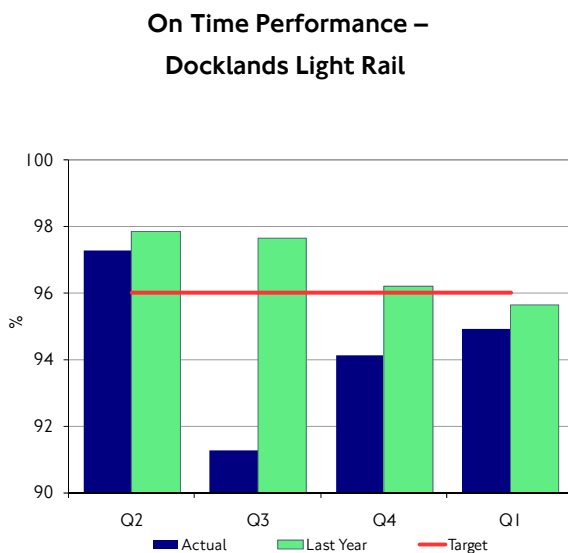
- 2.4 During the first quarter, 98.4 per cent of scheduled services were operated on the DLR. This was in line with last year and 0.4 percentage points more than target.
- 2.5 The DLR operated 1.0 million kilometres in quarter 1, 0.2 million (19.1 per cent) more than target and 0.1 million (8.0 per cent) more than last year. This was due to changes in assumptions on the service plan and possessions since the budget was set.

## Service Reliability

3.0 Excess journey time on the Underground averaged 6.8 minutes during the quarter. This was in line with target but 0.3 minutes worse than last year. The RMT strike increased the excess journey time for the quarter by 0.6 minutes, although the effect would have been significantly higher had LU not operated partial or reduced services where possible. Despite the RMT strike, all lines except the Central, District and Bakerloo met their targets for the quarter.



3.1 During the first quarter, excess wait time on London Buses averaged 1.09 minutes. This was 0.02 minutes above target but 0.02 minutes worse than last year.



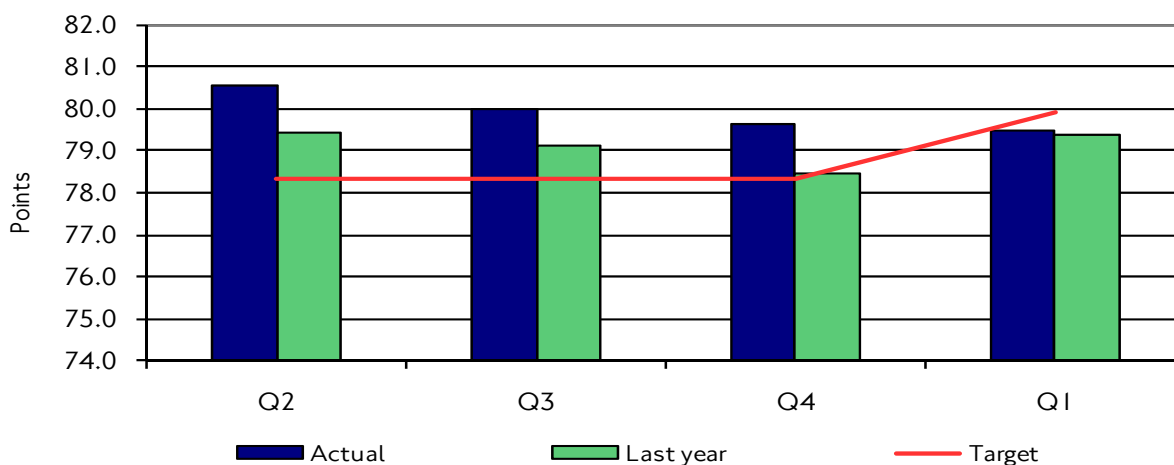
3.2 In the first quarter, 94.9 per cent of DLR trains were on time. Although on time performance improved compared to last quarter, it was 1.1 percentage points worse than target and 0.7 percentage points worse than quarter 1 last year. Software problems had the most significant impact on performance during the quarter and an action plan is in place to mitigate these. A series of vehicle failures (both old and new vehicles) and several closures of Bank underground station also impacted the service.

- 3.3 The London Overground Public Performance Measure (PPM) is the percentage of trains arriving at their destination within 5 minutes of the arrival time stated in the timetable. The moving annual average PPM at the end of quarter 1 was 92.3 per cent. This was slightly below target but 0.8 percentage points better than last year. A revised timetable was introduced on 20 April 2009, which increased services between Stratford and Willesden Junction during the morning and evening peak to provide a more reliable service. On 14 April 2009, the new high-level platforms opened at Stratford, leading to improved operational performance. Of the PPM failures on the London Overground in the first quarter, London Overground Rail Operations Limited (LOROL) was responsible for 37 per cent, Network Rail for 44 per cent, London Underground for 6 per cent and other operations for 14 per cent.

## Customer

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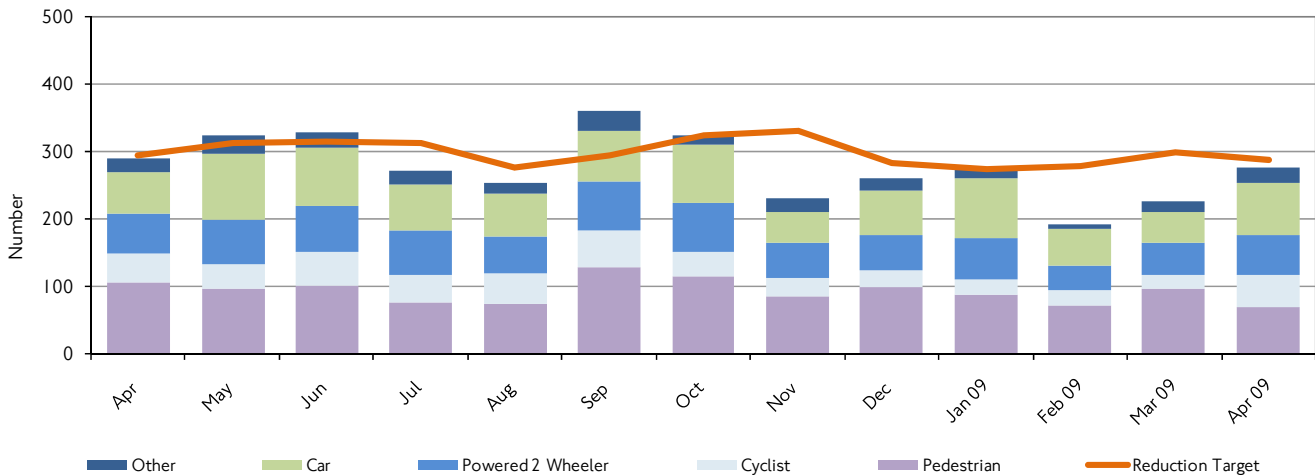
- 4.1 **Customer Satisfaction Survey:** The weighted average TfL Group customer satisfaction for quarter 1 was 79.5, 0.1 point higher than last year but 0.4 points lower than target.



- 4.2 London Underground's customer satisfaction score for quarter 1 was 80, 1 point higher than target and last year and maintaining the record level achieved in quarter 4. Personal safety and security and information scores were higher than target. All service group scores improved compared to quarter 1 of last year.
- 4.3 London Buses' customer satisfaction score for quarter 1 was 79. This was 1 point lower than target but in line with last year. Personal safety and security on bus and information scores were 1 point higher than target however, the overall satisfaction with bus stations score and the score for personal safety and security at the stop were worse than target.
- 4.4 The quarter 1 customer satisfaction score for the DLR was 91.3 points. This was 1.3 points higher than target but 3.7 points lower than last year. The reasons for the decline in satisfaction are related to network performance and the ongoing upgrade works.
- 4.5 The Rail National Passenger Survey is conducted twice a year. In spring 2009, the London Overground national passenger survey score was 75, 2 points higher than target and last year.
- 4.6 London Trams' customer satisfaction score for quarter 1 was 88. This was 2 points higher than target and last year.
- 4.7 The quarter 1 customer satisfaction score for Dial-a-Ride was 91 points. This score was level with last year but 1 point lower than target.

# Safety and Security

Road Traffic Accident Data (April 2008 – April 2009)



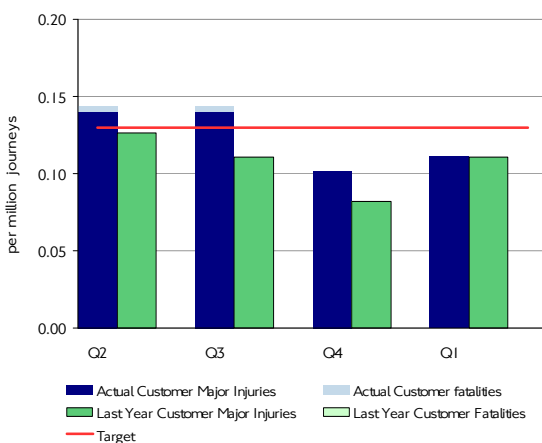
5.0 Due to reporting processes and the nature of road traffic accident data, results are reported months in arrears and results are subject to retrospective adjustments. The most recent results are for January -April 2009.

5.1 In January- April 2009, 966 people were killed or seriously injured on London’s roads. This was 174 fewer incidents than the reduction target. Of these, 321 were pedestrians, 113 were cyclists, 206 were motorcyclists, 266 were motorists and 60 were other road users. Compared to the same period last year, when there were 1140 fatalities or serious injuries, there has been a decline of 15.3 per cent.

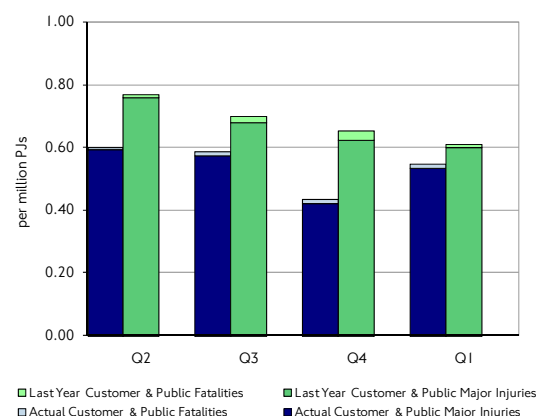
5.2 London Underground and DLR passengers reported 13.7 crimes per million passenger journeys during quarter 1. This was 1.2 crimes (9.6 per cent) per million passenger journeys higher than target and last year. This is due to a decreasing number of passenger journeys, as opposed to an actual increase in reported incidents.

5.3 On London Buses, passengers reported 11.1 crimes per million passenger journeys during the quarter. This was 2.7 crimes per million passenger journeys (19.6 per cent) lower than target and last year.

Customer Major Injuries and Fatalities – London Underground



Customer and Public Major Injuries and Fatalities – London Buses





- 5.4 On the London Underground, there were 28 major injuries and no fatalities in quarter 1 of 2009/10. There were 0.11 reported major injuries and fatalities per million journeys to London Underground customers in the first quarter, 0.02 injuries below target but in line with last year. There were no accidental customer fatalities.
- 5.5 On the bus network, there were 312 major injuries and five fatalities in the first quarter of 2009/10. This was equivalent to 0.54 injuries or fatalities per million passenger journeys. This was 0.07 fewer than last year.

## Financial performance

The forecast discussed in this section refers to the full year forecast that was set at the end of quarter 1.

2008/09 YTD Actual	Operating Income £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q1	Budget	Variance
(383)	London Underground	(411)	(428)	17	(1,781)	(1,825)	44
(351)	Surface Transport	(362)	(371)	9	(1,530)	(1,559)	30
(25)	London Rail	(29)	(29)	-	(131)	(136)	5
(4)	Group Directorates	(4)	(5)	1	(24)	(23)	(1)
<b>(763)</b>	<b>Total Operating Income</b>	<b>(806)</b>	<b>(833)</b>	<b>27</b>	<b>(3,465)</b>	<b>(3,543)</b>	<b>77</b>

Table may be subject to rounding errors

Please see Annex Five for further detail on fares and Congestion Charging income.

- 6.0 London Underground operating income was £17 million lower than budget in the year to date and is forecast to be £44 million lower than budget for the full year. Fares income was £20 million (5.0 per cent) lower than budget in the year to date. Passengers made 7.5 million (2.9 per cent) fewer journeys than target, reflecting falling passenger numbers due to the economic conditions, as well as the effects of the RMT strike action at the beginning of June, which resulted in an estimated £5 million of lost income. These factors were partly offset by a favourable variance of £3 million on advertising, reflecting increased guaranteed payments under the contract terms. There was also £1 million higher income from car parking charges following the recent retendering of the contract.
- 6.1 For the full year forecast, London Underground operating income is expected to fall below budget by £44 million. Fares revenue is forecast to be £42 million below budget as the trend of falling passenger numbers is expected to continue. Advertising revenue is also forecast to be below budget by £2 million, mainly because work linked to Crossrail and Thameslink projects later in the year will reduce the number of available advertising sites.
- 6.2 Operating income in Surface Transport was £9 million lower than budget in the year to date and is forecast to be £30 million below budget for the full year.
- Traffic enforcement income was £5 million lower than budget in the year to date (£2 million net of bad debt). This is due to a combination of factors including the impact of implementation and faults with the new digital enforcement system, higher than forecast levels of sickness and unfilled vacancies. While the system faults have been addressed and productivity and absence management improvement plans have been devised and are being implemented, the full year income from traffic enforcement is forecast to be £17 million below budget (£8 million net of bad debt), which is partly offset by increased enforcement income from congestion charging (£7 million) due to increased volumes.
  - Bus fares income was £5 million or 1.7 per cent lower than budget, despite bus passengers making 12.3 million or 2.3 per cent more journeys than target. This is because of the combined effect of increased passengers from the 2 day RMT strike on London Underground and more journeys being made on season tickets, which generate no additional income. Bus fares income is forecast to be £17 million lower than budget, largely due to lower demand, following the incorporation of the February 2009 GLA economic projections.
- 6.3 London Rail's operating income was in line with budget in the year to date but is forecast to be £5 million lower than budget for the full year, due to lower DLR and London Tramlink fares income (£2 million and £1 million respectively). The forecast also includes a £4 million adjustment from the Rail

Settlement Plan for travelcard sales on London Overground, partly offset by increased commissions of £2 million.

## Operating Expenditure

2008/09 YTD Actual	Operating Expenditure* £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q1	Budget	Variance
595	London Underground	574	601	(27)	2,510	2,502	8
572	Surface Transport	592	608	(16)	2,660	2,699	(39)
56	London Rail	64	78	(14)	309	323	(14)
76	Group Directorates	75	69	6	363	351	13
<b>1,299</b>	<b>Total Operating Expenditure</b>	<b>1,306</b>	<b>1,356</b>	<b>(51)</b>	<b>5,843</b>	<b>5,874</b>	<b>(32)</b>

\*Net of third party contributions

Table may be subject to rounding errors

- 6.4 London Underground's operating expenditure in the year to date was £27 million (4.5 per cent) lower than budget. Maintenance expenditure was £9 million below budget due to rephasing of Central line bogie overhaul work and staff cost savings. Favourable variances in Central Services include £2 million unbudgeted receipts relating to Thameslink, timing differences on legal and consultancy fees (£2 million), ticket sales commissions (£1 million) and staff cost savings as posts have remained unfilled pending completion of the organisation change process.
- 6.5 The full year forecast for London Underground's operating expenditure is £8 million more than budget, mainly because of additional PPP contract costs, reflecting higher indexation uplift (£4 million), increased maintenance charges for Wembley Park and Heathrow T5 extension (£4 million) and increased Capability payments (£5 million). This last item is consistent with the Jubilee line upgrade programme as at Quarter 1 following LU's agreement of additional line closures, which have also added £4 million to forecast bus replacement costs. These increases are partly offset by unbudgeted Thameslink reimbursements of £8 million.
- 6.6 Surface Transport spent £16 million less than budget in the year to date. The largest variances were due to delays in the start of the Cycle Highways project (£4 million), a lower Traffic Enforcement provision for bad debts (£3 million), reflecting current volumes, and Bus Network savings of £2 million on Ticket Sales Commission, due to changes in the ticket sales mix, and Quality Incentive Contracts (QICS). Other variances included reprofiled expenditure on the East London Transit (ELT1a) of £2 million, which will now be incurred later in the year, Borough Principal Roads and Bridges (£1 million), TLRN renewals projects (£1 million) and lower spend on the A13 DBFO, resulting from lower commercial vehicle usage (£1 million).
- 6.7 Surface Transport operating expenditure is forecast to be £39 million lower than budget in the full year. The largest variances are on the Bus Network contract costs, where lower than budgeted indices (RPI, earnings and fuel) have resulted in lower Contract Price Adjustments of £14 million, along with a £7 million saving through the retendering of contracts and a review of contract changes. There is also a lower provision forecast for traffic enforcement bad debts of £9 million, reflecting lower income and volumes.
- 6.8 London Rail spent £14 million less than budget in the year to date. The main variances were on London Overground rolling stock lease costs due to delivery delays, reduced track access charges (£8 million) and £3 million due to re-phasing on the Overground station upgrade programme. There was also an underspend on London Wide Oyster due to re-phased central system upgrade costs.
- 6.9 London Rail operating expenditure is forecast to be £14 million less than budget, mostly due to a revised programme of station upgrades on the Overground and reduced track access charges (which is offset by lower grant from the Department for Transport).

6.10 Group Directorates spent £6 million more than budget in the year to date and are forecasting £13 million more than budget for the full year. Finance spent £7 million more than budget in the year to date, principally through budgeted IM savings that have not been realised. The full year forecast for Group Directorates is £13 million higher than budget for a variety of reasons, including unrealised IM savings.

## Group Items

2008/09 YTD Actual	Group Items £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q1	Budget	Variance
(29)	Interest Income	(7)	(6)	(1)	(14)	(20)	6
42	Debt Servicing	35	32	3	159	166	(7)
-	Contingency/Other Group Items	(2)	11	(13)	53	59	(6)
<b>13</b>	<b>Total Group Items</b>	<b>26</b>	<b>37</b>	<b>(11)</b>	<b>198</b>	<b>205</b>	<b>(7)</b>

Table may be subject to rounding errors

- 6.11 Interest income was £1 million higher than budget in the year to date. Earlier than budgeted borrowings increased cash balances, resulting in higher interest receivable of £3 million. This was partly offset by lower than budgeted interest rates, which resulted in an adverse variance of £2 million. The full year forecast is £6 million below budget, mainly due to lower than expected rates on new deposits.
- 6.12 Debt servicing was £3 million higher than budget in the year to date due to earlier borrowing than budgeted. This was to take advantage of more favourable interest rates. However, the full year debt service forecast is £7 million lower than budget, due to these more favourable borrowing interest rates.
- 6.13 Contingency and other group items expenditure was £12 million below budget in the year to date due to unutilised General Contingency. The level of expenditure in the full year is anticipated to be £6 million lower than budget as a consequence of £3 million of climate change initiatives and net OCR costs of implementation of £2 million, which are rephased into the next financial year.

## Capital Expenditure

2008/09 YTD Actual	Capital Expenditure £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q1	Budget	Variance
81	London Underground*	264	246	18	1,223	1,211	12
42	Surface Transport*	44	42	2	219	228	(9)
114	London Rail*	152	128	24	528	464	64
n/a	Crossrail	121	145	(24)	1,089	1,038	51
15	Group Directorates	14	25	(10)	68	77	(9)
-	Overprogramming (TfL Group)	-	(12)	12	(25)	(51)	26
<b>252</b>	<b>Net Capital Expenditure</b>	<b>596</b>	<b>574</b>	<b>22</b>	<b>3,101</b>	<b>2,968</b>	<b>133</b>
(1)	Capital Income	(1)	(2)	1	(62)	(20)	(42)
<b>252</b>	<b>Net Capital</b>	<b>595</b>	<b>572</b>	<b>23</b>	<b>3,038</b>	<b>2,947</b>	<b>91</b>

\* Shown after delegated overprogramming and third party reimbursements

Table may be subject to rounding errors

- 6.14 London Underground capital expenditure was £18 million higher than budget in the year to date, largely due to £8 million for Bank Station Waterloo & City line entrance (linked to an external development project) which is budgeted later in the year, accelerated Metropolitan line power upgrade works of £4 million and tunnel cooling works of £3 million.
- 6.15 Net capital expenditure in London Underground is forecast to be £12 million higher than budget for the full year, which includes £5 million on tunnel cooling works and £4 million on Crossrail due to a reassessment of the work required at the communications room in Liverpool Street station. There is also a forecast underspend of £1 million due to the rephasing of the Wide Aisle Gate project.
- 6.16 Net capital expenditure in Surface Transport was £2 million higher than budget in the year to date. This was mainly due to lower third party contributions for the West Ham Garage of £11 million, as these are still being negotiated, partly offset by delayed expenditure on the Cycle Hire Scheme due to planning permission delays and continuing negotiations with the Boroughs (£10 million).
- 6.17 Net capital expenditure in Surface Transport is forecast to be £9 million lower than budget for the full year. This is mainly due to a carry forward of £7 million on system relocation for Traffic Operations, due to changes in the requirements and scope.
- 6.18 Net capital expenditure in London Rail was £24 million higher than budget in the year to date. The main reasons were increased costs on the East London Line (ELL) Extension (£25 million) and higher design and implementation costs for the North London Rail Infrastructure Project (NLRIP) of £6 million following programme changes since the budget was set.
- 6.19 Net capital expenditure in London Rail is forecast to be £64 million higher than budget in the full year, largely due to the rephasing of the North London Rail Infrastructure Project (NLRIP) of £38 million, additional rolling stock for ELL (£12 million) and costs of £11 million relating to the phasing of main works on the East London Line.
- 6.20 Crossrail was underspent by £24 million against budget in the year to date. Of this, £10 million relates to land and property payments, which were lower than budget. Further payments will be made in future periods for the acquisition of properties up to their full value. £14 million relates principally to budget profiling of capital works, development expenditure and over-site development works. These works are expected to accelerate and to be on target by the middle of the year.
- 6.21 Crossrail expenditure is forecast to be £43 million higher than budget in the full year, mainly due to £62 million expenditure on property that was budgeted last year. This was because the property title deeds were expected to be acquired by TfL last year, but this did not complete until this financial year. Lower forecast expenditure of £16 million on land and property payments will partly offset this.

- 6.22 Capital expenditure in the Group Directorates was £10 million less than budget in the year to date
- The Finance directorate spent £9 million less than budget in the year to date, primarily because of £6 million savings on the IMSIP Applications programme and delays on the Integrated Transport Smartcard Organisation (ITSO) project of £3 million. The ITSO spend profile is being reviewed, as the funding agreement with the DfT was reached on 28 May 2009.
  - Group Marketing and Communications was £2 million underspent against budget in the year to date. This was due to various delays in contract negotiations and supplier sign-off on Journey Planner Integration Programme (JPIP) and the Lost Property Office system replacement project, as well as technical issues on the Contact Centre Transformation Programme (CCTP).
- 6.23 Capital expenditure in the Group Directorates is forecast to be £9 million less than budget for the full year. Finance is forecasting to spend £8 million less than budget in the full year, primarily due to £6 million savings on the IMSIP Applications programme.
- 6.24 Capital income was £1 million lower than budget in the year to date, due to the delayed receipt of income from the Aldgate property deal, which is now expected in quarter three.
- 6.25 Capital income is forecast to be £42 million higher than budget for the full year. This is mainly due to the sale, estimated at £35 million, of future rental income from the Westfield, Shepherd's Bush site and £7 million in London Underground of which £4.5 million relates to Crossrail following reassessment of work required at the Liverpool Street station communications room.

## Savings Programme

Full Year

Savings £m (Gross)	Actual YTD	Forecast at Q1	Target	Variance
Corporate	8	73	73	-
London Underground	7	90	90	-
Surface Transport	6	91	78	13
London Rail	0	5	5	-
<b>Total Savings</b>	<b>21</b>	<b>259</b>	<b>246</b>	<b>13</b>

- 7.0 Efficiencies and other savings have been derived from the Operating Cost Review (OCR), the focus of which was on non-core operating expenditure; from the Continuous Savings Exercise (CSE) which targeted savings of 2.5 per cent of all operating cost, regardless of contractual commitment or nature of operation; and further high level cuts to non-operational expenditure during the business planning process. These figures will be further updated once the forthcoming revision to the TfL Business Plan is approved.
- 7.1 Savings of £259 million are forecast to be delivered in 2009/10 against a target of £246 million. In quarter 1, savings of £21 million have been delivered relating to OCR and CSE initiatives. This reflects the number of initiatives currently in the initiation stage of the project life cycle, with the majority of savings being delivered towards the latter parts of 2009/10 in quarters 3 and 4. Of the forecast savings, around £80 million could be considered as 'secured' (i.e. headcount reductions implemented, contracts let).
- 7.2 In the quarter to date, Group Planning has achieved savings of £1.4 million as a result of restructuring, full plan targets are forecast to be achieved. Group Marketing and Communications has facilitated a £6 million reduction in TfL's Customer Information spend, which is mainly through a £5 million reduction in marketing expenditure to provide 440 more Police Community Support Officers (PCSOs).
- 7.3 London Underground has delivered efficiencies of £7 million through procurement efficiencies and a headcount freeze
- 7.4 Surface Transport have realised savings of £6 million as a result of the Congestion Charging and Traffic Enforcement re-organisation, the review and termination of the London-wide removal service (LWRS) and traffic signal maintenance contract savings amongst others.

### Quarter 1 Progress on Pan TfL Projects

#### Accommodation Strategy

- 7.5 Building on the head office accommodation savings arising from the move of Surface Transport to Palestra, 1,800 back office staff are due to move into a new low cost location on the Greenwich peninsula by October 2009, 400 of which moved in August 2009.
- 7.6 The Accommodation Strategy has been developed in draft and disposal opportunities identified based upon an analysis of lease expiry / break clauses for existing higher cost buildings. Further demand analysis is to be concluded with the modes with the aim of driving down stated

accommodation requirements and ratifying demand in the context of the business plan.

- 7.7 A total of 500 people have been moved to facilitate the disposal of Euston Tower. A further 500 people are planned to be moved by the end of October to facilitate the release of Empress State. Notice has also been served to release 400 workstations at Southside (Victoria Street, SW1) by February 2010.

#### Reduce Reliance on Non-Permanent Labour (NPL)

- 7.8 The reduction of reliance on consultants and temporary staff is a key part of TfL's efficiency programme, both to save money and to ensure that these resources can be used in a way that provides maximum value to TfL.
- 7.9 Tighter controls have been put in place to govern recruitment of temporary staff and changes to their terms. In some cases, where market rates have reduced, existing temporary staff are required to reduce their rates and consultant contracts are being reviewed to ensure they are value for money.

#### Commercial Strategy

- 7.10 Work is underway to improve TfL's data governance to allow more effective commercial control, and to focus on supplier category management to develop an approach that will leverage TfL's buying power. Category Management is being co-ordinated and managed by the Group Director of Procurement and a full report, assessing the level of savings deliverable from improvements in Category Management, will be delivered by October 2009.
- 7.11 The delivery of the £6 million of savings targeted in 2009/10 will be dependent primarily on business as usual efficiencies reported through the Business Procurement Efficiencies Programme (BPEP) process.

#### Information Management Strategic Investment Programme (IMSIP)

- 7.12 IMSIP is targeted with delivering £57 million of gross benefits in 2009/10. Key deliverables in quarter 1 to enable delivery of the target include:
- (a) End User Computing (EUC): This will be achieved through the roll out of modern, greener 'thin client technology' across the TfL estate. The new desktop solution was rolled out to 3,203 Desktops and 245 Laptops and 3,350 users were successfully migrated to the One London domain. The migration of all 10,000 units has slipped from March 2009\* to September 2009 resulting from problem applications affecting over 700 users, thereby delaying their deployment date.
  - (b) Voice and Data Networks (VDN): Consolidation of the 33 computer rooms across the TfL estate into three industry standard bespoke facilities will be undertaken to improve resilience and reduce costs. 15 buildings were migrated from legacy network systems to the new network.
  - (c) Hosting: Journey Planner's front end application was migrated from the previously externally hosted environment to an internally hosted environment in Global Switch.
  - (d) Data Centres (DC): Since receiving DC2 all cabinets (442) have been installed, all power tests have been completed and significant progress has been made with cabling and network implementation.
- 7.13 Additional savings to mitigate the reductions in the savings associated with the original IMSIP scope are being developed. These include: Enterprise, Headcount Leadership task and technology refresh,

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\* Finance Committee paper – 2 June 2009



this amounts to approximately £13 million of the £57million forecast savings in 2009/10.

- 7.14 TfL has engaged Deloitte who have commenced a gateway review of the IMSIP programme to evaluate the next release of financial authority to continue the programme. The review findings should be available in October 2009 for review by the Project Review Group (PRG). The outcome will be considered by the Finance and Policy Committee.

#### HR Projects

- 7.15 The HR OCR programme consists of a several individual projects which are at different stages of life cycle delivery. It is expected the majority of the activity will take place in the next two years. The projects will be led at a local level by senior managers in the area of the business where the changes will take place.
- 7.16 The mainstreaming of Equality & Inclusion (E&I) OCP completed on 31 August 2009. Savings relating to the transfer of People Management Advisor budgets to the modes will commence from mid-September 2009.
- 7.17 The creation of the new Organisation and Skills Development Directorate design is being considered as part of the broader TfL-wide HR framework. This is at an advanced stage and is forecast to go live at the end of December 2009.

#### Finance & Management Reporting

- 7.18 Options are currently being examined to put more activities within the Finance Service Centre, rationalise management reporting and the business planning process, and simplifying the complexity of cost centre structures. Savings are not forecast to be realised until 2010/11.

## Balance Sheet

Transport for London Group Balance Sheet at end of Quarter 1 £m	Variance to Budget
Fixed Assets – <i>(higher) / lower than budget</i>	(16)
Stocks, Debtors and Payments in Advance – <i>(higher) / lower than budget</i>	59
Cash – <i>(higher) / lower than budget</i>	(360)
Creditors and Receipts in Advance – <i>higher / (lower) than budget</i>	(101)
Prudential Borrowings – <i>higher / (lower) than budget</i>	430
Deferred Capital Grant – <i>higher / (lower) than budget</i>	(102)
Provisions – <i>higher / (lower) than budget</i>	(19)
<b>Total Net Assets – <i>(higher) / lower than budget</i></b>	<b>(109)</b>

- 8.0 Fixed Assets Variances are explained in detail in section 6 above.
- 8.1 Stock, Debtors, payments in advance and accrued income are some £59 million under budgeted levels. This is largely due to an earlier than budgeted receipt of ODA and other grant income (£44 million). The remaining £15 million is spread across the group and represents underlying trade variances.
- 8.2 Cash is £360 million above budget, largely due to TfL deciding to draw down £430 million of borrowings earlier than originally planned to take advantage of favourable interest rates. Offsetting this is the £49 million prepayment for Crossrail properties which has been budgeted to be paid in quarter 2, as well as the effects of other working capital and activity variances.
- 8.3 Creditors are £101 million below budget of which £59 million relates to expected accruals for Crossrail property transactions that have either not occurred (£39 million) or have been settled in cash (£50m). In addition, Surface Transport has £37 million lower creditors largely due to expenditure running behind budget by £25 million year to date and the effect of early payment to SME creditors. DLR has higher Capital creditors (£17 million) in respect of Land Accruals as the budget for this is held in provisions, these are offset by lower trade creditors
- 8.4 Deferred Capital Grants are £102 million lower than budget. Of this, some £20 million is in respect of lower contributions from third parties e.g. the budget assumed we would receive some £10 million from the LDA in respect of West Ham bus garage. The remainder is a non-cash effect of the grant accounting process reflecting the delay in the purchase of Crossrail properties.
- 8.5 The provision variance is as a result of DLR budgeting for land compensation payments in provisions, but accruing actuals against capital creditors (see above).

Transport for London Group Balance Sheet Forecast for the Year End £m	Variance to Budget
Fixed Assets – <i>(higher) / lower than budget</i>	(136)
Stocks, Debtors and Payments in Advance – <i>(higher) / lower than budget</i>	28
Cash – <i>(higher) / lower than budget</i>	112
Creditors and Receipts in Advance – <i>higher / (lower) than budget</i>	11
Prudential Borrowings – <i>higher / (lower) than budget</i>	-
Deferred Capital Grant – <i>higher / (lower) than budget</i>	83
Provisions – <i>higher / (lower) than budget</i>	8
<b>Total Net Assets – <i>(higher) / lower than budget</i></b>	<b>106</b>

- 8.6 The forecast Fixed Asset variances are explained in detail in section 6 above.
- 8.7 Stock, debtors etc are £28 million lower than budget largely due to the effects of moving Crossrail property prepayments into fixed assets.
- 8.8 Cash is forecast to be below budget by £112 million reflecting the higher than budgeted spend on fixed assets referred to above.
- 8.9 Creditors are £11m higher than budget and this includes the £17 million finance lease creditor in respect of additional DLR railcars.
- 8.10 The higher Deferred Capital Grant balance again reflects the increases in capital spend.

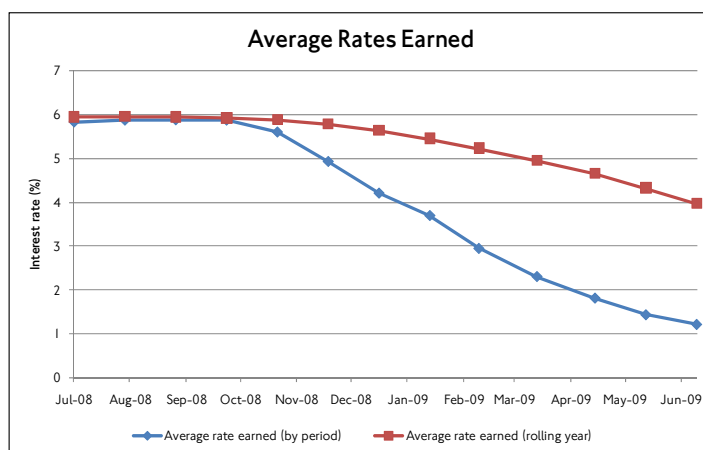
## Cash Summary

### Performance

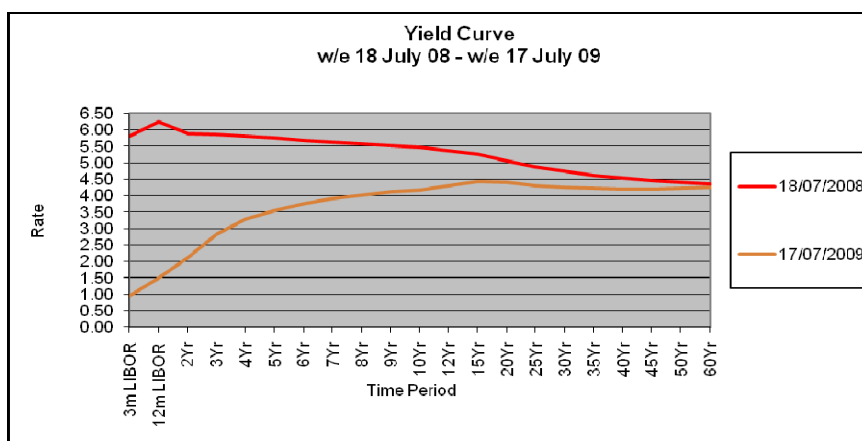
- 9.3 Interest receivable performance has been impacted by the decision to sacrifice yield in return for security. Results for the last three periods are noted in the table:

	Period 1	Period 2	Period 3	2009/10 Year to date
Average Rate of Return (%)	1.82	1.44	1.22	1.49
Budget (%)	2.03	1.81	1.76	1.87
Interest Earned (£ million)	3.2	2.4	1.8	7.4
Budget (£ million)	1.5	1.5	2.5	5.5

- 9.5 Interest income was £1 million higher than budget in the year to date. Earlier than budgeted borrowings increased cash balances, resulting in higher interest receivable of £3 million. This was partly offset by lower than budgeted interest rates, which resulted in an adverse variance of £2 million.
- 9.6 The chart below shows the Group's cash management performance. In particular, it shows the combined impact of the amended Treasury Management Strategy and reduced Base Rate from October onwards.



- 9.7 **Yield curve:** This shows the dramatic effect on short/medium-term yields. A year ago 3 month rates were 5.8 per cent; they have currently dropped to 0.96 per cent. However, 60-year rates remained within the range of 4.25 per cent - 4.35 per cent. The forecast at 17 July 2009 (orange line) drops slightly after 15 years when rates are 4.42 per cent. TfL has borrowed at a weighted average rate of 4.12 per cent for maturities ranging between 12.5 and 30 years.



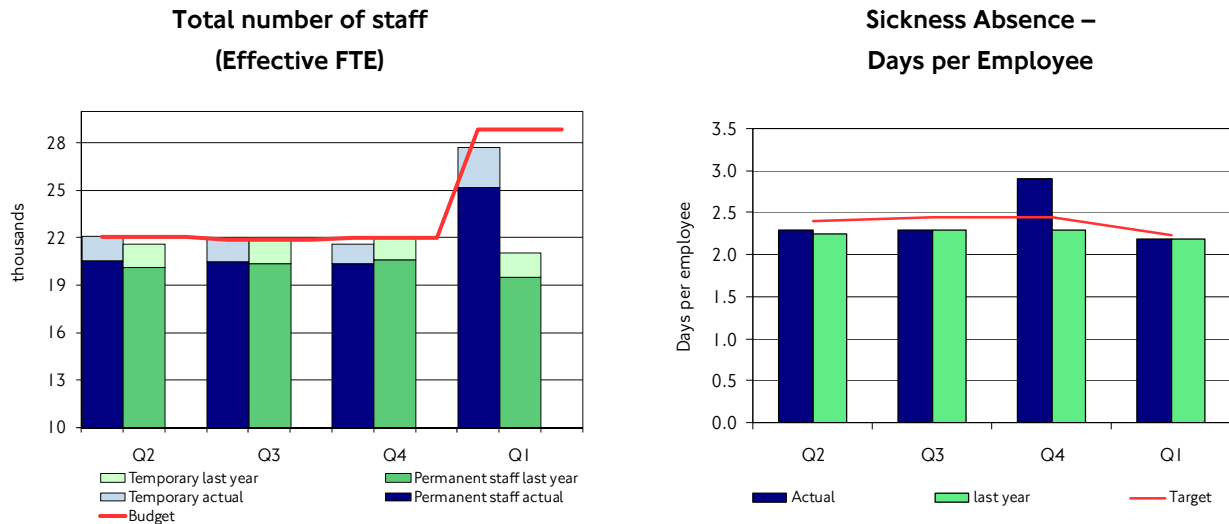
## 9.8 Legal and Regulatory Risk

i) Prudential Indicators for Prudence and Affordability, Capital Expenditure and External Debt: Prudential Indicators relating to debt service and borrowing for 2009-10 have not been exceeded.

ii) Payment Card Industry Data Security Standards (PCI DSS): An agreed programme and budget is in place and the project manager is monitoring work being undertaken by the modes. Internal Audit has dedicated specific time to review PCI DSS compliance. The Compliance Programme Board (an Internal Audit recommendation) has approved its Terms of Reference and meets regularly to review progress on existing projects and to receive an assessment of new IT developments impacting on Group PCI DSS obligations. IBM, the contractor for the replacement Congestion Charging contract, is required to deliver processes that will be PCI DSS compliant. TfL is reviewing IBM's progress towards achieving this.

TfL's merchant acquirer (Barclays) continues to receive a regular progress report and continues to express its satisfaction on its content and progress made. Providing these reports should ensure that TfL complies with the data security standards.

# People



Please note that people performance information for Crossrail is not included in the TfL group performance indicator graphs. Supplementary commentary relating to Crossrail is provided where available.

**10.0 Staff numbers:** At the end of the first quarter of 2009/10, TfL employed 27,487 full time equivalent (FTE) staff. This was 1,336 FTE fewer staff than budget. Due to the integration of Metronet, it is not possible to make direct comparisons to last year for TfL and LU. At the end of quarter 1:

- London Underground had 20,494 FTE staff, 787 FTE fewer than budget. There were 248 fewer maintenance staff due to controls on recruitment and delays on the Central Line project. Other variances are mainly due to the control of permanent recruitment during the organisational change process following the integration of Metronet.
- Surface Transport had 4,318 FTE staff, 171 fewer than budget. There are a number of vacancies in Congestion Charging to be filled by December 2009, as well as ongoing recruitment for Dial-a-Ride drivers. Through higher than anticipated attrition, Community Safety, Enforcement and Policing have 15 vacancies.
- London Rail had 257 FTE staff, 7 FTE fewer than budget.
- There were 2,418 FTE staff in the Corporate Directorates, 263 fewer than budget. The variance was mainly in Finance with 203 FTE staff fewer than budget, primarily in Group IM and HRS where a number of vacancies are not being recruited for at present and some projects have commenced late in IM.

**Temporary staff:** TfL had 2,523 temporary FTE staff at the end of quarter 1, 23 more than budget. Of these, 1,307 had service exceeding 12 months. At the end of quarter 1:

- LU had 1,826 temporary FTEs, 91 fewer than budget. The integration of the LU nominee companies has resulted in the retention of temporary staff instead of permanent recruitment during the organisational change process. As a consequence, there were 1,052 temporary staff with service in excess of 12 months in LU, 3 more than target.
- At the end of quarter 1, there were 316 temporary FTEs in Surface Transport, 78 more than budget but significantly lower than last year. Of these, nearly a third are within Road Network Performance, where recruitment is underway for permanent employees. In addition, 27 temporary staff are working on the Cycle Hire and Cycle Highways Schemes in Strategy & Business Development and 15 are in Customer Services to address the 20-30 per cent increase in volume of customer queries. There were 139 temporary staff with service in excess of 12 months, which was in line with target.
- There were 34 temporary FTEs in London Rail, 19 fewer than budget. London Rail had 15 temporary staff with more than 12 months' service, 8 fewer than target. The majority of these are working on the East London Line project.

- There were 347 temporary FTEs in the Corporate Directorates, 16 more than target. Finance had 44 more temporary FTEs than budget. This is expected to reduce steadily, as permanent recruitment is ongoing. This was partly offset by Marketing and Communications with 21 fewer than budget. Corporate Directorates had 102 temporary staff with over 12 months of service, a decrease of 34 from last period.

10.1 **Sickness:** In quarter 1, TfL staff were absent for an average of 2.2 days per employee which was 6.5 per cent worse than the target. Swine flu contributed to the higher rates of absence. Operational staff were absent for an average of 2.7 days per employee which was 15.2 per cent worse than target. Non-operational staff were absent for an average of 1.5 days, which was 6.5 per cent worse than target.

## 10.2 Workforce composition:

TfL Group	Q1 Actual	Q1 Budget	Q1 Last year
% Female Staff	24.6	24.7	24.5
% Female Senior Managers	22.1	21.7	21.5
% BAME Staff	31.8	29.0	31.0
% BAME Senior Managers	10.6	11.0	10.1
No. of Disabled Staff	628	702	647
No. of Disabled Senior Managers	32	38	31

At the end of quarter 1:

- The proportion of female staff in TfL was the same as the previous quarter at 24.6 per cent. This was 0.1 percentage points lower than target but 0.1 percentage points higher than last year. The percentage of women in senior management was 22.1 per cent this quarter. This was 0.4 percentage points higher than target and 0.6 percentage points higher than last year.
- The percentage of TfL staff from BAME communities was 31.8 per cent at the end of quarter 1. This was 2.8 percentage points higher than the target and 0.8 percentage points higher than last year. The percentage of BAME staff in senior management was 10.6 per cent, 0.4 percentage points lower than target but 0.5 percentage points higher than last year.
- Representation of disabled staff in TfL is now reported by the number of disabled staff. This is as opposed to a proportion of staff previously reported. At the end of quarter 1, TfL employed 628 disabled staff which was 74 fewer than target. There were 32 disabled senior managers at the end of quarter 1, 6 fewer than target.

## Annex One: Financial Summary

£m	2009/10 Year to date			2009/10 Full Year		
	Actual	Budget	Variance	Forecast at	Budget	Variance
Fares Income - LU, Buses and LR	(670)	(695)	25	(2,886)	(2,950)	63
Other Income	(136)	(138)	2	(579)	(593)	14
<b>Total Operating Income</b>	<b>(806)</b>	<b>(833)</b>	<b>27</b>	<b>(3,465)</b>	<b>(3,543)</b>	<b>77</b>
Operating Expenditure net of 3rd party contributions	1,306	1,356	(51)	5,843	5,874	(32)
<b>Gross Operating Margin</b>	<b>500</b>	<b>523</b>	<b>(24)</b>	<b>2,377</b>	<b>2,332</b>	<b>46</b>
Interest Income & Debt Payments	28	26	2	145	146	(1)
Contingency/Other Group Items	(2)	11	(12)	53	59	(6)
<b>Total Group Items</b>	<b>26</b>	<b>37</b>	<b>(11)</b>	<b>198</b>	<b>205</b>	<b>(7)</b>
<b>Margin</b>	<b>526</b>	<b>560</b>	<b>(34)</b>	<b>2,575</b>	<b>2,536</b>	<b>39</b>
Capital Income (including Property Sales)	(1)	(2)	1	(62)	(20)	(42)
Capital Expenditure	626	636	(10)	3,281	3,178	103
Reimbursements from third parties	(30)	(50)	20	(156)	(160)	4
Overprogramming (TfL Group)	-	(12)	12	(25)	(51)	26
<b>Net Capital Expenditure</b>	<b>596</b>	<b>574</b>	<b>22</b>	<b>3,101</b>	<b>2,968</b>	<b>133</b>
<b>Net Service Expenditure</b>	<b>1,121</b>	<b>1,132</b>	<b>(11)</b>	<b>5,613</b>	<b>5,484</b>	<b>130</b>
<b>By Mode:</b>						
London Underground	427	420	7	1,946	1,888	57
Surface Transport	275	279	(4)	1,349	1,368	(19)
London Rail	188	177	11	706	652	54
Crossrail	121	145	(24)	1,089	1,038	51
Group Directorates	85	87	(2)	352	384	(32)
Overprogramming (TfL Group)	-	(12)	12	(25)	(51)	26
Group Items	26	37	(11)	198	205	(7)
<b>Net Service Expenditure</b>	<b>1,121</b>	<b>1,132</b>	<b>(11)</b>	<b>5,613</b>	<b>5,484</b>	<b>130</b>

Table may be subject to rounding errors

\*Metronet figures are included in this report, for clarity, on an aggregated basis



## Annex Two: Balance Sheet

Balance Sheet £m	2009/10 Year to Date			2009/10 Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Fixed Assets</b>						
Tangible Assets	18,949	18,933	(16)	21,150	21,014	(136)
<b>Current Assets</b>						
Stocks	23	17	(6)	23	17	(6)
Debtors	203	231	28	211	218	7
Capital Debtors	20	20	-	19	15	(4)
Payments in Advance	209	246	37	177	208	31
Cash at Bank and in Hand	1,937	1,577	(360)	1,007	1,119	112
<b>Current Liabilities</b>						
Revenue	(971)	(1,015)	(44)	(1,055)	(1,084)	(29)
Receipts in Advance	(250)	(253)	(3)	(253)	(267)	(14)
Capital	(417)	(474)	(57)	(661)	(625)	36
<b>Long Term Liabilities</b>						
Balances with Infracos	(1,664)	(1,664)	-	(1,805)	(1,805)	-
Creditors Due after One Year	(588)	(585)	3	(594)	(576)	18
Prudential Loans	(3,448)	(3,018)	430	(4,118)	(4,118)	-
Capital Grants	(8,713)	(8,815)	(102)	(10,177)	(10,094)	83
Other Provisions	(303)	(322)	(19)	(295)	(287)	8
Pension Provision	(1,037)	(1,037)	-	(1,037)	(1,037)	-
<b>Total Net Assets</b>	<b>3,950</b>	<b>3,841</b>	<b>(109)</b>	<b>2,592</b>	<b>2,698</b>	<b>106</b>
<b>Capital and Reserves</b>						
Earmarked Reserves	766	670	(96)	202	303	101
Pension Reserves	(1,037)	(1,037)	-	(1,037)	(1,037)	-
General Fund	155	155	-	155	155	-
Other Reserves	4,066	4,053	(13)	3,272	3,277	5
<b>Total Capital Employed</b>	<b>3,950</b>	<b>3,841</b>	<b>(109)</b>	<b>2,592</b>	<b>2,698</b>	<b>106</b>

## Annex Three: Cash Summary

Cash Summary £m	2009/10 Year to Date			2009/10 Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue Expenditure	(526)	(560)	(34)	(2,575)	(2,536)	39
Working Capital Movements	(29)	(10)	19	156	199	43
<b>Cash Spend on Operating Activities</b>	<b>(555)</b>	<b>(570)</b>	<b>(15)</b>	<b>(2,419)</b>	<b>(2,337)</b>	<b>82</b>
Net Capital Expenditure	(625)	(634)	(9)	(3,219)	(3,158)	61
Working Capital Movements	10	68	58	255	225	(30)
<b>Cash Spend on Capital Activities</b>	<b>(615)</b>	<b>(566)</b>	<b>49</b>	<b>(2,964)</b>	<b>(2,933)</b>	<b>31</b>
<b>Funded by:</b>						
Transport Grant	643	659	16	3,120	3,123	3
Precept Funding	2	2	-	12	12	-
Prudential Borrowing	430	-	(430)	1,100	1,100	-
Third Party Contributions	30	50	20	156	152	(4)
<b>Total Funding</b>	<b>1,105</b>	<b>711</b>	<b>(394)</b>	<b>4,388</b>	<b>4,387</b>	<b>(1)</b>
<b>Net Movement in Cash</b>	<b>(65)</b>	<b>(425)</b>	<b>(360)</b>	<b>(995)</b>	<b>(883)</b>	<b>112</b>

## Annex Four: Subjective Analysis

The subjective analysis is an analysis of operating income and expenditure by income and cost category. A subjective analysis of TfL's financial performance is provided below.

In the first quarter the budgeted subjective analysis has not been revised to reflect the integration of the nominee companies within LU. This results in reclassification within the subjective categorisations.

The main variances are:

- Full year enforcement income is forecast to be £10 million lower than budget. This is mainly due to revised volume assumptions for both congestion charging enforcement and traffic enforcement.
- Bus contract payments for the full year are forecast to be £18 million below budget. £14 million arising from lower Contract Price Adjustments (CPAs) from lower than budgeted indices (RPI, Earnings and Diesel) and revised contract payment savings of £7 million as a result of retendering and revisions to contracts. This is partially compensated by a £4 million net increase in Quality Incentive Contracts (QICs) performance payments due to improved performance since quarter 3 2008/2009.
- The first quarter PPP payments are £8 million above budget due to additional Tube Lines claims funded from the London Underground risk budget. Full year PPP payments are forecast to be £42 million higher than budget. This is predominantly due to additional Tube Line claims of £20.4 million which will be funded from the London Underground risk budget. The remaining relates to additional PPP contract costs £15.8 million and safeguarding work in respect of Crossrail of £5.1 million which is funded by Crossrail within other income
- The PFI payment for quarter one are £6 million below budget. This is mainly due to timing differences of projects including Oyster expansion to National Rail. The full year is forecasted to be £3 million below budget. This is mainly due to reduced new ticket media base contract costs (the Oyster card system - cards and software) and the Oyster card cost rebate.
- Full year premises expenditure is forecast to be £91 million below budget. This is mainly due to the re-classification of expenditure to asset maintenance as part of incorporating Metronet within London Underground. This is partially offset by increased costs relating to buildings being retained for longer than anticipated resulting in additional rent and rates costs.
- The first quarter expenditure for the congestion charging scheme and other road contracted Services is £6 million below budget. This was mainly due to the slower ramp up of Cycle Highways and East London Transit (ELT1a) projects. The full year costs are forecast to be £7million above budget. This is mainly due to Cycle Highway costs brought forward from 2010/11 of £5 million and reclassification of Woolwich Town Centre / London bus priority network 3G Route 182 costs of £3 million.
- Asset Maintenance expenditure is forecast to be £118 million over budget for the full year. This is primarily due to re-classification from premises expenditure of £104 million, from employee expenses of £3 million and from other expenses of £6 million, as part of incorporating Metronet within London Underground. The remaining relates to £6 million of higher than planned works on the Tram network, which is currently under review.
- Payments to Boroughs are forecast to be £11 million below budget. This relates mainly to the reclassification of items of non-LIPS programme expenditure to Other Road Contracted Services, as mentioned above.
- Professional Fees and Management Consultancy Costs are forecast to be £6 million higher than budget for the full year. The professional fees forecast was higher by £13 million and relates to legal expenditure within London Underground in respect of PFI connect claims funded by the London Underground risk budget. There is a £4 million variance arising from forecasted financial advisory costs relating to the development of structured financing solutions for TfL projects. This was partially offset by reclassification of (£12 million) management consultancy expenditure to information and

communication expenditure required to integrate the Metronet nominee companies with London Underground.

- Engineering, Project Management and Other Technical Consultancy expenditure associated with project development is forecast to be £7million lower than budget in the full year. This mainly relates to reduced expenditure within Surface Transport traffic operations £2 million, re-phasing of costs relating to London Overground stations enhancements of £8.6 million to future years, delay in set up of the East London Line Infrastructure Maintenance facility and delay in development of Asset Management System £1.3 million within London Rail. This is partially offset by additional Crossrail expenditure of £4.8 million.
- Bad Debt Provision is forecast to be £9 million lower than budget for the full year. This is mainly due to improved compliance resulting in lower traffic enforcement revenue within Surface Transport and better recovery rates.
- Information and Communication Technology expenditure as of quarter one is £9 million higher than budget. This primarily relates to IMSIP savings within Group IM yet to be achieved by Group IM and the modes. The full year forecast is £15 million higher than budget. This mainly relates to the reclassification of £12 million Management consultancy expenditure to information and communication expenditure as detailed above. The remaining relates to £6 million non achievable savings of IMSIP partly offset by £3.7 million efficiency savings from reduced IM spend in third party contracts as a result of in-sourcing Computer Sciences Corporation (CSC).
- Other expenses are forecast to be £68 million below budget in the full year. This is mainly due to London Underground PPP payments relating to Tube Line claims charged to risk of £20.4 million and legal fees charged to risk of £12 million relating to PFI Connect claims. The remaining relates to the reclassification of £28 million from other income and £6 million from Asset Maintenance as part of incorporating Metronet within London Underground.

## Subjective Analysis

£m	Quarter 1			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Operating Income</b>						
Ticket Revenues	(672)	(697)	25	(2,891)	(2,957)	66
Congestion Charging	(43)	(43)	-	(180)	(181)	-
Enforcement Income	(40)	(44)	4	(174)	(184)	10
PCO, VCS Fees	(8)	(8)	-	(35)	(34)	(1)
Advertising Income	(22)	(20)	(3)	(89)	(92)	3
Rental Income	(11)	(12)	1	(52)	(53)	1
Other Income	(10)	(9)	(1)	(44)	(42)	(3)
	<b>(806)</b>	<b>(833)</b>	<b>26</b>	<b>(3,465)</b>	<b>(3,543)</b>	<b>77</b>
<b>Operating Expenditure</b>						
Bus Contract Payments	378	378	(1)	1,641	1,658	(18)
PPP Payments	163	155	8	674	632	42
PFI Payments	80	86	(6)	343	346	(3)
Employee Expenses	409	411	(3)	1,729	1,726	3
Premises	58	82	(23)	265	356	(91)
CCS & Other Road Contracted Services	16	22	(6)	92	85	7
Asset Maintenance	71	53	19	354	237	118
Payments to Boroughs	25	25	-	184	194	(11)
Professional Fees and Management Consultancy	18	20	(1)	99	94	6
Engineering Project Management & other technical consultancy	11	18	(7)	84	91	(7)
Ticket Commissions	9	12	(3)	43	49	(6)
Customer Information	6	11	(5)	54	55	(1)
Insurance	9	11	(3)	40	43	(3)
Bad Debt Provisions	17	20	(3)	77	86	(9)
Information and communication technology	23	14	9	79	64	15
Traction Current	18	19	(1)	70	71	(1)
National Rail Payments	2	3	(1)	11	11	-
Franchise Payment	45	46	(1)	190	194	(4)
Other	(53)	(31)	(22)	(187)	(119)	(68)
	<b>1,306</b>	<b>1,356</b>	<b>(51)</b>	<b>5,843</b>	<b>5,874</b>	<b>(32)</b>
<b>Net Operating Expenditure</b>	<b>499</b>	<b>523</b>	<b>(24)</b>	<b>2,377</b>	<b>2,332</b>	<b>45</b>

Table may be subject to rounding errors

The approved customer information target was £51.5 m. The forecast of £54 m includes expenditure of £2.6m carried forward from 2008/09.

## Annex Five: Fares Income and Congestion Charging

2008/09 YTD Actual	Fares Income £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q1	Budget	Variance
(356)	Underground fares income	(379)	(399)	20	(1,650)	(1,692)	42
(247)	Bus Network fares income	(263)	(268)	5	(1,107)	(1,124)	17
(15)	DLR fares income	(19)	(16)	(3)	(74)	(76)	2
(9)	Overground fares Income	(5)	(8)	3	(38)	(40)	2
n/a	Trams fares income	(3)	(4)	1	(17)	(18)	1
(628)	<b>Total Fares Income</b>	<b>(670)</b>	<b>(695)</b>	<b>25</b>	<b>(2,886)</b>	<b>(2,950)</b>	<b>63</b>

- London Underground fares income was £20 million (5.0 per cent) lower than budget in the year to date, largely due to lower income (£18 million) from period travelcards and PAYG and an estimated £5 million lost revenue as a result of the RMT strike at the beginning of June. Passengers made 2.9 per cent fewer journeys than target. These factors were partly offset by higher revenue from ordinary tickets and day travelcards of £3 million. Compared to the same quarter last year, London Underground fares income has increased by £22 million, or 6.3 per cent. This was driven by the January 2009 fares rise of 5.8 per cent, additional calendar and working days in the period and other seasonal factors.
- London Underground fares income is forecast to be £42 million (2.5 per cent) lower than budget for the full year, as the economic climate is expected to continue to have an adverse impact on passenger numbers and since Q1, this trend has accelerated.
- Bus fares income was £5 million or 1.7 per cent lower than budget, despite bus passengers making 12.3 million or 2.3 per cent more journeys than target. This anomaly is caused by increased passenger numbers during the RMT strike, when London Underground passengers used bus services without increasing bus revenue. Also, more journeys are being made by season ticket holders without providing extra revenue. Compared to the same quarter last year, Bus fares income has increased by £17 million, or 6.7 per cent. However, this was driven by the January 2009 fares rise of 6.3 per cent, additional calendar and working days in the period and other seasonal factors.
- Bus fares income is forecast to be £17 million lower than budget, largely due to lower demand, following the incorporation of the February 2009 GLA economic projections and a £2m Travelcard reduction, reflecting July 2009 passenger factors to be retrospectively implemented in Period 7.
- DLR fares income was £3 million (17.1 per cent) higher than budget in the year to date due to 1.3 million (8.7 per cent) more passenger journeys.

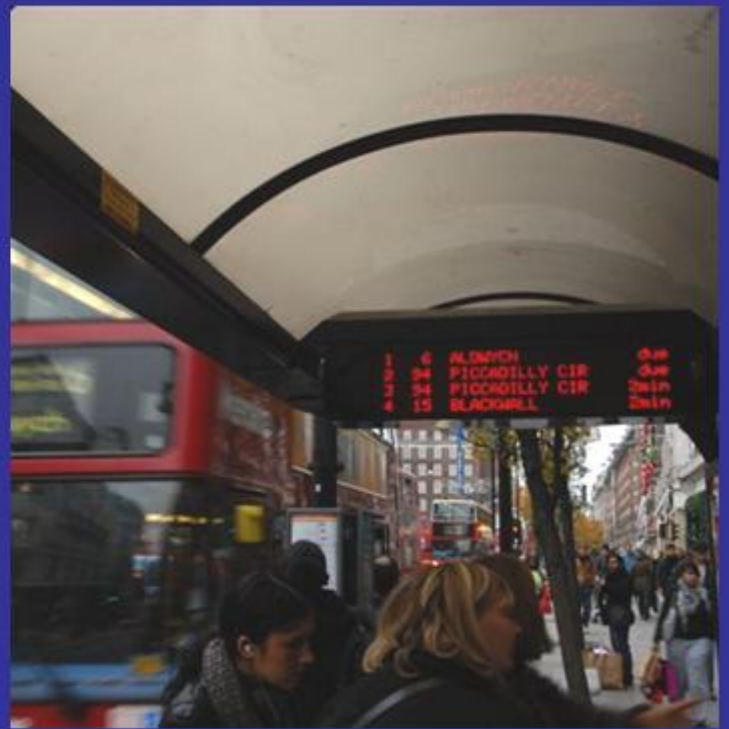
2008/09 YTD Actual	Congestion Charging £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q1	Budget	Variance
(44)	Standard fee income	(43)	(43)	-	(180)	(181)	-
(30)	Enforcement income	(34)	(32)	(1)	(140)	(133)	(7)
12	Bad debt provision	16	15	1	65	63	2
18	Operations and support costs	16	17	(1)	70	71	(1)
(44)	<b>Congestion Charging Net Operations Income</b>	(45)	(44)	(1)	(185)	(180)	(6)

- Standard fee income was in line with budget in the year to date and is forecast to remain in line with budget.
- Enforcement income was £1 million higher than budget in the year to date and is forecast to be £7 million higher than budget for the full year, due to a higher volume of PCNs in line with recent trends.
- The provision for bad debts was £1 million higher than budget in the year to date and is forecast to be £2 million higher than budget at the year-end due to the rise in enforcement income.
- Operations and support costs were £1 million lower than budget in the year to date and forecast. This is largely due to savings on public information.

Appendix 2

TfL Investment Programme Report.  
First Quarter 2009/10





# Investment Programme Report

## First Quarter, 2009/10

# Transport for London

## Investment Programme Report

First Quarter, 2009/10 (1 April 2009 – 27 June 2009)

### I. Programme Highlights

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*The key highlights from the first Quarter of 2009/10 were:*

- iBus Roll out to entire fleet completed
- Delta Junction Dive Under commissioned on DLR
- Canning Town Flyover commissioned on DLR
- The Paddington Congestion Relief Project was handed over to Crossrail for detailed design and construction
- Demolition work has begun at Tottenham Court Road Station
- The first modified bogies were fitted to the Central Line fleet

*Post Quarter events include:*

- The first new train began trials with passengers on the Victoria Line
- The first high capacity fan was commissioned on the Victoria Line Cooling Project
- Class 378 trains in Service on North London Line

Cover picture:

The iBus project completed in the first quarter of 2009/10. The system provides GPS based next-stop and countdown information to bus passengers. In addition, the life-expired legacy radio system which supports the operation of the entire London bus fleet was replaced and upgraded.

## 2. Projects (over £50m) and Programmes (over £10m per annum)

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TfL's Investment Programme contains a range of programmes and projects over £50m, in addition to a range of smaller activities. These are delivered by TfL directly, through our partners in the London Boroughs or through long-term partnerships with the private sector such as the PPP on London Underground and Private Finance Initiatives (PFI).

This report covers discrete projects with a total cost greater than £50m and programmes over £10m per annum. For each project, key milestones are given with a forecast date compared against the March 2009 baseline, and if appropriate, additional milestones from the 2009/10 Budget Deliverables document.

### Key to RAG status:

Status	Discrete Projects	Annualised Programmes
●	Within 1 month of target	100% of target achieved
▲	Between 1 - 3 month delay	>75% of target achieved
■	Greater than 3 month delay	<75% of target achieved

This report focuses on delivery of investment projects. For a discussion on financial performance see the Quarter 1 Operational and Financial Report.

The estimated final cost (EFC) of some of the projects are not included (marked as \*) for reasons of commercial confidentiality.

## London Underground

### LU line Upgrade – BCV

Year to date as at Q1 2009/10 £m	EFC £m
80	954

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Start Testing T1/T2 in traffic hours without passengers (V2.1)	26/01/2009	21/07/2009	Completed
Start trialling the new service control centre (signalling control) in passenger hours	23/03/2009	07/09/2009	Completed
Power supply upgrade complete	16/06/2009	16/06/2009	Completed
Start trialling T2 in traffic hours with passengers	14/10/2009	21/07/2009	●
Full approval to operate production trains on the Victoria line	27/11/2009	17/09/2009	●
All track works complete	14/01/2010	19/12/2009	●
Start to control Victoria Line operations from the new service control centre	15/08/2011	15/08/2011	●
Victoria Line Upgrade programme completion	07/04/2013	07/04/2013	●

\*PPP Contract Date

The Victoria line is the first major line upgrade on the Bakerloo, Central and Victoria lines (BCV) network. The works include new rolling stock, signalling, control equipment, depot and track.

Software development progressed during the quarter which enabled the start of train testing on the line. Testing of the first two trains, T1 and T2, during engineering hours began on 5 May against a target of 24 April. The critical milestone to test T1 and T2 in passenger hours without passengers slipped five weeks to 21 July, but intense signal testing during engineering hours then enabled this to be combined with a single running of T1 with passengers on the same date. As reliability grows, the train will be increasingly used in service and the decommissioning of the first 67 Tube Stock train remains on target for 15 January 2010.

Train production continued and has held to programme since Quarter 4. The first production train (T3) is complete and undergoing full 8-car testing at the Old Dalby Test Track. Delivery of T3 is planned for October. Initial trials of the Service Control Centre identified the need for scope changes, which has put back the full trialling of the centre to September.

Despite these rolling stock and signalling issues, the completion date of May 2012 for the Journey Time Capability (JTC) remains ahead of the PPP contractual date of August 2013.

## London Underground

### LU line Upgrade – PPP JNP

\* Costs included in asset categories

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Jubilee Line - TBTC Contract - J2/3 Ready for revenue service - Seltrac PM Mode	06/09/2009	15/11/2009	▲
Jubilee Line - Power Upgrade - power on	28/09/2009	01/09/2009	●
Jubilee line - J5 - ready for revenue service	15/04/2010	29/12/2009	●
Northern Line - 50% of trains converted	31/01/2010	01/03/2010	▲
Northern Line - full journey time capability	26/10/2011	03/10/2011	●
Piccadilly line upgrade - select rolling stock supplier	31/12/2009	04/12/2009	●
Piccadilly line upgrade - contract award	02/08/2010	01/06/2010	●

The PPP contractual date for the Jubilee line upgrade to achieve full journey time capability (JTC) is 31 December 2009. At the start of the quarter, Tube Lines Ltd (TLL) was granted 17 additional closures to support their programme. This included the critical milestone of achieving J23 – the first two sections of the line to be swapped over to the new signalling system – by mid August. TLL's programme has slipped, and the J23 section is now planned to be combined with the J4 section in November. Following an independent review of the current plan, TLL is now developing a revised programme with an early 2010 completion date. Changes to the forecast dates and RAG status for the relevant milestones will be made when these are available.

For the Northern line, the programme is suffering from the focus of TLL resources on the Jubilee line. The full journey time capability milestone remains targeted at December 2011, but the programme is now considerably compressed. The period of time between the commissioning of the first section (N1) and the final section (N6) is now reduced from twelve to six months.

The conversion of the trains to Transmission Based Train Control (TBTC) is underway. The conversion cycle time has improved from 40 days for T7 to 27 days for T9. A cycle time of 14 days was required to achieve full conversion by September 2010 but with the TBTC signalling slipping, full train conversion is not now needed until December 2010, which is thought achievable.

For the Piccadilly line upgrade, TLL has further revised the programme, putting back the contract award for the new rolling stock fleet a further month to July 2010. The Invitation To Tender was issued on 29 May 2009 and tender returns are expected during September. A programme for the Transmission Base Train Control (TBTC) signalling system has been submitted and is now under review.

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### LU line Upgrade – Sub-Surface Railway

Year to date as at Q1 2009/10 £m	EFC £m
133	3,113

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Old Dalby Test Track - All items in place to enable test track to receive and first test train	13-Apr-09	23-Mar-09	Completed
First pre-production S Stock delivered to Old Dalby	30-Apr-09	26-Feb-09	Completed
Issue ATC invitation to tender	31-Aug-09	16-Jul-09	Completed
Train Delivery - first train delivered to London Depot	01-Nov-09	13-Oct-09	●
Signalling - Phase 1a immunisation works - operational segment 1	26-Nov-09	19-Sep-09	●
First train ready to use on network	30-Sep-10	24-May-10	●
Start of full infrastructure integration testing	31-Jul-11	16-Dec-11	●
S Stock migration complete	31-Jul-15	21-Apr-15	●

The Sub-Surface Railway network (consisting of the Circle, District, Hammersmith & City and Metropolitan lines) upgrades will provide new rolling stock, new signalling and a new control centre, in order to increase capacity and reduce journey times. The programme is scheduled to complete by 2018.

The new rolling stock continued testing at the Old Dalby test track. Train integration onto the network has been affected by the additional possessions granted to Tube Lines in the Neasden area on the Jubilee Line. The first train operating in engineering hours has slipped one month from 5 October to 8 November 2009.

Procurement for the new signalling contract is underway and the ITT was issued 17 July as planned with returns expected in December.

Improvement works to the Neasden Depot will need to be reconfigured because the design inherited from Metronet does not provide sufficient space and facilities for the maintenance of the new 8-car S-Stock trains. Revised cost estimates for the work are expected by the end of September 2009.

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### Channel Tunnel Rail Link at King's Cross

Spend to end Q1 2009/10 £m	EFC £m
804	870

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Completion of escalator installation & commissioning	14/09/2009	20/07/2009	Completed
Northern Ticket Hall (NTH) - open to public	31/12/2009	01/12/2009	●
Completion of Phase II Works (excl post NTH works)	30/04/2010	01/04/2010	●
Completion of Phase II works (incl post NTH works)	01/10/2010	01/09/2010	●

King's Cross Congestion Relief delivers increased capacity at King's Cross St Pancras. Phase 1 included an expanded Tube ticket hall and new Western Ticket Hall. Phase 2 includes a new Northern Ticket Hall, step-free access and improved links to Northern, Victoria and Piccadilly lines, and the new Channel Tunnel Rail Link Terminal. The King's Cross project is funded by the Department for Transport and contracted by London Underground.

Phase 1 included refurbishment of the Metropolitan and Circle line platforms and was completed on 10 December 2006.

Phase 2 is nearing completion on site and on target for the opening of the Northern Ticket Hall on 1 December 2009. During Quarter 1, the main premises work continued and was completed on 24 July 2009. The fire and communications systems were completed and testing has begun. Five escalators were completed and commissioning was completed on 12 July 2009. The focus now is on the commissioning and handover of all systems in time for the opening.

## London Underground

### *Bond Street Congestion Relief*

Spend to end Q1 2009/10 £m	EFC £m
12.2	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Stage D design complete	30-01-2009	31-10-2008	Completed
ITT issued detailed design and construction	03-08-2009	28-10-2009	▲
Main contract award	08-02-2010	05-02-2010	●
Completion	29-09-2016	29-09-2016	●

Bond Street station is a key interchange between the Jubilee and Central lines. Long term demand and congestion is forecast to increase further as a result of growth in employment and leisure travel and the completion of Crossrail in 2017. In addition to congestion problems, the station does not have step-free access. The scheme provides:

- two additional escalators from the interchange level to the Jubilee line;
- a low-level interchange route between the Central and Jubilee lines;
- a new step-free entrance and ticket hall on Marylebone Lane;
- 4 new lifts, allowing step-free access to both Central and Jubilee line platforms, interchange and street levels; and
- A step-free route to the Crossrail station will also be available.

The RIBA Stage D design was completed ahead of plan on 31 October 2008. The invitation to tender documents for the detailed design and construction have been prepared and are ready for issue, subject to approval of the 2010/11 Business Plan. Briefings have been held with contractors who have expressed an interest in the main works contract.



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### *Paddington (Hammersmith & City) Congestion Relief*

Spend to end Q1 2009/10 £m	EFC £m
4.4	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Stage D (Final Report) sign off	14-Dec-09	15-Sep-09	●
Outline/Scheme design approved RIBA C/D	18-Mar-10	12-Jun-09	Completed
Completion	25-Nov-2013	18-Aug-2014	●

Paddington (Hammersmith & City line) station is amongst LU's top priorities for congestion relief because of demand growth associated with local area redevelopment and the Sub-Surface line Upgrade. The project seeks to deliver congestion relief and step-free access benefits and ensure the continued safe operation of the station. There are interfaces with Network Rail and Crossrail, who require part of the adjoining "Triangle Site" for a re-located taxi access to the main line station.

The Network Rail, Crossrail and LU project components are now combined into the Paddington Integrated Project with co-located project teams and a joint project steering board.

In Quarter 1, the design was completed to RIBA Stage D and formally handed over to Crossrail for detailed design and construction. Crossrail has now taken responsibility for the delivery of the station box, with the fit-out of the station to be completed by LU. Since the teams relocated, the programme has been re-appraised with resultant time savings. Critical to the Crossrail programme is the delivery of the taxi ramp, which remains on target for March 2011.

### *Victoria Station Upgrade*

Spend to end Q1 2009/10 £m	EFC £m
54.6	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Financial approval (main works)	21/10/2009	21/10/2009	●
Main works contract award	28/10/2009	28/10/2009	●
Handover sites to main works contractor	21/04/2010	24/02/2010	●
Finish all works on site	15/10/2010	20/08/2010	●

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Delivery into service	26/06/2017	01/05/2017	●
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With 80 million people passing through it each year, Victoria is one of the most congested stations on the Underground network. Temporary station closures are regularly used to manage congestion, particularly during the morning peak. This project will provide a significant increase in passenger circulation space in key congested areas of the station and step-free access from street to platform for the Victoria line.

The Transport and Works Act Order (TWAO) Public Inquiry was completed on 23 January 2009, and the tenders for the main works were returned on 23 December 2008. Further tender pricing was provided by the tenderers for the design of scope changes to accommodate commitments made during the TWAO negotiations. The Secretary of State for Transport has issued his initial Determination including deemed planning consent and the judicial review commenced on 29 July 2009. The final Grant of Powers under the TWAO is expected by November 2009. The main contract award is now ready for award, subject to approval by the TfL Board.

The enabling works have continued to plan, including further utilities diversions and water management works.

### **Tottenham Court Road Congestion Relief**

Spend to end Q1 2009/10 £m	EFC £m
109.9	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Detailed Design RIBA Stage F complete	30/01/2009	26/01/2009	Completed
Start on site demolition	30/06/2009	19/01/2009	Completed
Funding approval for full project	16/02/2010	22/10/2009	●
Main Construction - tender award	19/02/2010	23/11/2009	●
Start on Site - main construction	21/02/2010	14/01/2010	●

Tottenham Court Road station is currently operating in excess of its capacity and suffers from significant congestion. Demand at the station is forecast to increase further with Crossrail. The congestion relief scheme includes a new upgraded and enlarged ticket hall, three new entrances, additional escalator access to the Northern line platforms, improved circulation space, step-free access throughout and interchange with Crossrail.

During the quarter, major utilities diversions and demolition works began and the majority of the buildings to be demolished have now had their roofs removed. Traffic management is now in place and the tower crane is operational.

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The London Borough of Camden has made late comments on the design of the proposed roof canopies. Some re-design may be necessary but a satisfactory resolution is expected.

Tender returns for the main works contract were received on 26 July and are being evaluated. Contract award is planned for 23 November 2009 and work on site to begin on 14 January 2010.

### Bank Congestion Relief

Spend to end Q1 2009/10 £m	EFC £m
15.2	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Bank Northern LUL review of stage B feasibility Report	21/06/2009	18/05/2009	Completed
Bank Northern FGM Financial approval stage C design	18/08/2009	30/06/2009	Completed
Bank Northern Contract award RIBA C design	31/03/2010	18/09/2009	●

The Bank project consists of two workstreams:

Bank- Walbrook Square aims to provide more convenient access to streets south and south-west of the station, reduce congestion on the Waterloo & City (W&C) line platforms, and provide step-free access to the W&C line. LU will fund the construction of the station box shell which will be delivered by the developer. Thereafter, LU will fit out the station box to complete the new entrance. There is a potential delay to the start of construction due to a change of leasing arrangements for the Legal and General building. Discussions are under way with the owner of the building, Legal and General, but the project is likely to be delayed by at least a year.

Bank Northern Line Congestion Relief aims to relieve current and expected congestion in Bank station, which would lead to increasingly frequent congestion, of the Northern line/DLR area, and station closures. Design work has continued on the preferred option that relocates the southbound running tunnel of the Northern line. This option provides greater benefit, reduced disruption to the service during construction and a reduced overall cost. Further design, to RIBA Stage C+ is now underway.

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### Olympics Step-Free Access

Spend to end Q1 2009/10 £m	EFC £m
20.1	122

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Green Park Start on site	25/07/2009	15/04/2009	Completed
Green Park Delivery into service (as agreed with ODA)	22/11/2011	01/09/2011	●
Southfields Start on site	30/07/2009	01/06/2009	Completed
Southfields Delivery into Service	01/10/2010	06/08/2010	●

This programme provides step-free access at two stations critical to the Games: Southfields and Green Park.

**Southfields** – This project provides step-free access from platform to street and is an Olympic Deliverable. The detailed design was completed in March and work began on site in June 2009. Work is currently progressing well, with the planned work during the August closures completed. The station is due to be completed in October 2010.

**Green Park** – The programme is currently on target to meet the Olympic delivery date. During Quarter 4, negotiations between the Royal Parks, English Heritage and LU concluded that the planning application for the station works should be separated from the cafe works. Subsequently, the Royal Parks have decided not to proceed with the cafe, which removes the objection from English Heritage. In Quarter 1, the pavement canopy on Piccadilly was re-designed and a planning application submitted. Further design work is underway following comments from Westminster City Council and approval is now awaited. Work began on site on 15 April 2009, including survey works, structural monitoring and escalator protection in readiness for the main work to commence.

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### Stations Accessibility Works (2010 target)

Spend to end Q1 2009/10 £m	EFC £m
11.0	73.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Amersham SFA Delivery Into Service	23/12/2010	28/10/2010	●
Greenford SFA Delivery Into Service	23/12/2010	28/10/2010	●
Newbury Park SFA Delivery Into Service	23/12/2010	28/10/2010	●
West Kensington SFA Delivery Into Service	23/12/2010	28/10/2010	●
Osterley SFA Delivery Into Service	23/12/2010	28/10/2010	●
Kingsbury SFA Delivery Into Service	31/12/2010	05/11/2010	●

These projects will contribute to the 25 per cent 2010 DfT accessibility target. Detailed design is underway on all the stations. Enabling works have begun at Greenford and Newbury Park and Osterley. At Kingsbury, the piling work for the lifts is complete.

### Cooling the Tube

Spend to end Q1 2009/10 £m	EFC £m
102.9	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Mid Tunnel Vents Tranche 1 – Contract Awarded (3x sites)	29/06/2009	27/03/2009	Completed
Evaporative cooling at Charing Cross –report issued	18/08/2009	03/07/2009	Completed
Out of service fans – Phase 1 fans available for use	18/08/2009	22/07/2009	●
Mid Tunnel Vents – Drayton Park brought into beneficial use	07/09/2009	12/08/2009	●

This is a long term programme to control ambient temperatures, which are already high, and without intervention could rise as more energy is used within the tunnels to provide the line

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upgrade train service capability. Planned mitigation measures include improved energy efficiency, increased ventilation, and selected station cooling systems.

Due to budgetary pressures, only the works to support the Victoria line Upgrade are being progressed. These comprise refurbishment and upgrading of thirteen mid-tunnel vents. station cooling works at Green Park, Euston, Oxford Circus and Victoria will be halted following the completion of detailed design.

Work is on site for the first two of three tranches of the mid-tunnel ventilation upgrades, which require the removal of the old fans and structural work to the shafts before new (higher capacity) fans are installed. Eight of the upgrades have commenced work on site but there have been delays at two of the sites. The LU project team is working closely with the contractors to mitigate the extent and impact of the delay. The first high capacity fan was brought into use at Drayton Park on 2 August. The detailed design and construction contract was awarded for the 2<sup>nd</sup> tranche of three fans on 27 March 2009, and work on site has since started on time.

At Green Park, the trial boreholes were completed ahead of programme.

### Operational Accommodation (OAIP)

Spend to end Q1 2009/10 £m	EFC £m
47.1	88.8

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Brixton Operations Centre - practical completion	30/06/2009	08/07/2009	Completed
Leytonstone TOM - contract award	15/09/2009	21/07/2009	Completed
High Barnet- New Depot - practical completion	25/09/2009	21/09/2009	●
Edgware Rd - Construction contract award	22/11/2009	22/11/2009	●
Harrow on the Hill TCA - 1st Year occupation	22/01/2010	11/12/2009	●

This programme is to improve the condition, ambience, and capacity of staff accommodation.

- Brixton Train Crew accommodation – Work continued during Quarter 1 and was completed on 16 July 2009.
- High Barnet – The main works contract commenced on site on 31 July 2008 and completion is expected on 21 September 2009.
- Leytonstone – the contract was awarded on 21 July 2009.

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### Connect and Connect Airwave

Spend to end Q1 2009/10 £m	EFC £m
115	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Tube Lines Video Cut-in - installation complete 1-20 (of 80)	30/06/2009	12/05/2009	Completed
Tube Lines Video Cut-in - present plan for Batch 2,3 and 4 to be delivered into service	31/07/2009	26/06/2009	Completed
Metronet Video Cut-in - installation complete 26-50 (of 100)	17/08/2009	22/05/2009	Completed
Tube Lines Video Cut-in - installation complete 21-40 (of 80)	28/10/2009	21/09/2009	●
Rationalisation of LUL video circuits - complete	05/10/2009	04/09/2009	●
Additional Connect Resilience - 2nd Stage 'Quick Wins' (Equipment and Process)	28/10/2009	27/11/2009	▲

Connect is a 20-year PFI contract to upgrade and maintain the radio and transmission system used on the Underground.

Phase 2 is now underway, which provides increased functionality on the new equipment and improved video capability. The Piccadilly, Circle and District Lines went live on 26 July 2009. Outages on the system have required further work to improve system resilience. A revised resilience strategy is now in place and the technical scope is agreed.

The Connect Airwave project enhances the emergency services' communication system on the Underground by expanding coverage and capacity. The contract was awarded in January 2007 and work has progressed to an accelerated plan. The one hundred and twenty-five stations required are now fully commissioned and in service. Airwave Phase 2, including an extension of coverage to Stratford, has now been agreed with the National Police Information Authority (NPIA). The design and installation for coverage in an additional fifteen tunnels is now being priced by the contractor. Further design work to provide increased capacity at thirty-nine stations has also begun.

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### Power Works

Spend to end Q1 2009/10 £m	EFC £m
167	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Jubilee Line - Alaska St, install 22kV cables complete	23/04/2009	15/04/2009	Completed
Jubilee Line - Power On	28/09/2009	18/09/2009	●
Victoria Line - Overall Completion and power audit	08/12/2009	08/12/2009	●
SSL - Award Invitation to Tender (Met Line detailed design and build)	01/03/2009	27/03/2009	Completed
SSL - Approval of baseline contractor programme for package 1	03/07/2009	02/07/2009	Completed
Piccadilly Line - Award contract scoping and development	18/10/2009	18/12/2009	●

The power system upgrade programme will deliver the additional power capacity that is required to support the line upgrades.

The delivery phase of the Victoria line power upgrade remains on programme with overall completion forecast for December 2009. There has been a one month delay to the installation of the high voltage (132kV) cabling to the bulk supply point (BSP) at Manor House, which provides network resilience. This scope provides resilience to the overall network and is now expected to complete in November 2009. Progress remains on target, with the effective power-on achieved in June 2009, in line with the requirements of the line upgrade.

The Sub-Surface power upgrade is progressing from scoping and development to detailed design and build. The design and build for the first two packages (1A and 1B) was awarded on 20 March 2009. Packages 2 and 3 and 5 (substation plant, cabling and switchgear) are being prepared for tender for the design and build phases. The Package 4 detailed design and build (Bulk Supply Point at Griffith House) has received TfL Board approval and contract award is expected in September 2009.

For the Northern line power upgrade, LUL's 630v conceptual design has been formally accepted by TLL. The scope of the power works for the Piccadilly line is now minimal.

On the Jubilee line power upgrade, power-on has slipped from 6 August to 28 September 2009. During Quarter 1, the detailed design was completed and the work to install rectifiers at Alaska Street was completed in April as planned. Further completions at Finchley Road and North Greenwich are on target for September 2009.

For the Piccadilly line power upgrade, options are being developed to maximise the efficiency of the existing infrastructure prior to the development of new scope.



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### Thameslink

Spend to end Q1 2009/10 £m	EFC £m
15.9	38.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Borough Market - NR commence viaduct works	03/05/2009	06/04/2009	Completed
Blackfriars - Complete protective shield	14/05/2009	17/04/2009	Completed
NR and LU sign Project Implementation agreement	29/05/2009	12/06/2009	Completed
Blackfriars - NR commence main works	16/06/2009	19/05/2009	Completed
Farringdon - NR commence main works	29/11/2009	02/11/2009	●
Farringdon - NR complete works	28/01/2012	30/09/2011	●
Blackfriars - NR Deliver Station back into service	28/01/2012	30/09/2011	●

The LU Thameslink Programme safeguards LU assets and manages the interfaces with the Thameslink Project. The key works interfacing with the LU network are at Blackfriars and Farringdon stations.

LU is seeking the finalisation of the Project Implementation Agreement with Thameslink that sets out the formal terms of the work that impacts the LU network. This has been under discussion for some time and subject to month on month slippage. During Quarter 1, LU secured agreement to a Universal Works Letter that allows for works at Farringdon and Blackfriars to continue. Blackfriars Station was closed during the Easter holiday and is now segregated from the operational railway. Work is underway but the 30-month closure is at risk of extending. At Farringdon Station, work has progressed slower than planned, with some closures being cancelled in June.

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### Central Line Bogie Modifications

Spend to end Q1 2009/10 £m	EFC £m
30.1	51.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Commence manufacture	28/02/2009	05/01/2009	Completed
48 Frames Delivered to fleet	02/06/2009	29/04/2009	Completed
960 Frames Delivered to fleet	13/07/2010	11/06/2010	●
1420 Frames Delivered to Fleet (Manufacture Complete)	31/01/2011	03/01/2011	●

Following the Chancery Lane incident, this project was instigated to address the issues identified in the Aylward Inquiry. The project comprises the re-design, manufacture and fitting of 1420 new bogie assemblies to the entire Central Line fleet, known as 1992 Stock.

The manufacture of the new bogie frames began in January 2009 and the delivery schedule is on target with 48 frames delivered ahead of target on 29 April 2009 and the plan to deliver 480 frames by 11 December 2009 is on target. The Programme Lift – the 4.5-year maintenance cycle that this project feeds into, began on 6 April. By the end of Quarter 1, 24 bogies have returned to service. The programme rate is expected to improve to a consistent rate of one train per week by the autumn.

### Northern Line Segregation

Spend to end Q1 2009/10 £m	EFC £m
0	171.8

Milestones	Current Plan Date	Actual/F'cast Date	RAG
No milestones have yet been set			

This project provides for the operational segregation of the two line branches north of Kennington. Timetable reliability and train frequency would be improved using a combination of new rolling stock, track modifications and signalling works.

The current schedule is that substantive design work would begin in 2015 and is subject to approval of the 2010/11 TfL Business Plan.

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### Track Renewal BCV/SSR

Year to date as at Q1 2009/10 £m	EFC £m
35.7	919

BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
Ballasted Track Replacement & reballast - 1,415m achieved	31/03/2010	31/03/2010	●
Points & Crossings - 5 units achieved	31/03/2010	31/03/2010	●
Class 1 (Expected trackform life of 40 years) - 2,429m achieved	31/03/2010	31/03/2010	●
SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
Ballasted Track Replacement & reballast – 18,680m achieved	31/03/2010	31/03/2010	Completed
Points & crossings - 11 units achieved	31/03/2010	31/03/2010	●

Since 2003 the maintenance and renewal of track was a Metronet (MR) responsibility under the PPP contract. When Metronet Rail transferred to Transport for London in May 2008, track maintenance and renewal became the responsibility of LU. In March 2009, a two year extension of the existing contract with Balfour Beatty was granted to maintain the programme objectives and provide sufficient time for a new procurement from March 2011.

During Quarter 1, production was broadly on target, including 4,127m of Ballasted Track Renewal, 2,806m of Deep Tube Reconditioning and 9 points and crossings improvements.

### Track Renewal JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Tube reconditioning 1,270m	26/05/2009	26/05/2009	Completed
Track replacement 1,000m	07/09/2009	07/09/2009	●
Workbank 5 - Project close out	16/10/2010	28/07/2010	●

JNP Track is split into Enhanced Track Replacement and Deep Tube Reconditioning. This work is devised, planned and managed by Tube Lines Limited (TLL) and agreed with LU through the Annual Asset Management Plan.

During Quarter 1, the total completed Enhanced Track Replacement was 36,600m against the total annual target of 37,068m.

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### Civils BCV/SSR

Year to date as at Q1 2009/10 £m	EFC £m
9.6	648

BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
C164-EM2 Northolt to South Ruislip C164 Practical Completion	08/10/2009	05/06/2009	Completed
C156 EM3, 4, 7, 8 & 9 - Perivale to Greenford C156 Practical Completion	23/05/2010	23/03/2010	●
SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
D164-EM1,2,4,5 East Putney to Southfields D164 Start on Site	10/07/2009	21/07/2009	Completed
D164-EM1,2,4,5 East Putney to Southfields D164 Practical Completion	20/09/2010	20/07/2010	●

Following the integration of Metronet, BCV and SSR structures are jointly managed. The programme comprises a range of improvement and monitoring works to the civils assets on the BCV and SSL networks. It is a two-year rolling work bank that is prioritised annually. The civil engineering assets are grouped and managed in four categories: Bridges & Structures, Earth Structures, Deep Tube Tunnels, and Pumps & Drainage.

The current two-year programme comprises approximately 40 separate remediation projects across the four asset groups. In addition, special or enhanced monitoring of critical assets is being carried out at a number of key locations. The condition of the assets in the programme is generally well known, but the Civils team is working to complete the asset condition database and a Whole Life Cost Model for each of the four asset classes.

### Civils JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Earth Structures – complete environmental surveys for remediation sites	05/06/2009	26/05/2009	Completed
P273 Drainage discharge – complete drainage discharge final scope	20/12/2009	20/12/2009	●

The JNP Civils Programme comprises the same scope as the BCV/SSR programme, aimed at maintaining the civils assets to a defined condition. In 2009/10, work is focused on earth structures (embankments) and drainage projects.

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Four earth structures are planned for the year, with work on site underway at Dollis Hill. Drainage improvement works are planned at 27 locations.

### Station Upgrades – BCV/SSR

Year to date as at Q1 2009/10 £m	EFC £m
41.8	1,444

BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
Oxford Circus Station Modernisation - Delivery into service agreed by LUL	25/05/2009	24/11/2009	■
Hainault Station Modernisation - Delivery into service date agreed by LUL	30/05/2009	19/05/2009	●
Wanstead Station Refurbishment - Start on site	30/06/2009	14/06/2009	●
Brixton Station Modernisation - Delivery into service date agreed by LUL	31/01/2010	31/01/2010	●
SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
Aldgate Station Modernisation - Start on site	16/10/2009	29/09/2009	●
Ladbroke Grove Station Refurbishment - Start on site	16/10/2009	30/09/2009	●
Sloane Square Station Modernisation - Start on site	18/11/2009	21/10/2009	●
Earl's Court Station Modernisation - LUL agree delivery into service	31/12/2009	28/08/2009	Completed

When Metronet entered into administration in July 2007, there were 26 “live” station projects that these were significantly into their lifecycle of works.

These works proceeded and at the time of the integration of Metronet with LU, four stations were completed. This programme continues the work to complete the stations under way. By the end of Quarter 1, 56 stations had been accepted by Operations as Delivered into Service (DIS). Eight stations are in the construction phase, six of which are planned to complete in 2009/10, including Aldgate East and Oxford Circus.

At Oxford Circus, the DIS is delayed from 25 May 2009 to 12 October 2009 as a result of non-conforming cable installations but the remedial work is now largely complete.

In parallel to the stations upgrades, a programme of Asset Stabilisation is underway. The affordability review completed during 2008 reduced the station modernisation and

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refurbishment delivery programme which has resulted in 62 stations having their refurbishment delayed beyond 2015. This necessitated a review of the critical assets in all stations that require urgent work to maintain safe operation of the network and to meet legal requirements. The current Asset Stabilisation Programme (ASP) 2009/10 consists of 270 projects on a range of Communications, Electrical, Fire, Mechanical, and Premises assets.

### Station Upgrades – JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Waterloo Modernisation	30/05/2009	30/05/2009	Completed
Stanmore Enhanced Refurbishment	30/05/2009	01/04/2009	Completed
Edgware Station Enhanced Refurbishment	03/08/2009	15/06/2009	Completed
Bermondsey Station Refurbishment	25/08/2009	27/11/2009	▲
Covent Garden Station Modernisation	09/09/2009	06/05/2009	Completed
Oval Station Refurbishment	27/09/2009	31/07/2009	Completed
Clapham Common Station Refurbishment	07/10/2009	31/07/2009	Completed
Southwark Station Refurbishment	20/10/2009	09/10/2009	●
Green Park Station Modernisation	23/10/2009	23/10/2009	●
Hatton Cross Station Enhanced Refurbishment	04/11/2009	23/09/2009	●

The JNP Stations programme was devised as part of the PPP contract. The station works are planned in tranches, with Tranche 5 stations due to be completed by 30 May 2009. All of these stations have now been declared as completed by Tube Lines.

In Quarter 1, the scope of the station works on the Jubilee Line Extension was renegotiated with TLL in order to achieve costs savings and facilitate earlier work to Colliers Wood, South Wimbledon and Hounslow East.

## London Rail

### East London Line Extension

Spend to end Q1 2009/10 £m	EFC £m
816	1,000

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete Crossrail Enabling works at Whitechapel	30-Jun-09	30-Jun-09	●
Submit TfL approval planning application to LBH & TH to discharge conditions 14/17/19 (noise demonstration)	10-Apr-09	31-Jul-09	■
Complete Dalston podium slab	31-Jul-09	31-Jul-09	●
Establish Infrastructure maintenance depot	31-Oct-09	31-Oct-09	●
SCADA temporary master station and system commissioned for the 3 TSS sites (A lines only)	01-May-09	17-Jul-09	▲
Commission All TSSs Including Hoxton, Shadwell & Canal Junction (for 33kv only)	04-Jun-09	31-Aug-09	▲
Test running commences	31-Jan-10	05-Oct-09	●
East London Line (Phase 1) complete	30-Jun-10	30-Jun-10	●

The upgraded and extended East London Line is planned to open in June 2010 with TfL as the passenger service operator through a joint East London Line / North London Railway concession with London Overground Rail Operations Ltd. This project is an Olympic deliverable.

The Expected Final Cost has increased from by £7m due to a change from a property sale to a leasing option,. The land related to property under a railway arch and the leasing option was considered more appropriate. A lease income stream is generated but does not get allocated to the project finances. The transfer of £54m management contingency and £19m risk to base cost reflects the forecast outcome of the pain/gain share negotiations with the main works contractor.

Several implementation achievements have occurred during this quarter. Continuous track is now in place from south of Dalston Junction to Surrey Quays station; the first energisation of the project was completed with the commissioning of the bulk supply point at Hoxton; and

## London Rail

Bombardier has taken occupancy of the rolling stock maintenance building within the New Cross Gate Depot.

Three milestones (Noise conditions in planning application, SCADA at 3 sites and commission of all TSSs) that were expected to be delivered in the first quarter have been delayed to the second quarter. The delay in the planning application is due to additional information and analysis requested by the London Borough of Tower Hamlets. The SCADA and TSSs delay is due to a delay in being able to energise the system, but this is not expected to delay the commencement of test running.

Management has now shifted from design submissions / approvals to technical case completions. These provide assurance to the project that Balfour Beatty Carillion has satisfied the project requirements in design, construction and testing and commissioning. These need to be completed prior to trial operations and targets have been agreed to manage this process. Submissions of these have started slowly with 65 design submissions and 22 construction submissions being achieved versus targets of 100 and 55 respectively. Critical technical cases required for test running have been identified and prioritised.

The project remains on schedule for the June 2010 service commencement.

### East London Line Phase 2

Spend to end Q1 2009/10 £m	EFC £m
0	75.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Technical Advisor Phase 2 Award Contract	15-May-09	15-May-09	Completed
Commence GRIP 5 Design	05-Oct-09	05-Oct-09	●
Commence Passenger Services	14-May-12	14-May-12	●

East London Line Phase 2 will provide an additional 4 trains per hour on the core East London Line. These trains will run to Clapham Junction via a new chord that leaves the ELL Phase 1 route to the south of Surrey Quays and joins the South London Line to the North of Queens Road (Peckham). Passenger service is scheduled to commence in May 2012.

This project had a provision for £55.3m in the 2009/10 Business Plan, since then the amount of funding from the DfT and a baseline scope has been agreed. The baseline cost of £75m has been approved and the project team are currently forecasting slightly above this.

The contract for Technical Advisor was awarded to Parsons Brinckerhoff on 15 May. Early deliverables are detailed consideration and costing of the option to raise the rail alignment over Surrey Canal Road and outline design consideration for a station at Surrey Canal Road. The next major milestone is the commencement of GRIP 5 Design, due in Q3 2009/10.

Thameslink have now released a high level project programme that will be used to evaluate and plan for potential construction interfaces between the two projects.



## London Rail

A request to procure three additional four-car trains for this service was approved at the end of April and exercised with Bombardier.

### **London Rail Concession Rolling Stock**

*This programme is delivered under an operating lease. No direct costs are reported.*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
First NLR unit accepted	30-Apr-09	07-Jul-09	▲
First Train in Service NLR	31-May-09	15-Jul-09	▲
First ELR units delivered for Network Rail track test	31-Jul-09	31-Jul-09	●
Delivery of NLR fleet	31-Dec-09	31-Dec-09	●
Delivery of ELR fleet	31-Mar-10	31-Mar-10	●
First Train in Service ELR	30-Jun-10	30-Jun-10	●

The London Rail Concession Rolling Stock project will provide 216 new vehicles in three-car and four-car formation to be utilised on the North London Railway (NLR) and the East London Railway (ELR). An additional 12 vehicles (3 x 4-car units) have been added to operate the East London Line Phase 2b from Surrey Quays to Clapham Junction. This brings the total order up to 228 vehicles.

By the end of Q1, six North London Line units had been delivered to Willesden depot for commissioning and fault free running and two had completed all tests. Bombardier's programme indicates that the remaining units will be delivered by the end of November.

Commissioning had been delayed by a safety related defect on the sister 377/5 Electrostar fleet which also affected the class 378. Bombardier has implemented a modification and deliveries recommenced.

The technical file confirming compliance with interoperability standards was submitted to the Office of Rail Regulation (ORR) 11 days later than planned but the progressive release of information has allowed the approval period to be compressed. This was approved by the end of the quarter. On July 2, Network Rail issued a passenger certificate which allowed LOROL to operate 3-car class 378 units in passenger service. Acceptance of the first NLR unit slipped from 30 April and was achieved on 7 July. The Mayor unveiled the first unit at a media event on 13 July, which entered service on 29 July.

Production switched from NLR units to ELR units on 1 May as planned. The assembly of the last seven NLR units will switch to another assembly line when this becomes available during Q2. Consequently, these will not be ready for acceptance until December.

Progress on the ELR units was slower than planned. The delay has been accommodated by contingency but the constraint will move to the testing facility, which will have to cope with up to seven units per week during Q2. A separate test line has been established and additional testing staff recruited to accommodate this peak.

## London Rail

### North London Railway Infrastructure Project

Spend to end Q1 2009/10 £m	EFC £m
41.4	240.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Commence No. 1 lines blockade	30-Apr-09	30-Apr-09	Completed
Commence all lines blockade	31-Dec-09	31-Dec-09	●
Project completion	31-Jan-11	31-Jan-11	●

The North London Railway Infrastructure Project covers a programme of track, signalling and civil infrastructure enhancements to facilitate the operation of the future London Overground service commitment, which is to be introduced in January 2011.

The commencement of the number 1 lines blockade was achieved on schedule on 30 April.

Stage 1 of the Network Rail (NR) signalling enabling works was successfully commissioned during a possession on 20 April and Stage 2 was successfully commissioned during a possession on 24 May. Stage 3 of the works scheduled for 20/21 June 2009 was cancelled due to the safety verification not being obtained from NR in time. The work was rescheduled for late July.

Demolition of Dalston Junction Bridge deck replacement was put on hold and Balfour Beatty Carillion revised the temporary works design after the existing deck condition was found to be different to the contractor's expectations. This has since progressed.

All detailed design for the original scope of the Dalston Western Curve civil engineering works contract is now complete and approved. Birse Metro progressed works for the Dalston Lane covered way to mitigate the delays experienced by Balfour Beatty Carillion on the bridge works.

Carillion has undertaken a number of value engineering exercises across the work packages to identify potential time and cost savings. Design for the NR works packages continued in the quarter and considerable effort was put into incorporating changes to station designs to reflect value engineering initiatives, the outcomes of reviews with the fire officer and other changes.

## London Rail

### DLR 3 Car Infrastructure

Spend to end Q1 2009/10 £m	EFC £m
247	335

Milestones	Current Plan Date	Actual/F'cast Date	RAG
P7 Complete installation of new LUL compound and road	30-Jun-09	25-Sep-09	▲
Complete Westferry Station (3 Car Package 1 Works)	31-Jul-09	04-Sep-09	▲
Complete New South Quay Station (3 Car Package 1 Works)	30-Sep-09	30-Sep-09	●
P1 Construction work complete (3 Car Package 1 Works)	31-Jan-10	31-Jan-10	●
Bank Lewisham: service operational	28-Feb-10	30-Jan-10	●

This project will deliver the structural works necessary for 3 car operation on the DLR. This includes platform extensions, track realignment and viaduct strengthening. The project includes 3 car works on the Bank – Lewisham section, Delta Junction, the Poplar – Stratford Route, Poplar – Woolwich, Tower Gateway, Olympic Station capacity (East Route) and West Route resilience.

Two milestones have slipped in this quarter. The Package 7 installation of the new London Underground compound and road at Canning Town has been delayed by three months to the end of September as other more critical work has been prioritised. The completion of Westferry Station has been delayed by five weeks to early September due to problems with steelwork design and fabrication. This has been exacerbated by some earlier problems with c2c on agreements with the Limehouse Link Bridge.

The Package 5 works at Delta Junction were completed and the dive under was commissioned during the possession which took place on 10 May.

On Package 7 at Canning Town the nine day blockade was followed by the successful commissioning and entry into service of the new flyover on 1 June, one day earlier than planned. Productivity during the blockade was within planned targets and a significant amount of work that was not within the planned scope was successfully completed.

On the North Route, Blackwall and East India, the package 3 elements are expected to be complete by the end of August and package 4 by the end of September.

## London Rail

### *DLR Stratford International Extension*

Spend to end Q1 2009/10 £m	EFC £m
123	197.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete decommissioning at Abbey Road	25-Apr-09	25-Jul-09	■
Network Rail Infrastructure Decommissioned (SIE Package 8 Works)	30-Jun-09	19-Jul-09	▲
Star Lane Station construction work complete (SIE Package 6 Works)	31-Oct-09	13-Nov-09	▲
Canning Town Station Construction Work Complete (SIE Package 6 Works)	30-Nov-09	14-Dec-09	▲
Complete Works Package 6 - Conversion of NLL to DLR	30-Jun-10	30-Jun-10	●
Service operational	31-Jul-10	31-Jul-10	●

This project covers the extension of the DLR from Canning Town to Stratford International, using the existing North London Line alignment as far as Stratford Regional Station.

The release of the high level platforms to Network Rail during this period has enabled work to start on the ex-North London Line low level platforms at Stratford.

Several milestones have slipped in this quarter. The decommissioning of Network Rail infrastructure was delayed by three weeks as Network Rail felt that they had not been adequately briefed by the contractors. The NR Electricity Control Centre terminated the possession after it had started. Initial discussions indicated a revised possession for the August Bank Holiday but this was successfully re-scheduled for the end of June with an additional possession in mid July due to potential knock on implications for other work packages. The completion of decommissioning of 11 kv cables at Abbey Road has been delayed by three months to the end of July. This is as a result of the power switchover problems mentioned above.

The Star Lane and Canning Town construction works milestones have been delayed by two weeks as a result of knock on effects from the power works above.

The service operational date remains at the end of July 2010.

## London Rail

### DLR Railcars

Spend to end Q1 2009/10 £m	EFC £m
73.2	108.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
3-Car Woolwich Arsenal - All (24) Railcars accepted into service	31-Oct-09	10-Jul-09	●
Games additional capacity - First railcar delivered	14-Dec-09	16-Sep-09	●
Games additional capacity - Final railcar delivered	31-Aug-10	23-Aug-10	●
Games additional capacity - All cars in service	31-Oct-10	04-Oct-10	●
Stratford International Extension - Final railcar delivered	30-Nov-09	02-Sep-09	●
Stratford International Extension - All (9) Railcars accepted into service	31-Dec-09	05-Oct-09	●

This project covers the provision of twenty-four extra DLR railcars for 3-car operation and the Woolwich Arsenal extension, nine for the Stratford International extension and twenty-two for the Games.

By the end of Q1, 29 vehicles had been delivered to Beckton depot and taking over Certificates have been issued on 23. Delivery and commissioning of new vehicles continues in accordance with the agreed programme and eight more vehicles are in various stages of production in Bautzen.

Production and delivery are continuing well and milestones are forecast to be achieved early.

## Surface Transport

### *iBus*

Spend to end Q1 2009/10 £m	EFC £m
76.9	81.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
All vehicles in fleet installed with iBus.	30-Apr-09	21-Apr-09	Completed
Final Acceptance milestone for iBus	29-May-09	09-Jul-09	▲
Old system decommissioned and all operations transferred to new system	30-Jun-09	30-Jun-09	●
Legacy radio system turned off	31-Aug-09	20-Jul-09	●

The iBus project is to procure and implement a radio communication and Automatic Vehicle Location system. This will improve quality of information to customers, both on-bus (through audio-visual next stop information) and at bus stops, and reduce the current risk of a system failure.

During this quarter, all vehicles in the fleet and all garages were fitted with the iBus system. In the next quarter it is expected that the remaining milestones will be completed as the project moves towards close out. Final acceptance occurred in early July, which was slightly later than expected as residual tasks were completed and a period of stabilisation had been inserted. The old system was decommissioned as expected at the end of June and the legacy radio system was turned off five weeks earlier than expected at the end of July.

Any delay to the residual milestones will not affect the operational performance of the iBus system.

## Surface Transport

### Congestion Charging Re-Let

Spend to end Q1 2009/10 £m	EFC £m
75.0	94.4

Milestones	Current Plan Date	Actual/F'cast Date	RAG
e-pay rebranding decision made	03-Apr-09	03-Apr-09	Completed
System Integration Testing starts	01-Jun-09	26-May-09	Completed
Public Information campaign for Retail starts	01-Sep-09	01-Sep-09	●
Ready for Service Testing starts	21-Sep-09	21-Sep-09	●
Readiness Review	30-Sep-09	30-Sep-09	●
Release 1 - go live of new system for Congestion Charging and Low Emission Zone	30-Nov-09	30-Nov-09	●
Release 2 - go live of account-based charging	01-Nov-10	01-Nov-10	●

The Congestion Charging Re-Let project is to establish new contracts for the operation of the zone and to operate the Low Emission Zone. The re-let will allow the introduction of customer accounts and new detection technology to facilitate more flexible charging options.

Two milestones were achieved during this period. A new e-pay logo was agreed with the Programme board in the first week of April. Despite earlier concerns, the Systems Integration testing started slightly ahead of schedule at the end of May and a comprehensive programme is in place to complete this. IBM commenced third party supplier Systems Integration Testing with e-pay, Siemens and the Bailiffs and continues to mitigate the impact of any delays from the Systems Integration Testing phase.

The next milestone was the start of the public information campaign, which began on 14 September.

## Surface Transport

### TLRN Capital Renewal

This is an 'annualised programme', where minor schemes are delivered on a rolling basis. Costs are based on an annual budget.

Capital Renewals Programme		£ 000's
YTD Actuals		6,486
Full Year Budget		36,676
Full Year Forecast		35,651
Variance to budget		(1,025)

Description	Units	2009/10 Target	Q1 Forecast	Achieved to Date
Area of carriageway resurfaced	m <sup>2</sup>	255,000	255,000	34,907
Area of footways resurfaced	m <sup>2</sup>	60,000	60,000	5,487
Number of lighting units replaced	No.	1,000	700	-
Number of schemes to achieve a reduction in the total number of structures with special measures	No.	32	32	-
Removal of pedestrian guard railing	Km	35	35	1.14

The Transport for London Road Network (TLRN) Capital Renewal Programme involves the reconstruction and resurfacing of carriageways and footpaths to improve their condition and safety, and the renewal, upgrading and improvements to bridges, tunnels, lighting and other equipment.

By the end of Q1, 35,000m<sup>2</sup> of carriageway had been resurfaced, which represents 14% of the annual target. 5,487m<sup>2</sup> of footway had been resurfaced, which represents 9% of the annual target and 1.14km of pedestrian guardrail had been removed, which represents 3% of the annual target. The target for the number of lighting units to be replaced has fallen from 1000 to 700 and is expected to fall further in line with budget reductions. The forecast spend has been reduced by £1m over three years as a result.

An even delivery profile is not being followed and the project team state that they are ahead of their targets – this will mean that a significant ramp up in delivery will be necessary approaching year end.



## Surface Transport

### A406 Bounds Green

Spend to end Q1 2009/10 £m	EFC £m
10.2	69.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Commence advance statutory utilities work	05-Jan-09	05-Jan-09	Completed
Commence contract procurement	01-Jun-09	15-May-09	Completed
Award contract	28-Feb-10	28-Feb-10	●
Commence main works	29-Mar-10	29-Mar-10	●
Completion of main works	03-May-12	03-May-12	●

The section of the A406 between Bounds Green Road and Green Lanes suffers from congestion and has a poor accident record. Much of the adjoining property was acquired under blight and is now under TfL ownership.

The scheme has been designed to address the high level of personal injury accidents in the area and the poor quality local environment. The project will create a predominantly two-lane dual carriageway with improved traffic flows at junctions, improved pedestrian crossing facilities, a dedicated cycleway, improved bus journey reliability, and improvements to the local street scene.

The project is in the procurement phase, which commenced two weeks ahead of schedule in May 2009. Advanced demolition contracts were invited during this quarter and returned in mid-June. The preparation of the main works contract is progressing well and tenders were invited in early September. The next major milestone is expected to be the award of contract in February 2010.

## Surface Transport

### *Blackwall Tunnel Northbound Refurbishment*

Spend to end Q1 2009/10 £m	EFC £m
4.2	60.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Award Contract	29-May-09	09-Nov-09	■
Start of Main Works	30-Jun-09	23-Nov-09	■
Revised procurement strategy approved	30-Jun-09	30-Jun-09	●
Construction complete	21-Jun-11	21-Nov-11	■

This project will bring the Northbound tunnel to European best practice standards. Work includes: shaft alterations, ventilation upgrades, lighting, drainage, signage and public address system works and upgrades to the emergency points and fire detection and fighting systems.

The project is expected to be delivered during night time and occasional weekend possessions, which means that there is unlikely to be any problems during the Olympics as work can cease for that period if necessary.

This project is expected to return to Finance and Policy Committee for authority later in the year.

### *Cycle Hire*

Spend to end Q1 2009/10 £m	EFC £m
2.6	189.4

Milestones	Current Plan Date	Actual/F'cast Date	RAG
ITT published	31-Mar-09	04-Mar-09	Completed
Contract Award	30-Jun-09	10-Aug-09	▲
Planning Applications Submitted	20-Nov-09	20-Nov-09	●
Go Live #1 - Website	31-Mar-10	31-Mar-10	●
Go Live #2 - On Street	31-May-10	31-May-10	●

## Surface Transport

The Cycle Hire scheme will deliver 6,000 cycles in central London by May 2010. 400 docking stations will be introduced, which equates to 9 docking stations per square kilometre. Benefits of the scheme are that it will improve modal shift towards cycle use in central London, and will reduce congestion on existing public transport services in the area. Health benefits will accrue to users and ambience improvements will occur in the vicinity of the docking stations.

The ITT was published ahead of schedule in early March. The next major milestone is the contract award, which has been delayed by six weeks as a result of clarification meetings with bidders. Submissions have been received in excess of the expected budgetary provision. The estimated final cost has been reviewed following tender re-evaluation and stands at £256m.

## Cycle Superhighways

Spend to end Q1 2009/10 £m	EFC £m
0.1	163.4

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Route 3 - Completion of definition of route & measures	16-Jul-09	16-Jul-09	●
Route 3 - Completion of Preliminary design and NAT scheme approval	02-Oct-09	02-Oct-09	●
Route 7 - Completion of Preliminary design and NAT scheme approval	19-Oct-09	19-Oct-09	●
Commence construction of 2 Cycle Highways to be delivered in May 2010	30-Oct-09	30-Oct-09	●
Route 7 - Construction end	28-May-10	28-May-10	●
Route 3 - Construction end	28-May-10	28-May-10	●

The Cycle Superhighways scheme will deliver 12 radial routes into central London. The pilot project is to deliver the first two routes – Routes 3 and 7 by May 2010. Extensive monitoring is in place to assess the effectiveness of some of the interventions proposed. The remaining ten routes will be delivered in a separate project by 2012. The project objective is to encourage modal shift to cycles and to enhance the cycling experience for current users by creating wider lanes, improved surfacing and further segregation.

The first two routes are to be delivered using the Highways and Maintenance Works Contractors (HMWC) framework agreement that provides resources to deliver streets schemes in Surface Transport. Using the HMWC framework remains a risk as resources become stretched and competing delivery demands are faced. The procurement process for the remaining routes has not yet been decided.

Route 3 Definition of Route and Measures was delivered, two weeks later than expected, at the end of July.

## Surface Transport

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The timeline remains tight for the first two routes and it is expected that smarter travel measures, junction works and all innovative design requiring DfT approval may have to be delivered beyond May 2010. The largest risk remains the delivery schedule for the first two routes, including a challenging design and build programme and works being carried out by utility companies.

## Group

### IM Strategic Investment Programme

Spend to end Q1 2009/10 £m	EFC £m
42.4	152.3

Milestones	Current Plan Date	Actual/F'cast Date	RAG
End User Computing – 14,000 users and 10,600 units migrated	30/11/2009	30/11/2009	●
Voice and Data Network – Core migration from LAN to MAN completed	31/10/2009	31/10/2009	●
Data Centre 2 Operational readiness	14/09/2009	14/09/2009	●
Data Centre 1 Operational readiness	31/12/2010	31/12/2010	●
Migration of Fujitsu Systems to DC2 hosting	31/03/2010	31/03/2010	●
Application Portfolio Management – Database delivered	30/09/2009	30/09/2009	●

The IM Strategic Investment Programme is a programme of works to update TfL's IM infrastructure. There are six work streams:

**End User Computing (EUC)** – replaces several separate Domain Servers with one single Domain across the company. Microsoft Office 1997 is also updated to the latest version and many desktop computers are replaced with thin client terminals working off a central mainframe computer.

By the end of the first quarter 7,294 users (50%) and 8,551 units (81%) were migrated. The final rollout to London Underground Lines and Stations is due to be complete at the end of November 2009.

**Voice and Data Network (VDN)** – provides a highly available, fault tolerant, integrated and secured voice and data network. This is in effect the telephone and data cabling between sites to be known as the Metropolitan Area Network (MAN). There are three phases. Phase 1 addresses known performance and reliability issues with the current infrastructure and analysis work; Phase 2 introduces a TfL wide approach to procuring and running network services; and Phase 3 removes redundant and overly complex technical and commercial arrangements.

By the end of the first quarter, the majority of audit and migration planning work had taken place and a migration schedule was constructed on 3 July. The new MAN was built and testing occurred and the transition to Fujitsu was completed on 8 May. Beyond Q1, 17 buildings had been migrated to the new MAN by 13 September. The next major milestone is the core migration completion at the end of October.

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**Data Centre (DC)** – is to provide a dedicated and highly resilient data centre and to decommission most of the existing computer rooms. A new Data Centre located in Woking was operationally ready beyond Q1 on 14 September.

During the first quarter of 2009/10 the cabinets fit out of DC2 was completed to programme and the fit out of power supplies, the internal cabling and hardware continued.

**Hosting (HOS)** – is to consolidate and rationalise 80% of the TfL server estate into the new strategic Data Centres and migrate externally hosted applications in house. Applications include Journey Planner, Fujitsu systems and Service and Operations.

During the first quarter of 2009/10 the Build and Test phase of the Journey Planner migration took place. The migration phase then commenced and four failures to migrate occurred. In order to ensure smoother migrations, monitoring tools will be implemented and operational support structures will be strengthened before Journey Planner will be migrated. This is now expected to migrate in January 2010. The Plan and Build phase for the Fujitsu systems continued throughout the quarter and was completed at the end of June. Migration is expected to be complete by the end of March 2010.

**Enterprise Management (EMT)** – This small project delivered backup and monitoring capability that has now been transferred to the Hosting work stream. Detailed design of the backup facility and the pilot migration occurred during Quarter 1 and designs were complete on the monitoring network tool. There is no future activity for this work stream.

**Application Portfolio Management (APM)** – is a small work stream to reduce the cost of software applications. Objectives are to rationalise applications, software licences and improve management of these items. The work stream will deliver a database containing application spend and this will enable more effective licence management. This work stream is expected to complete the database in September 2009, which will be transferred from the Project to Business As Usual management.

## ITSO

Spend to end Q1 2009/10 £m	EFC £m
0.5	56.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Agree scope and funding with DfT	31-Jan-09	28-May-09	Completed
Completion of changes to back-office systems	30-Apr-11	31-May-11	▲
Completion of project	31-Jul-11	31-Aug-11	▲

ITSO (Integrated Transport Smartcard Organisation) is the name of the smartcard specification being mandated by the Department for Transport (DfT) for rail franchises and for the national bus concessionary scheme. Enabling the acceptance of ITSO specified tickets requires changes to TfL's ticketing systems, including a card reader capable of reading both Oyster and

## Group

ITSO tickets, establishment of a head office processing system (HOPS), new or upgraded communications links and other system changes.

The Expected Final Cost for the project is £56m, funded by the DfT as per an agreement between them and TfL dated 28 May 2009.

This agreement over the scope and funding was reached four months later than expected. The other milestones of the completion of changes to the back office system and completion of the project have currently slipped by one month to the end of May and August 2011 respectively.

A contract variation for the long lead time items required has been issued to Transys.

### *Boroughs Programme*

<b>Boroughs Programme</b>	<b>£ 000's</b>
YTD Actuals	17,845
Full Year Budget	155,797
Full Year Forecast	155,518
Variance	279

The Borough Partnership Investment Programme is a way of funding transport improvements in the Boroughs and includes £156m funding in the present financial year. Improvements are split into a variety of work streams such as Road Safety, Road Maintenance, Streets for People, and Cycling. There are 21 active streams of work – the largest in this financial year is Road Safety at £30m but there are several significantly less than this including £5.4m for Town Centres, and £3.6m for Station Access.

Individual scheme requests for funding are currently loaded onto the Local Implementation Plan (LIP) portal and approved by TfL before the money is released. The process is to be modified for 2010/11 and the Boroughs will be given more authority to switch money between areas to meet local need.