

TRANSPORT FOR LONDON

BOARD

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

DATE: 10 DECEMBER 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 The following performance monitoring reports are attached for the Second Quarter of 2009/10 (28 June – 19 September 2009):
- (a) Appendix 1 - Operational and Financial Performance report; and
 - (b) Appendix 2 - Investment Programme report.
- 1.2 These were considered by the Finance and Policy Committee at its meeting on 24 November 2009.
- 1.3 The Finance and Policy Committee was advised that some of the milestones in the Investment Programme Report would need to be revised due to their dependence on firmer timetables from other bodies such as Crossrail, the Olympic Development Authority and Tube Lines.

2 RECOMMENDATION

- 2.1 The Board is asked to NOTE the reports.

3 CONTACT

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Operational and Financial Report

Second 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 one:	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:	3 December 2009 - 31 March 2010	(Operating periods 10-13)

On the front cover: First train over the GE19 bridge following the commencement of test running on the East London Line.

Operational and Financial Performance Report

Second Quarter, 2009/10 (28 June 2009-19 September 2009)

Performance Summary

Compared to last year demand continued to fall in quarter two 2009/10, with 770.5 million passengers travelling on the Transport for London (TfL) network, 2.2 per cent lower than last year. Due to the economic conditions, patronage on London Underground declined and a higher proportion of passengers used London Buses.

London Underground: During the quarter, passenger demand on the Underground continued to fall as a result of the economic climate. Underground passengers made 236.0 million journeys, 13.0 million (5.2 per cent) lower than last year and 6.6 million (2.7 per cent) lower than target. Using data which has been adjusted for the timing of public and school holidays, travelcard apportionment adjustments and other seasonal variations patronage compared to last year on London Underground declined by 5.4, 6.4 and 6.0 per cent in periods 4, 5 and 6 respectively.

London Buses: Demand for bus services also declined during the quarter. Bus passengers made 511.5 million journeys, 2.3 million (0.4 per cent) lower than the previous year and 10.4 million (2.0 per cent) below target.

Docklands Light Railway (DLR): In quarter two, DLR passengers made 15.6 million journeys, 0.3 million fewer than target, but 0.6 million more journeys than the same quarter of last year.

Financial performance: In the year to date, operating income was £56 million lower than budget, offset by operating expenditure of £108 million lower than budget and group items expenditure of £14 million lower than budget. Capital income was £35 million higher than budget and capital expenditure after third party reimbursements and overprogramming was £44 million lower than budget.

Efficiencies: The scope and ambition of TfL's savings programme has now more than doubled since last year and is set out in the recently published Business Plan, with £1.3bn in savings now assumed to 2011/12, and more than £5bn in total over the period of the Plan. Targets for 2009/10 have now been aligned to the published plan. Savings of £255 million are now forecast to be delivered in 2009/10 against a target of £259 million. In quarter two, savings of £65 million (year to date) have been delivered relating to Operating Cost Review (OCR) and Continuous Savings Exercise (CSE) initiatives.

Contextual Economic indicators

- Year-on-year inflation, as measured by the Retail Price Index, was -1.4 per cent in September compared with -1.3 per cent in August and -1.4 per cent in July;
- The Consumer Price Index measure was up 1.1 per cent in September, compared with 1.6 per cent in August and 1.8 per cent in July;
- The volume of UK retail sales in August was up 2.1 per cent year-on-year, compared with an increase of 2.9 per cent in July;
- Overseas visits to the UK were down 10.5 per cent year-on-year in August, compared with a revised year-on-year decrease of 8.5 per cent in July;
- Employment in London (amongst working age London residents) was down 1.5 per cent year-on-year in the quarter to August, compared with a year-on-year decrease of 2.3 per cent in the previous quarter;
- 9.0 per cent of working age London residents were unemployed in the quarter to August, compared with 7.8 per cent in the same quarter last year.
- Journeys on National Rail in London and the South East were down 2.8 per cent year-on-year in the quarter to mid September.
- Gross Domestic Product (GDP) decreased by 0.4 per cent in the third quarter of the 2009 calendar year, compared with a decrease of 0.6 per cent in the second quarter. GDP was 5.2 per cent lower than quarter three last year.

Performance Summary – Performance Indicators

2009/10 Key Performance Indicator	Unit	Quarter 2				Full Year			
		Actual	Target	Var	PY	Forecast	Target	Var	PY
Supporting Economic Development									
Excess Journey Time (Weighted) - LU	Mins	6.1	6.8	(0.7)	6.4	No forecast	6.8	n/a	6.6
Excess Wait Time, High Freq Routes - Buses	Mins	1.05	1.05	-	1.03	1.10	1.13	(0.03)	1.13
On Time Performance (PPM Moving Annual Average) - LO	%	92.5	92.8	(0.3)	92.1	93.4	93.4	-	92.2
On Time Performance - DLR	%	95.7	96.0	(0.3)	97.3	96.0	96.0	-	94.6
Person Journey Time									
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	244.3	245.4	(1.1)	233.1	223.0	219.0	4.0	207.2
% Scheduled Services Operated - LU	%	97.2	96.3	0.9	96.3	96.3	96.3	-	96.4
% Scheduled Services Operated - Buses	%	97.6	97.7	(0.1)	97.4	97.4	97.5	(0.1)	97.0
% Scheduled Services Operated - DLR	'000s	98.5	98.5	-	99.4	98.5	98.5	-	98.4
% Scheduled Services Operated - Trams	%	97.3	98.0	(0.7)	99.2	98.0	98.0	-	98.4
% Scheduled Services Operated - River Services	%	99.2	98.5	0.7	98.7	98.7	98.5	0.2	98.3
Quality of Life									
Overall Customer Satisfaction - TfL Group (excl London Overground)	Score	79.5	79.9	(0.5)	80.6	No forecast	80.0	n/a	80.0
Overall Customer Satisfaction - LU	Score	80	79	1	79	No forecast	79	n/a	79
Overall Customer Satisfaction - Buses	Score	79	80	(1)	81	No forecast	80	n/a	80
Overall Customer Satisfaction - DLR	Score	92.2	92.0	0.2	89.5	92.0	92.0	-	91.9
Overall Customer Satisfaction - Trams	Score	85.0	84.0	1.0	87.0	85.5	85.5	-	-
National Passenger Survey - London Overground	Score	reported bi-annually, available in Q3				73.0	73.0	-	71.0
Ensuring Safety and Security									
Number of killed or seriously injured people (Londonwide) *	#	228	292	(64)	322	2,916	3,434	(518)	3,526
Number of killed or seriously injured people (TLRN) *	#	54	88	(34)	111	811	947	(136)	1,011
Customer Major Injuries & Fatalities - LU (per m journeys)	#	0.07	0.13	(0.06)	0.14	No forecast	0.13	n/a	0.12
Customer & Public Major Injuries & Fatalities - Buses (per m journeys)	#	0.54	No Target	n/a	0.60	No forecast	No Target	n/a	0.55
Recorded Crime (per million journeys) - LU/DLR ****	#	13.1	13.8	(0.7)	13.8	13.3	13.3	-	13.2
Recorded Crime (per million journeys) - Buses ****	#	10.2	11.0	(0.8)	11.0	11.0	12.0	(1.0)	12.0
Providing Better Transport Options for all Londoners									
Overall Customer Satisfaction - Dial-a-Ride	Score	91.0	92.0	(1.0)	91.0	No forecast	92.0	n/a	90.0
People									
Number of Staff - TfL Group (excl Crossrail) **	FTE	27,159	28,757	(1,599)	21,878	27,037	28,126	(1,089)	21,435
No of Temporary Contractors - TfL Group (excl Crossrail) **	FTE	2,327	2,426	(99)	1,507	1,738	1,675	64	1,284
No of Temporary Contractors - TfL Group over 12 months service (excl Crossrail) **	FTE	1,292	1,191	101	564	864	872	(8)	527
No of days sickness absence per employee: TfL Group ***	Days	4.6	4.2	0.4	4.4	9.6	9.5	0.1	9.7
No of days sickness absence per employee: TfL Group Operational ***	Days	5.8	5.2	0.6	5.5	11.8	11.7	0.1	12.1
No of days sickness absence per employee: TfL Group Non-Operational ***	Days	2.9	2.7	0.2	2.8	5.6	6.0	(0.4)	6.2
Contextual Indicators									
Service Demand									
Passenger Journeys - TfL Group (excl London Overground)	m	770.5	787.9	(17.3)	785.6	3,404.6	3,471.2	(66.6)	3,434.2
Passenger Journeys - LU	m	236.0	242.6	(6.6)	249.0	1,052.7	1,094.0	(41.3)	1,089.5
Passenger Journeys - Buses	m	511.5	521.9	(10.4)	513.8	2,252.0	2,274.0	(22.0)	2,246.6
Passenger Journeys - DLR	m	15.6	15.8	(0.3)	14.9	67.5	71.0	(3.5)	66.0
Passenger Journeys - Trams	m	5.8	6.0	(0.2)	6.2	27.3	27.5	(0.2)	27.0
Passenger Journeys (total)- River Services	'000s	1,407.5	1,089.0	318.5	1,350.6	3,738.0	3,000.0	738.0	3,892.7
Total Trips - Dial a Ride	'000s	284.2	322.2	(38.0)	271.4	1,340.0	1,400.0	(60.0)	1,178.3

GREEN: better than or equal to target; AMBER: within 5% of target; RED: 5% or more worse than target

Notes:

Tables may be subject to rounding errors.

FTE = Full Time Equivalents

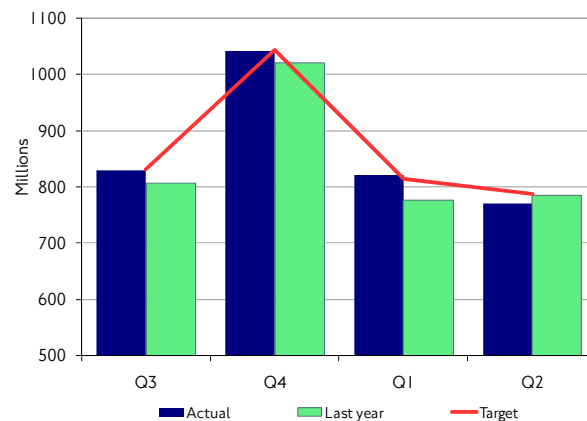
* Due to the reporting process and nature of road traffic accident data the latest data available is for May 2009. KSI data for quarter 2 is for May 2009 only as data to April 2009 was reported in the Q1 report.

** Prior year numbers exclude nominee companies and Crossrail

*** Sickness absence data excludes Crossrail staff. Sickness absence in the Q2 columns is year to date.

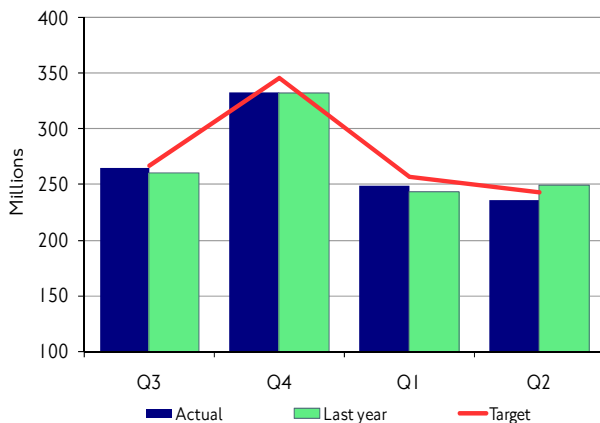
Service Demand

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

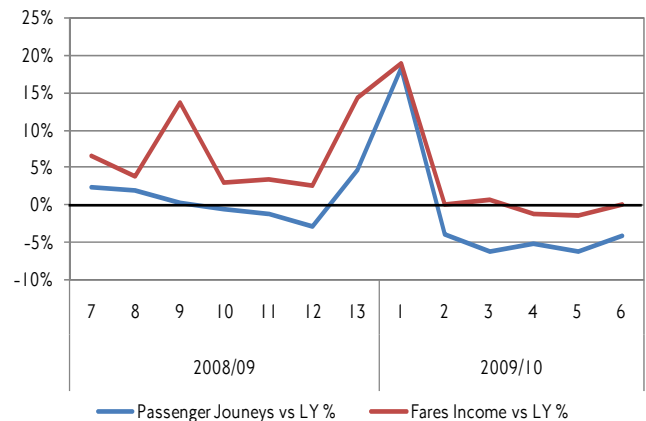


- 1.0 During the second quarter of 2009/10, TfL passengers made fewer journeys than target and last year. Following feedback from members this section has been augmented to show both revenue and passenger journey comparisons between the current and previous financial years. Note that in some cases variances are due to reporting artefacts, such as the different number of days in period one this compared to 2008/09. However, where possible these have been explained in the commentary.

**Passenger Journeys –
London Underground**



**Passenger Journeys and Fare Income vs last year
by period-
London Underground**



	Year to Date					Full Year				
	Actual	Budget	Vs Budget	Last Year	Vs Last Year	Forecast	Budget	Vs Budget	Last Year	Vs Last Year
LU										
Passenger journeys m	485	499	(14)	492	(7)	1,053	1,094	(41)	1,089	(37)
Fare Income £m	(740)	(775)	35	(721)	(19)	(1,609)	(1,692)	83	(1,613)	4

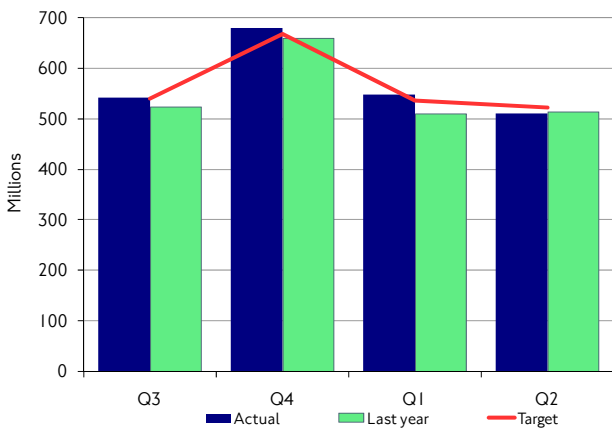
Table subject to rounding

- 1.1 On the Underground, passenger demand continued to decline in 2009/10. During the second quarter of 2009/10, there were 236.0 million passenger journeys, 13.0 million fewer journeys (5.2 per cent) compared with the second quarter of 2008/09, and 6.6 million, or 2.7 per cent, fewer journeys than target. In general, revenue has increased since last year due to the January fares rise, whereas journeys have been steadily declining. Period one was unusual due to the greater number

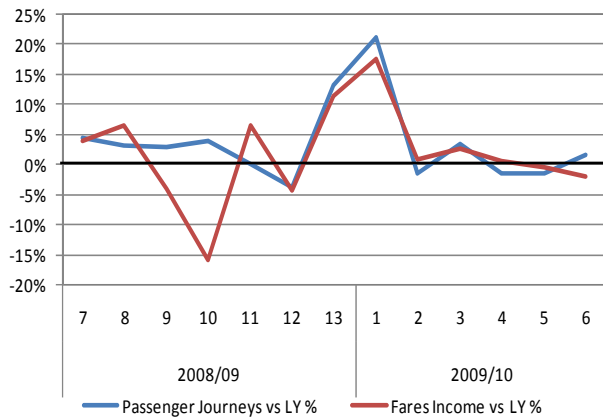
of days compared to period one in 2008/09 and the revenue spike in period 9 2008/09 was due to retrospective travelcard apportionment adjustments totalling £14 million in 2007/08.

- 1.2 Using data which has been adjusted for the timing of public and school holidays, travelcard apportionment adjustments and other seasonal variations patronage compared to last year on London Underground declined by 5.4, 6.4 and 6.0 per cent in periods 4, 5 and 6 respectively.
- 1.3 **Ticket mix on the Underground:** At the end of quarter two, 3.0 per cent of Underground passenger journeys were on cash fares and this was little changed over the last year. Oyster pay-as-you-go (PAYG) journeys comprised 36 per cent of all Underground journeys compared to 32 per cent a year ago.

Passenger Journeys – London Buses



Passenger Journeys and Fare Income vs last year by period- London Buses

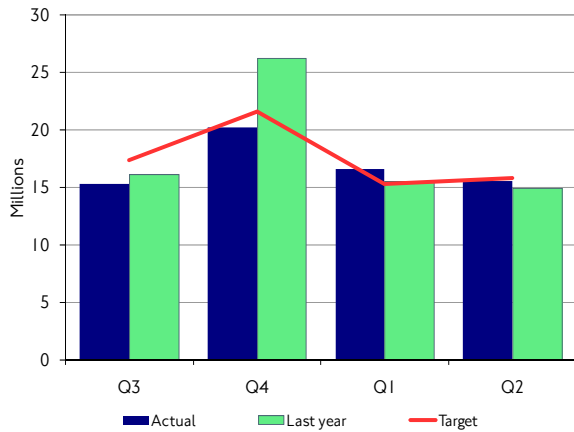


	Year to Date					Full Year				
	Actual	Budget	Vs Budget	Last Year	Vs Last Year	Forecast	Budget	Vs Budget	Last Year	Vs Last Year
Bus										
Passenger journeys m	1,060	1,058	1	1,024	36	2,252	2,274	(22)	2,247	5
Fare Income £m	(513)	(529)	16	(498)	(15)	(1,111)	(1,124)	13	(1,074)	(37)

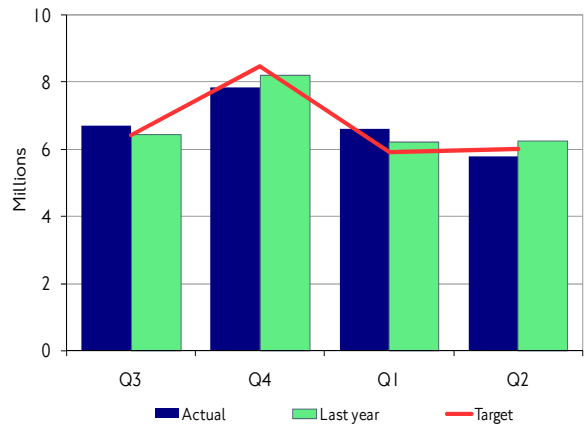
Table subject to rounding

- 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, compared to last year. Since the end of quarter one, demand for bus services has declined. Bus passengers made 511.5 million journeys in the second quarter. This represented a fall of 2.3 million journeys, or 0.4 per cent, compared to 2008/09 and 10.4 million, or 2.0 per cent, lower than target.
- 1.5 Bus passenger journeys and fares income were broadly in line expect in period 10 last year when £15 million was repaid to London Councils in respect of the National Concessionary Scheme.
- 1.6 **Ticket Mix on London Buses:** At the end of quarter two, cash single fares on buses accounted for 1.5 per cent of all journeys compared to 1.7 per cent in quarter two last year. Oyster PAYG fares comprised 20.0 per cent of all bus journeys (19.0 per cent last year).

**Passenger Journeys –
Docklands Light Rail**

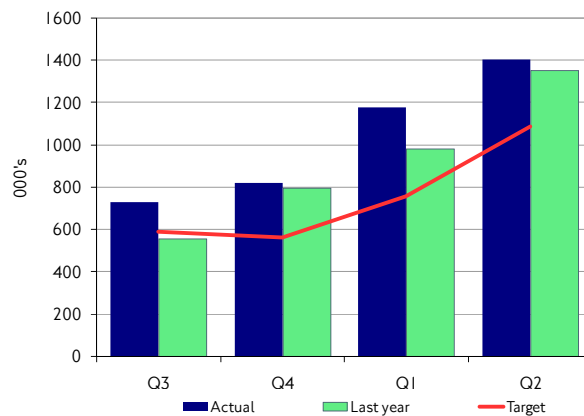


**Passenger Journeys –
London Trams**



- 1.7 In quarter two, Docklands Light Rail (DLR) passengers made 15.6 million journeys, 0.6 million (4.2 per cent) more journeys than last year, mainly due to the impact of engineering possessions at Lewisham and Tower Gateway in 2008. Passengers made 0.3 million (1.7 per cent) fewer journeys than target due to economic factors.
- 1.8 Tram passengers made 5.8 million journeys in quarter two. This was 0.2 million (3.9 per cent) fewer than target and 0.4 million (7.2 per cent) fewer than last year. This was partly due to engineering works in East Croydon that were carried out in the quarter. In the year to date, passengers made 12.4 million journeys by tram. This was 0.4 million (3.7 per cent) more than target, but 0.1 million (0.5 per cent) fewer than last year.

**Passenger Journeys –
London River Services**

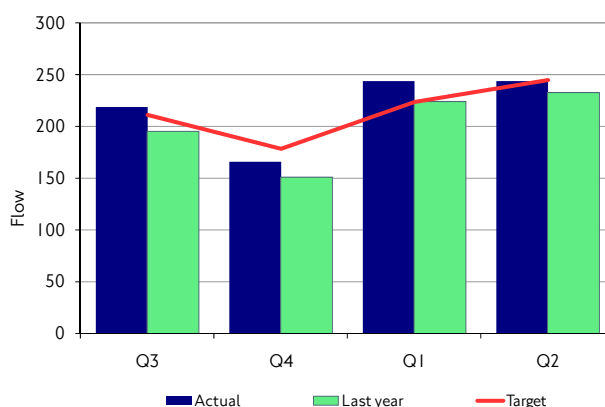


- 1.9 Passengers made 1.4 million journeys on London's river services during the quarter. This was 4.2 per cent more than last year and 29.2 per cent more than target, which has proved overly pessimistic in respect of the impact of the economic downturn. This was due to the increasing popularity of the successful Thames Clippers service between the London Eye and The O₂. Due to the weakness of the pound there was a large increase in the number of tourists using river transport. In the year to date, passengers made 2.6 million journeys on London's river services. This was 10.9 per cent more than last year and 40.0 per cent higher than target, which was overly pessimistic in respect of the impact of the economic downturn.
- 1.10 In quarter two, Dial-a-Ride operated 284,000 trips, 13,000 (4.7 per cent) more trips than last year, but 38,000 trips (11.8 per cent) fewer than target. Work is in progress to convert repeat bookings into regular trips, smooth peak demand, provide more flexibility in vehicle availability and establish

an on-line booking facility. In the year to date, Dial-a-Ride operated 578,000 trips. This was 36,000 (6.6 per cent) more than last year but 54,000 (8.5 per cent) fewer than target. It is expected that booking system stability will improve steadily and operational efficiencies will be derived from journey pattern data. This will support the anticipated increase in journey numbers to 1.34 million for 2009/10.

- 1.11 At the end of quarter two, there were 24,800 licensed taxi drivers, 100 more than target. There were 58,100 licensed private hire drivers at quarter two. This was 3,100 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 two, the average index of cycle flows on the TLRN (TfL Road Network) was 244.3 points, marginally lower than target. However, this represents an increase of 11.2 points compared to the same quarter last year, where the index was on average 233.1. This increase is continuing the upward trend seen over the last eight years. In the year to date, the average index of cycle flows on the TLRN was 244.3, which was 9.8 points higher than target.

Traffic

1.13 In quarter two, London's traffic signal availability stood at 98.4 per cent. This was 0.2 percentage points lower than in quarter one and 0.7 percentage points lower than the target of 99.1 per cent. This is largely due to the underperformance of one of the three maintenance contractors. TfL officers have worked closely with them to address the performance issues and performance levels are now on the rise. TfL and the contractor are in regular contact to ensure the current increases in performance are sustained.

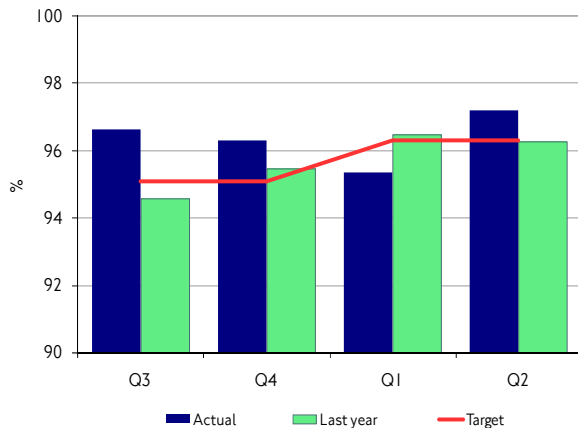
1.14 Traffic levels in Central and Inner London (average weekday flow over 24 hours) continued to follow a long term falling trend. In quarter two:

- The average 24 hour weekday traffic flows entering central London was 5.7 index points (5.9 per cent) lower than quarter two in 2008/09.
- The average 24 hour weekday traffic flows in inner London was 1.3 index points (1.3 per cent) lower than quarter two in 2008/09.
- The average 24 hour weekday traffic flows in outer London was 3.1 index points (3.3 per cent) higher than quarter two in 2008/09.

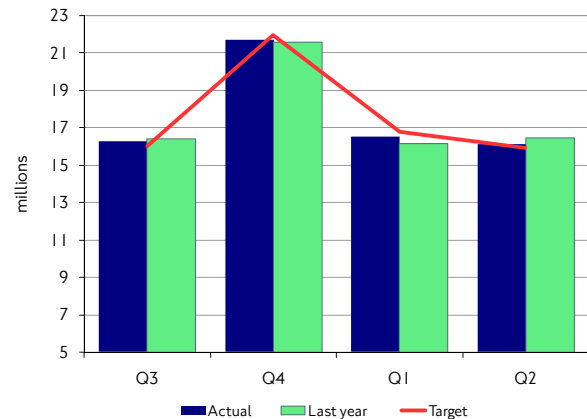
1.15 In quarter two, 99.5 per cent of TLRN emergency call-outs were attended within one hour. This was 1.5 percentage points higher than target and 0.5 percentage points higher than last year.

Service Provision

**Scheduled Services Operated –
London Underground**



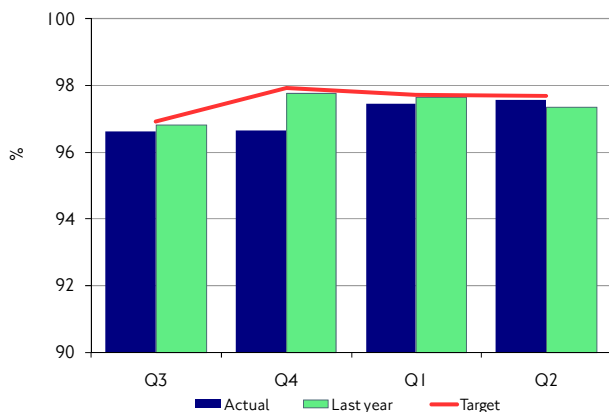
**Train Kilometres Operated –
London Underground**



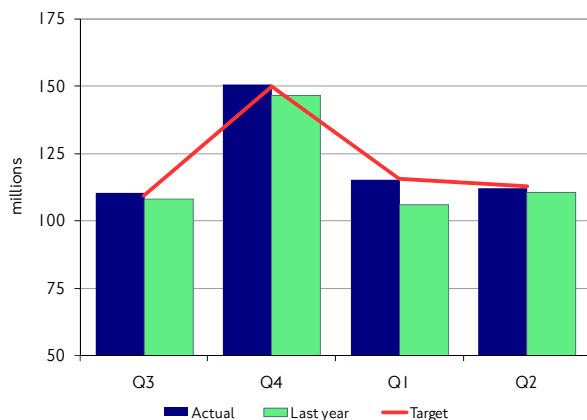
2.0 London Underground operated 97.2 per cent of scheduled services in quarter two. This was 0.9 percentage points better than both target and last year. Year to date performance is now in line with the target of 96.3 per cent, despite losses due to RMT strikes. Excluding the strike effect, year to date performance is 97.4 per cent, with all lines achieving or beating targets.

2.1 During quarter two, London Underground operated 16.1 million kilometres. This was 0.2 million (1.1 per cent) more than target but 0.3 million (2.1 per cent) less than last year, as the reduction in schedule due to engineering works was almost double that of quarter two 2008/09. In the year to date, London Underground operated 32.7 million kilometres, which was in line with target but 0.1 million kilometres more than last year. It is estimated that 0.4 million kilometres were lost as a consequence of industrial action in quarter one.

**Scheduled Services Operated –
London Buses**



**Kilometres Operated –
London Buses**

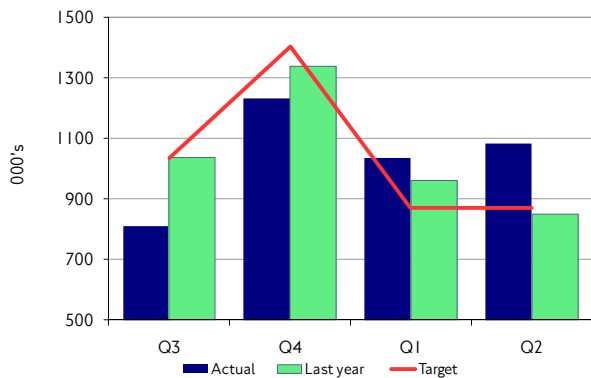


2.2 During the second quarter, 97.6 per cent of scheduled bus services were operated, 0.1 percentage points lower than target but 0.2 percentage points more than last year. Performance in quarter two last year was adversely affected by industrial action by drivers. In the year to date, London Buses operated 97.5 per cent of scheduled services, in line with last year but 0.2 percentage points less than target. This was attributable to larger than expected losses due to traffic delays in certain locations.

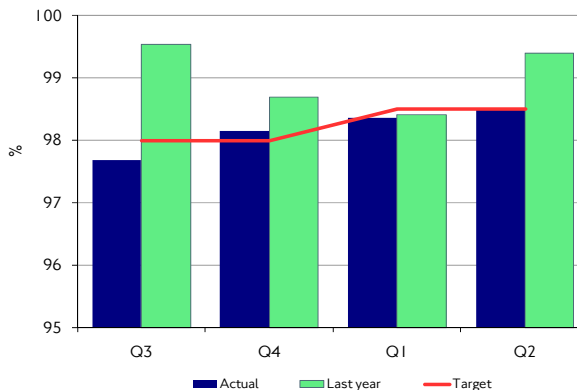
2.3 In quarter two, London Buses operated 112.1 million kilometres, an increase of 1.6 million kilometres (1.4 per cent) compared to last year but 0.7 million kilometres (0.6 per cent) less than

target. In the year to date, Buses operated 227.3 million kilometres, 1.2 million kilometres (0.5 per cent) less than target due to higher than expected losses due to traffic delays in certain locations. However, this was 10.6 million (4.9 per cent) more than last year, largely due to industrial action by drivers in 2008 and six additional days in period one this year.

**Train Kilometres Operated –
Docklands Light Rail**



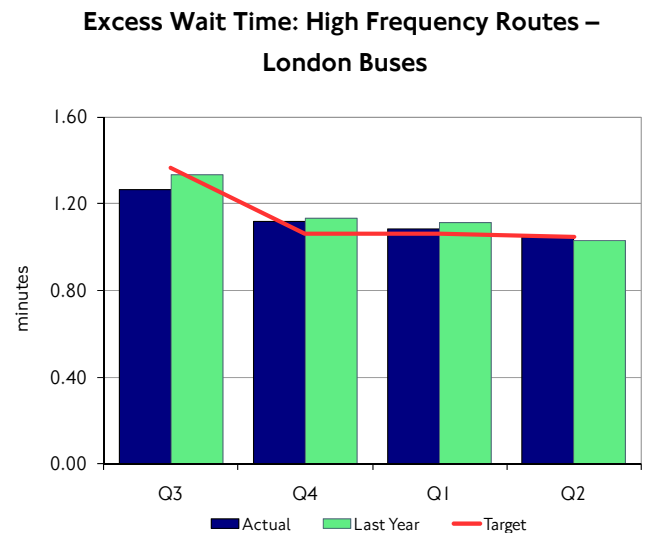
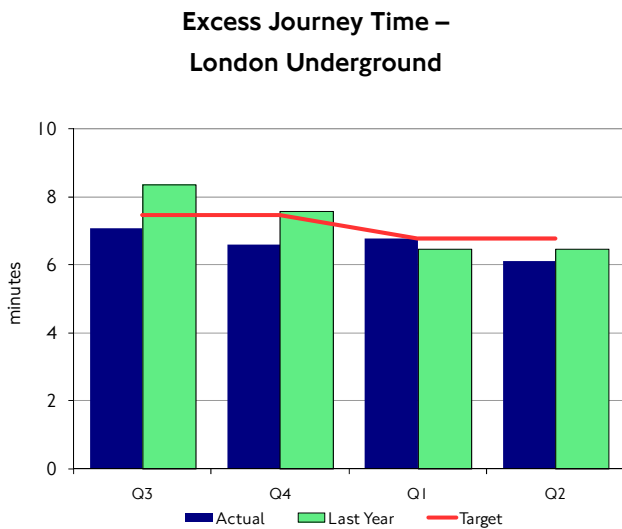
**Percentage of Schedule Operated –
Docklands Light Rail**



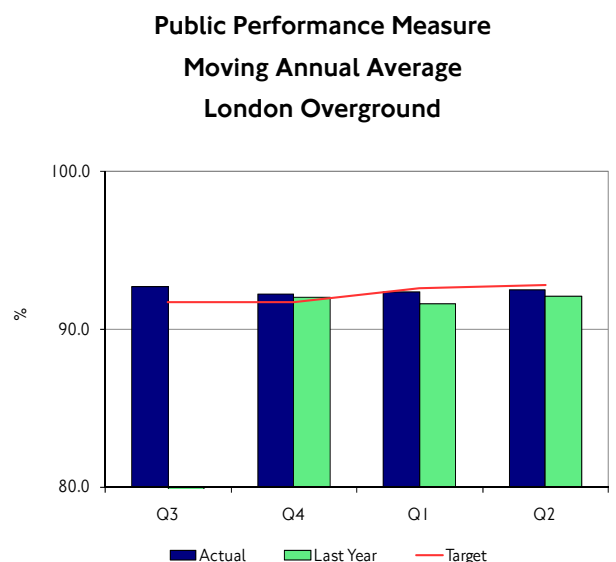
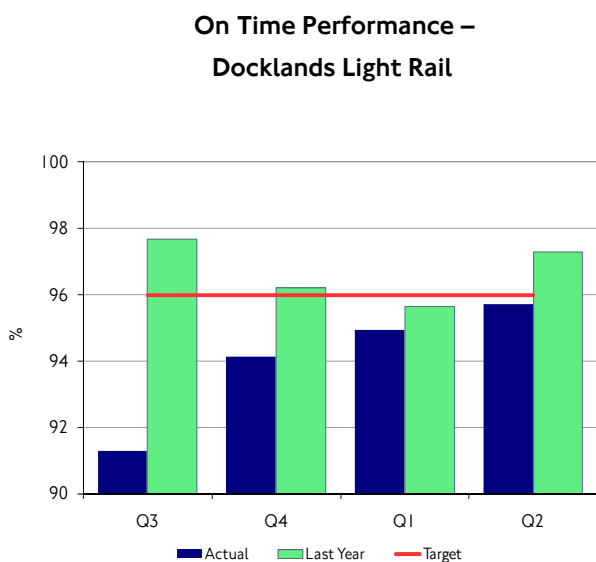
- 2.4 During the second quarter, 98.5 per cent of scheduled services were operated on the DLR. This was in line with target but 0.9 percentage points lower than last year. In the year to date, 98.4 per cent of DLR scheduled services were operated, 0.1 percentage points lower than target and 0.5 percentage points lower than last year. Performance in the quarter and the year to date was affected by signalling (mostly points) and rolling stock failures (mostly doors and communications).
- 2.5 The DLR operated 1,084,000 kilometres in quarter two, 214,000 (24.5 per cent) more than target and 236,000 (27.8 per cent) more than last year. In the year to date, DLR operated 2,120,000 kilometres, 380,000 kilometres (21.8 per cent) more than target and 312,000 (17.3 per cent) more than last year. Performance in the quarter and the year to date was affected by changes in assumptions on the service plan and possessions since the target was set.

Service Reliability

3.0 Excess journey time on the Underground averaged 6.1 minutes during the quarter. This was an improvement of 0.3 minutes compared to last year and 0.7 minutes better than target. In the year to date, excess journey time was 0.3 minutes better than target, at 6.5 minutes. This is the same as at the equivalent stage of last year. However, this year's result includes 0.3 minutes attributable to industrial action and a 0.2 minute increase due to line closures for engineering works.



3.1 During the second quarter, excess wait time on London Buses averaged 1.05 minutes. This was in line with target but 0.02 minutes worse than last year. In the year to date, excess wait time averaged at 1.07 minutes. This was in line with last year but 0.01 minutes worse than target.



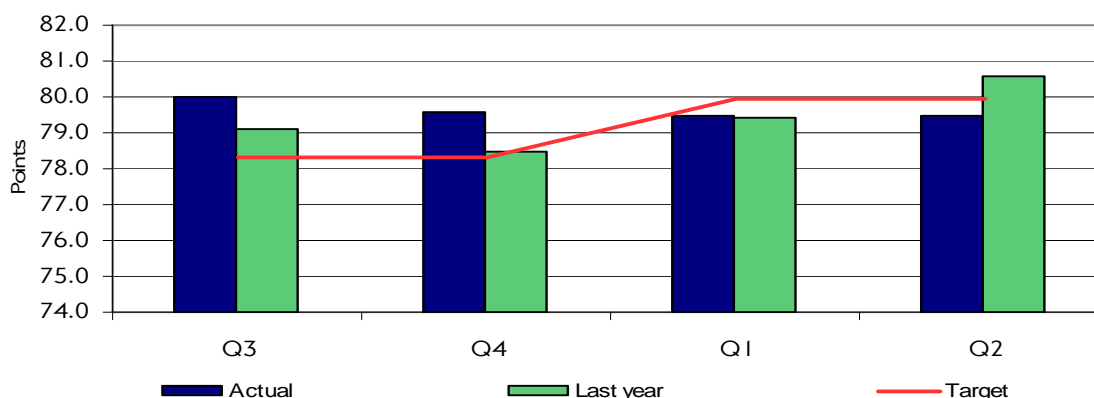
3.2 In the second quarter, 95.7 per cent of DLR trains were on time. Although on time performance improved compared to last quarter, it was 0.3 percentage points worse than target and 1.6 percentage points worse than quarter two last year. Signalling faults (mostly points) and rolling stock failures (door and communications faults) had the most significant impact on performance during the quarter. In the year to date, 95.3 per cent of DLR trains were on time, which was 0.7 percentage points worse than target and 1.2 percentage points worse than last year. A new timetable was

introduced on 24 August which will improve service reliability for quarter three, and an improvement was already evident in period 6. This will reduce the number of conflicting trains in the central section of the network by using the North Quay underpass.

- 3.3 The London Overground Public Performance Measure (PPM) is the percentage of trains arriving at their destination within five minutes of the arrival time stated in the timetable. The moving annual average PPM at the end of quarter two was 92.5 per cent. This was 0.3 percentage points below target, mostly due to unit and power failures, but 0.4 percentage points better than last year. Of the PPM failures on the London Overground in the year to date, London Overground Rail Operations Limited (LOROL) was responsible for 30 per cent, Network Rail for 50 per cent, London Underground for eight per cent and other operators for twelve per cent.

Customer Satisfaction

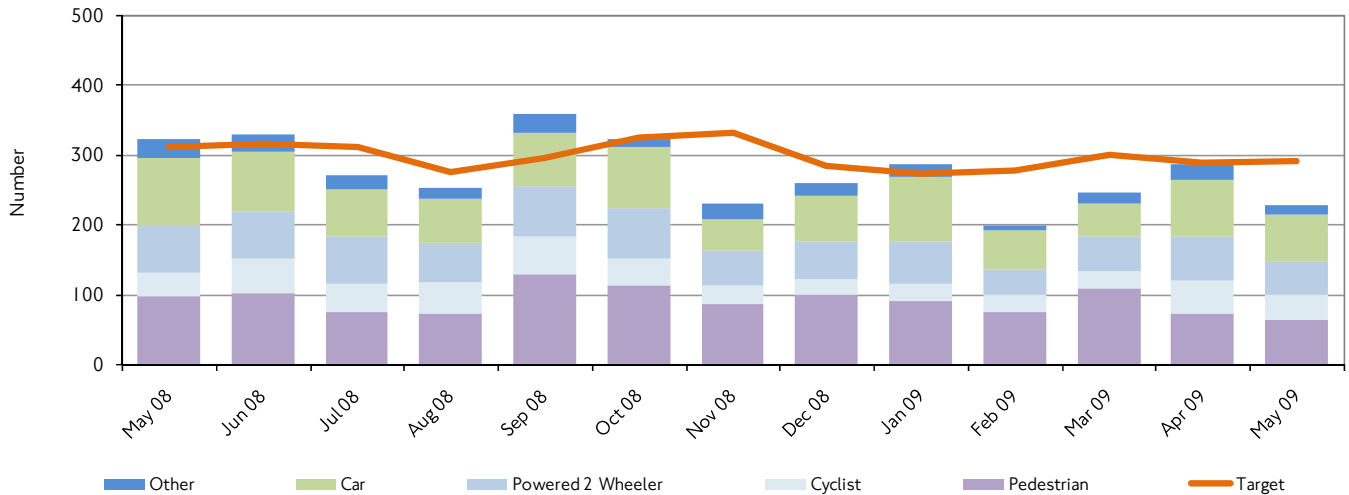
- 4.1 **Customer Satisfaction Survey:** The weighted average TfL Group customer satisfaction for quarter two was 79.5 points, 0.4 points lower than target and 1.1 points lower than last year.



- 4.2 In quarter two, LU achieved a customer satisfaction score of 80. This was one point higher than target and last year's score. This is a high score for the summer months, when satisfaction levels are usually lower, and represents a record achievement for the third consecutive quarter. Compared to last quarter, the score for staff helpfulness and availability increased by one point and the score for station and train cleanliness fell by one point. The scores in other categories remained the same. Compared to the same quarter last year, the scores in all categories increased by one point, except for Information, which remained the same. LU continues to run quarterly 'Customer Focus' campaigns, aimed at boosting satisfaction scores. In quarter three, the focus will be on journey time in the run up to Christmas, which is the busiest time on the network.
- 4.3 From quarter one 2009/10, the Customer Satisfaction Survey sample was reweighted to better reflect the profile of bus users, and changes in service and usage patterns. The change had the effect of slightly reducing average satisfaction scores. The quarter two customer satisfaction score for Buses was 79 points. This was one point lower than target and two points lower than last year. The satisfaction scores for information and personal safety and security on buses were two points and one point higher than target respectively. The score for reliability was in line with target but the bus station overall satisfaction score was two points below target. Most categories scored one point lower than last year, except satisfaction with night bus services which was two points higher than last year.
- 4.4 The quarter two customer satisfaction score for the DLR was 92.2. This was 2.7 points higher than last year and 0.2 points higher than target.
- 4.5 The National Passenger Survey for London Overground is conducted twice a year. The next result will be available for quarter three reporting.
- 4.6 London Trams' customer satisfaction score for quarter two was 85. This was one point higher than target but two points lower than last year, where lower scores were expected due to planned engineering works.
- 4.7 The quarter two customer satisfaction score for Dial-a-Ride was 91 points, in line with last year, but one point lower than target.

Safety and Security

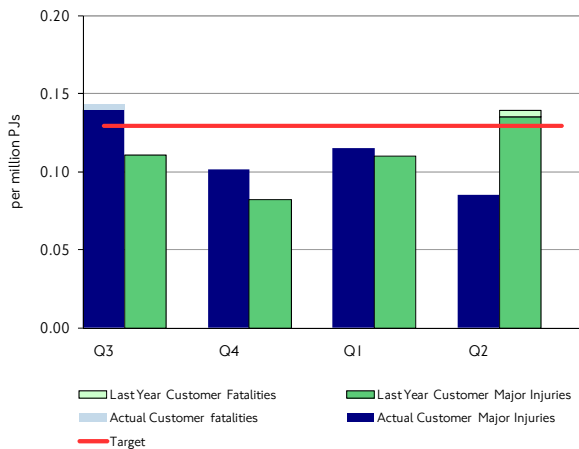
Road Traffic Accident Data (May 2008 – May 2009)



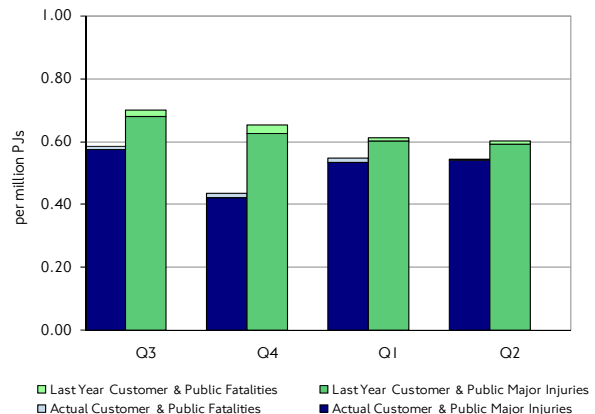
5.0 Due to reporting processes and the nature of road traffic accident data, results are reported months in arrears and results are subject to retrospective adjustments. The most recent results are for May 2009.

5.1 In May 2009, 228 people were killed or seriously injured on London’s roads. This was 64 fewer incidents than the reduction target. Of these, 64 were pedestrians, 34 were cyclists, 48 were motorcyclists, 67 were motorists and 15 were other road users. Compared to the same period last year, when there were 322 fatalities or serious injuries, there has been a decline of 29.2 per cent.

Customer Major Injuries and Fatalities – London Underground



Customer and Public Major Injuries and Fatalities – London Buses



5.2 On the London Underground, there were 16 major injuries and no fatalities to customers in quarter two of 2009/10. There were 0.07 reported major injuries and fatalities per million journeys to London Underground customers in the second quarter, 0.06 injuries below target and 0.07 fewer than last year.

- 5.3 On the bus network, there were 278 major injuries and one fatality in the second quarter of 2009/10. This was equivalent to 0.54 injuries or fatalities per million passenger journeys. This was 0.06 fewer than last year.
- 5.4 There were 13.1 crimes per million passenger journeys on London Underground and DLR in the second quarter of 2009/10 (based on official crime figures from the British Transport Police for July - September). This was 0.7 crimes per million passenger journeys lower than target and last year.
- 5.5 There were 10.2 crimes per million passenger journeys on the bus network in the second quarter of 2009/10 (July - September 2009). This was 0.8 crimes per million passenger journeys lower than target and last year.

Financial performance

Operating Income

2008/09 YTD Actual	Operating Income £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q2	Budget	Variance
(776)	London Underground	(804)	(834)	30	(1,740)	(1,825)	85
(708)	Surface Transport	(711)	(736)	25	(1,535)	(1,559)	24
(52)	London Rail	(58)	(59)	2	(128)	(136)	8
(14)	Group Directorates	(10)	(10)	(1)	(28)	(23)	(5)
(1,550)	Total Operating Income	(1,583)	(1,639)	56	(3,431)	(3,543)	112

Table may be subject to rounding errors

- 6.0 London Underground operating income was £30 million lower than budget in the year to date. Fares income was £35 million (4.5 per cent) lower than budget in the year to date, reflecting reduced 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 loss of income. These factors were partly offset by a favourable variance of £4 million on advertising, which will reduce by year end due to planned engineering works, and £1 million on car parking following retendering of the contract.
- 6.1 For the full year, London Underground operating income is forecast to fall below budget by £85 million. Fares revenue is forecast to be £83 million below budget as demand remains depressed, although this is partly offset by an increase in fares income (£9 million) as a result of the January 2010 fares increase announced by the Mayor. 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 £25 million lower than budget in the year to date and is forecast to be £24 million below budget for the full year.
- Bus fares income was £16 million or 3.1 per cent lower than budget, despite bus passengers making 1.1 million or 0.1 per cent more journeys than target. This is because of the combined effect of increased passengers from the two 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 £12 million lower than budget, as a result of the February 2009 GLA economic projection predicting lower demand, coupled with current trends (£30 million), partly offset by £18 million increased income following the January 2010 fares increase announced by the Mayor.
 - Traffic enforcement income was £10 million lower than budget in the year to date (£4 million lower than budget net of bad debt provision). This is due to a combination of factors including the impact of implementing 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 below budget net of bad debt provision), which is partly offset by increased enforcement income from congestion charging (£7 million) due to increased volumes.
- 6.3 London Rail's operating income was £2 million lower than budget in the year to date, due to a £4 million adjustment from the Rail Settlement Plan (RSP) for travelcard sales on London Overground and lower London Tramlink fares income of £1m. This was partly offset by higher DLR and London Overground fares income (£3 million and £1 million respectively). The full year forecast is expected to be £8 million lower than budget, mainly due to the RSP adjustment and lower fares income.

Operating Expenditure

2008/09 YTD Actual	Operating Expenditure* £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q2	Budget	Variance
1,138	London Underground	1,126	1,176	(50)	2,459	2,502	(43)
1,170	Surface Transport	1,190	1,235	(45)	2,614	2,699	(85)
117	London Rail	128	151	(23)	295	323	(28)
159	Group Directorates	157	147	10	371	350	20
2,585	Total Operating Expenditure	2,601	2,709	(108)	5,739	5,874	(135)

*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 £50 million (4.3 per cent) lower than budget. Maintenance expenditure was £19 million below budget due to rephasing of the Central line bogie overhaul, Victoria Line Upgrade and Stations work, while tight control on recruitment continues to deliver staff cost savings. Favourable variances in Central Services include £4 million unbudgeted compensation relating to Thameslink, a saving of £3 million on ticket sales commissions and staff cost savings of £13 million following the organisation change process. Other variances include rephasing of recharges to capital projects, and timing differences in areas such as contract reviews where expenditure arising from Tube Lines restated terms will be incurred later in the year.
- 6.5 The full year forecast for London Underground's operating expenditure is £43 million lower than budget. There has been a robust review of the maintenance forecast in the light of year to date performance, as a result of which savings of £13 million have been identified. PFI costs are forecast to be £16 million lower than budget, including an element for the agreement with the Connect contractor for claims. Unbudgeted compensation of £8 million from Network Rail for Thameslink-related closures at Blackfriars and Farringdon and staff cost savings throughout the support functions following the recent organisational change have more than offset the cost of replacement bus services for additional line closures, notably on the Jubilee line.
- 6.6 Surface Transport spent £45 million less than budget in the year to date. The largest variances were due to delays in the start of the Cycle Highways project (£6 million), slippage across the Road Safety programme (£6 million) and a lower Traffic Enforcement provision for bad debts (£6 million), reflecting current volumes. In addition, there were savings of £5 million on bus contract costs, including lower Contract Price Adjustments (CPA) and the roll-out of Hybrid buses, £5 million of savings in TLRN operations and maintenance and savings of £3 million on bus ticket sales commission due to changes in the ticket sales mix. Other favourable variances included reprofiling on Borough Principal Roads and Bridges (£3 million), lower spend on the A13 DBFO resulting from lower commercial vehicle usage combined with reduced road availability (£3 million) and reprofiled expenditure on the East London Transit (ELT1a) of £2 million, which will now be incurred later in the year.
- 6.7 Surface Transport operating expenditure is forecast to be £85 million lower than budget in the full year. The largest variance is due to savings identified as part of the Business Planning process, where £36 million has been identified through numerous initiatives across Surface Transport, including various back office costs, savings on QICs II contracts and a reduction in Streets contract costs. Other savings are also forecast on the Bus Network (£23 million), where lower than budgeted indices (RPI, earnings and fuel) have resulted in lower CPAs. Other favourable variances of £13 million include lower expenditure on the London Safety Camera Partnership and a reduced level of enforcement bad debt provision. There is also a reduction in operating expenditure due to the net reclassification of Cycle Highways and Cycle Hire expenditure to Capital (£15 million) and £11 million of rephased expenditure on projects, including the Olympic cycling and walking routes and Road

Safety. These have been partly offset by net increased costs on the Cycle Hire Scheme, following appointment of the contractor (£10 million).

- 6.8 London Rail spent £23 million less than budget in the year to date. The largest variances were on London Overground rolling stock costs (leasing, maintenance and commissioning) due to delivery delays (£6 million), £4 million due to re-phasing on the Overground station upgrade programme and reduced track access charges of £3 million. There was also an underspend of £2 million on London Wide Oyster due to re-phased central system upgrade costs.
- 6.9 London Rail operating expenditure is forecast to be £28 million less than budget, mostly due to a revised programme of station upgrades on the Overground (£13 million) and reduced track access charges of £7 million. A saving of £4 million is anticipated on London Wide Oyster following a review of the final costs, as well as lower London Overground rolling stock costs of £5 million, due to delivery delays. This is partly offset by increased track and maintenance costs on Trams of £4 million, due to the reassessment of works required to get the system into a good state of repair.
- 6.10 Group Directorates spent £10 million more than budget in the year to date and are forecasting £20 million more than budget for the full year. Finance spent £14 million more than budget in the year to date, principally through budgeted IM savings that have not been realised as quickly as was originally anticipated. This is partly offset by £2 million less than budget in the year to date in Planning, mainly due to costs related to the reprogramming of the Mayor's Transport Strategy. The full year forecast for Finance is £32 million higher than budget for a variety of reasons, including unrealised IM savings of £22 million and a greater demand by the business for accommodation (£5 million). This is partly offset by a forecast underspend in Planning of £11 million, mainly due to delays to various projects including the London Transport Study module upgrade and the proposed removal of the Congestion Charging Western Extension.

Group Items

2008/09 YTD Actual	Group Items £m	2009/10 Year to date			2009/10 Full Year		
		Actual	Budget	Variance	Forecast at Q2	Budget	Variance
(58)	Interest Income	(10)	(11)	1	(12)	(20)	8
85	Debt Servicing	73	63	10	168	166	2
(2)	Contingency/Other Group Items	(3)	22	(25)	10	59	(49)
26	Total Group Items	59	74	(14)	165	205	(40)

Table may be subject to rounding errors

- 6.11 Interest income was £1 million lower than budget in the year to date (see paragraph 9.5). The full year forecast is £8 million below budget, mainly due to lower than expected rates on new deposits.
- 6.12 Debt servicing was £10 million higher than budget in the year to date due to earlier than budgeted borrowing. This was to take advantage of favourable long-term interest rates. The full year debt service forecast is £2 million higher than budget because the costs for earlier borrowing have been offset by lower than budgeted fixed rates achieved. The effect of the favourable interest rates will be observed in future years.
- 6.13 Contingency and other group items expenditure was £25 million below budget in the year to date primarily due to unutilised General Contingency and other group provisions covering modal expenditure. The level of expenditure in the full year is anticipated to be £49 million lower than budget as a consequence an unbudgeted £35m Metronet third party debt in 2007/08, and the remaining variance includes climate change initiatives and OCR implementation costs, 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 Q2	Budget	Variance
162	London Underground*	489	504	(15)	1,163	1,211	(48)
84	Surface Transport*	89	104	(14)	195	228	(33)
247	London Rail*	302	242	60	522	464	58
26	Group Directorates	31	44	(13)	76	77	(1)
-	Overprogramming (TfL Group)	-	(23)	23	-	(51)	51
518	Net Capital Expenditure (excl Crossrail)	911	870	42	1,956	1,930	26
n/a	Crossrail	323	409	(86)	1,003	1,038	(35)
518	Net Capital Expenditure (TfL)	1,235	1,279	(44)	2,959	2,968	(8)
(2)	Capital Income	(38)	(3)	(35)	(54)	(20)	(33)
516	Net Capital (TfL)	1,197	1,275	(79)	2,906	2,947	(42)

* Shown after delegated overprogramming and third party reimbursements
Table may be subject to rounding errors

- 6.14 London Underground capital expenditure was £15 million lower than budget in the year to date. This includes £18 million on the Victoria Line Upgrade as a result of late delivery of trains by Bombardier and rephasing of the purchase of train spares, £15 million lower expenditure on track and operational accommodation, as LU reassesses its future affordable spending plans, and £10 million on Information Management projects rephased from the first half of the year to the second. These variances have been partly offset by £5 million accelerated works on Cooling the Tube and use of £24 million from the overprogramming provision.
- 6.15 Net capital expenditure in London Underground is forecast to be £48 million lower than budget for the full year. In addition to delayed expenditure on the Victoria Line Upgrade (£40 million below budget), significant variances include Stratford station (£15 million), where the ODA/Network Rail programme has been delayed, Tottenham Court Road station (£5 million), for additional work being undertaken on behalf of Crossrail and £10 million savings on projects in support of Connect PFI. In total, the forecast expenditure on stations projects is £95 million less than budget as projects are rephased or stopped in order to meet future years' spending constraints. The overprogramming provision has been correspondingly reduced.
- 6.16 Net capital expenditure in Surface Transport was £14 million lower than budget in the year to date. This was mainly due to delayed expenditure on the Cycle Hire Scheme due to planning permission delays and continuing negotiations with the Boroughs (£19 million) and £8 million on the Blackwall Tunnel Northbound refurbishment due to delays in the tender process. These were partly offset by lower third party contributions for the West Ham Bus Garage of £15 million, as these are still being negotiated.
- 6.17 Net capital expenditure in Surface Transport is forecast to be £33 million lower than budget for the full year. This is mainly due to carry forwards of £24 million on the Cycle Highways and Cycle Hire schemes, as costs have been reallocated across project lifecycles, and £30 million on the Blackwall Tunnel Northbound refurbishment, Hanger Lane and the A406 Bounds Green. This has been partly offset by the net reclassification of Cycle Hire and Cycle Highways expenditure to capital (£15 million).
- 6.18 Net capital expenditure in London Rail was £60 million higher than budget in the year to date. The main reasons were phasing of the main works on the East London Line (ELL) Extension (£49 million) and higher design and implementation costs for the North London Rail Infrastructure Project (NLRIP)

of £19 million following programme changes since the budget was set. This was partly offset by underspends due to slippage on the DLR Three Car works of £5 million and accelerated receipt of developer contributions on Stratford International of £2 million.

- 6.19 Net capital expenditure in London Rail is forecast to be £58 million higher than budget in the full year, largely due to the rephasing of the NLRIP of £38 million, additional ELL rolling stock (£12 million) and costs of £11 million relating to the phasing of ELL main works.
- 6.20 Crossrail (CRL) was underspent by £86 million against budget in the year to date. Of this, £39m is due to the timing of a small number of land and property acquisitions. Further acquisitions will be made in future periods and the timing difference is expected to reduce to approximately £8 million at the end of the year. Programme Delivery and Capital Works spend is £31 million within budget. The new CRL Programme Director is undertaking a detailed review of current and forecast activities in this area with the responsible operational managers. Corporate expenditure is £16 million lower than the year to date budget with underspend in several areas.
- 6.21 Crossrail expenditure is forecast to be £35 million lower than budget in the full year, mainly due to lower delivery expenditure of £95 million. This includes underspends on third party works, enabling advanced works and deferred logistics costs. This is partly offset by £61 million of expenditure on property that was budgeted last year, as the property titles were not acquired until this financial year.
- 6.22 Capital expenditure in the Group Directorates was £13 million less than budget in the year to date:
- The Finance directorate spent £11 million less than budget in the year to date, primarily due to delays on the Integrated Transport Smartcard Organisation (ITSO) project of £8 million and £6 million savings on the IMSIP Applications programme.
 - 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 the Journey Planner Integration Programme (JPIP) and the Lost Property Office system replacement project, as well as delays to the Source website project, which is now to commence in quarter three.
- 6.23 Capital expenditure in the Group Directorates is forecast to be £1 million lower than budget for the full year. This is primarily in Finance, where the £6 million saving on the IMSIP Applications programme will be partly utilised to fund £4 million of additional costs of the roll out of EUC (End User Computing). In addition, the ITSO spend profile has been reviewed and is expected to be £2 million ahead of budget by year-end.
- 6.24 Capital income was £35 million higher than budget in the year to date, mainly due to the sale of future rental income streams from the Westfield Shepherd's Bush site of £36 million. This is partly offset by the delayed receipt of income from the Aldgate property deal of £1 million, which is now expected in quarter three.
- 6.25 Capital income is forecast to be £33 million higher than budget for the full year. This is mainly due to the sale of future rental income streams from the Westfield Shepherd's Bush site, of £36 million and £5 million from the sale of East Thames Buses assets. This is partly offset by an £8 million reduction to the income expected from property, reflecting rephasing from current negotiations and increased uncertainty over the future of some properties.

Savings Programme

Savings £m	Actual YTD	Forecast at Q2	Target*	Variance
Corporate and Group Wide	24	85	94	(9)
London Underground	25	74	69	5
Surface Transport	16	93	93	-
London Rail	-	3	3	-
Total Gross Savings	65	255	259	(4)
Implementation Costs	(28)	(93)	(114)	21
Total Net Savings	45	180	161	19
LU Project Efficiencies	7	17	15	2

* Revised gross savings targets aligned to the approved Business Plan

- 7.0 Gross savings of £255 million are forecast to be delivered in 2009/10 against a target of £259 million. In quarter two, savings of £65 million have been delivered relating to a range of initiatives that include OCR, CSE amongst others.
- 7.1 Corporate and Group Wide is forecasting savings of £85 million against a target of £94 million. The reduced forecast is based primarily upon a reduction in IMSIP forecast savings. Corporate has achieved savings of £24 million year to date through a number of initiatives, for example:
- Phase one of the Group Planning OCR programme has been implemented and to date savings of £3 million have been achieved.
 - Marketing and customer research activities have been reviewed and focused on core activities leading to savings of over £8 million by quarter two in marketing expenditure across TfL.
 - Savings on the IMSIP programme amounting to £7 million.
- 7.2 London Underground is forecasting savings of £74 million against target of £69 million. This includes an additional £9 million in maintenance efficiencies and a further £5.6 million through CSE Support savings. These have been offset as Non Permanent Labour, and CSE Operations and Access, which are currently developing detailed delivery plans, reducing the 2009/10 savings variance by £5.0 million. The quarter two forecast reflects the latest economic circumstances and the consequent deterioration in revenues. To offset this LU has actively managed costs, seeking to accelerate efficiency opportunities where practicable to balance the budget. In the year to date, London Underground has delivered £25 million of savings and Metronet Integration remains on track to deliver gross savings of £30.6 million during 2009/10. In addition, London Underground has also identified initiatives to deliver efficiencies in the cost of capital projects.
- 7.3 Surface Transport is forecasting savings of £93 million, which is in line with target. Surface Transport has achieved savings of £16 million year to date, resulting from headcount reductions due to recent Organisational Change Programmes (OCP), maintenance savings, the renegotiation of Congestion Charging contracts and savings on bus contracts.
- 7.4 London Rail is forecasting savings of £3 million, which is in line with target. Savings totalling £0.3 million have been delivered year to date. London Rail has cancelled the contribution for additional New Year's Eve services, stakeholders have been informed and savings will be declared in quarter four.

Quarter Two Progress on Pan TfL Projects

Accommodation Strategy

- 7.5 Work is continuing across the business to agree accommodation requirements and seek to manage demand down.
- 7.6 Implementation of the desk sharing pilot for Surface Transport in Palestra commences shortly. This involves the Congestion Charging Directorate from 9 November and part of the Public Carriage Office that are relocating to Palestra from 16 November. Progress on the pilot will be reported as part of the wider Surface Transport employee engagement on desk sharing and its application in 2010.
- 7.7 During quarter two, the new high-quality low-cost accommodation at Greenwich went live and TfL disposed of surplus space at Euston Tower and Empress State Building.

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. Where market rates have reduced, existing temporary staff are required to reduce their rates and consultant contracts are being reviewed to ensure they are providing value for money.
- 7.10 A review of activity has been undertaken and verified by a cross modal working group, chaired by the Chief Finance Officer. The working group has endorsed a recommendation to devolve NPL delivery to individual modes in conjunction with Group Procurement and Group HR. The review is also recommending that there is a six month transition to ensure that strategic and tactical initiatives are factored into future plans. As part of this transition, proposals on making consultants visible on SAP are in preparation.

Commercial Strategy

- 7.11 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. TfL Procurement staff are in the process of completing benchmarking visits to NHS, DHL, the Home Office and Royal Mail.
- 7.12 The delivery of £6 million savings targeted in 2009/10 will be dependent primarily on business as usual efficiencies reported through a separate controlled reporting process to ensure that savings have been captured and delivered.

Information Management Strategic Investment Programme (IMSIP)

- 7.13 IMSIP is forecast savings of £44 million against a target of £57 million. The year to date savings of £7 million has been realised. Key activities in quarter two to enable delivery of the target include:
 - a) End User Computing (EUC): 10,000 users were migrated by mid September.
 - b) Voice and Data Networks (VDN): Consolidation of the 33 computer rooms across the TfL estate into three industry standard bespoke facilities are being undertaken to improve resilience and reduce costs. 15 buildings were migrated from legacy network systems to the new network.
 - c) Data Centres (DC): TfL Data Centre (a) (formerly DC2) went live on 30 September 2009. The procurement of DC 1 has now been cancelled.

7.14 The project has now completed a Corporate Gate D review and PRG have approved the release of the final tranche of funding (£20.5 million). Deloitte Consulting conducted an independent review and concluded that the project should go through a period of stabilisation, that governance be strengthened and the business case updated. The review concluded that despite the reduction in the savings level achievable against the original business case the IMSIP portfolio of projects should continue and that the projects are the right projects to give TfL a stable IM platform across the estate.

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 Equality & Inclusion (E&I) OCP completed on 31 August 2009. The transfer of People Management Advisor budgets from Corporate to the operational modes commenced in quarter two. This will enable savings to be delivered as budgets will now reside closer to the point of delivery.

7.17 The planned HR review has been broadened to include not only Group HR but all of the HR activities to provide a more holistic and integrated solution. 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, consolidate Corporate business support functions, rationalise management reporting and the business planning process, and simplifying the complexity of cost centre structures. The profile assumed in the Business Plan has material savings to be delivered from 2010/11 onwards.

Balance Sheet

Transport for London Group Balance Sheet at end of Quarter 2 £m	Variance to Budget
Fixed Assets – <i>(higher) / lower than budget</i>	18
Stocks, Debtors and Payments in Advance – <i>(higher) / lower than budget</i>	143
Cash – <i>(higher) / lower than budget</i>	(967)
Creditors and Receipts in Advance – <i>higher / (lower) than budget</i>	52
Prudential Borrowings – <i>higher / (lower) than budget</i>	684
Deferred Capital Grant – <i>higher / (lower) than budget</i>	(166)
Provisions – <i>higher / (lower) than budget</i>	1
Total Net Assets – <i>(higher) / lower than budget</i>	(235)

- 8.0 The fixed assets variance reflects the net capital spend of £42 million higher than budget, third party contributions of £16 million lower than budget and associated variances in non activity items, such as depreciation. This is more than offset by Crossrail spend of £86 million lower than budget.
- 8.1 Stock, Debtors, payments in advance and accrued income are some £143 million under budgeted levels. Of this total, some £64 million is in Corporate, £60 million is for Crossrail property. TfL Corporate's variances include lower accrued interest of £26 million following the shortening of maturity dates on investments, meaning that interest is received earlier than assumed in the budget. The budget also included a £23 million accrual for DfT funding of the East London Line, which has now been received. The LU variance is the net of lower trade debtors and payments in advance of £35 million reflecting reduced operating activity, off set by higher stock levels of £7 million and higher capital debtors of £13 million in respect of uninvoiced project accruals. Crossrail's variance follows the transfer of £60 million of 2009 property pre-payments and accruals into fixed assets.
- 8.2 Cash is £967 million above budget, largely due to the draw down £684 million of borrowings earlier than originally planned in order to take advantage of favourable interest rates. In addition, the activity underspends to date (see Annex 1) have increased cash by £146 million. An increase in the net creditor position over budget has led to a further £166 million increase in cash of which £40 million is for payments for Crossrail property purchases, now expected in future periods. Partially offsetting the above is a delay to receipt of ITSO and CIF grants totalling £29 million.
- 8.3 Creditors are £52m above budget. Interest payable accruals are £48 million higher, largely because of timing differences on interest payments. A higher PPP creditor in LU for JNP capital works of £17 million and higher accruals of £15 million for East London Line main works, reflecting higher than budget activity, are partially offset by lower Crossrail creditors of £22 million reflecting the below-budget levels of activity to date on the Crossrail project.
- 8.4 Deferred Capital Grants are £166 million lower than budget, nearly all of which is the non-cash effect of the grant accounting process reflecting the delay in the cash spend on the Crossrail properties and project, as outlined above in paragraph 6.20.

Transport for London Group Balance Sheet Forecast for the Year End £m	Variance to Budget
Fixed Assets – <i>(higher) / lower than budget</i>	(56)
Stocks, Debtors and Payments in Advance – <i>(higher) / lower than budget</i>	71
Cash – <i>(higher) / lower than budget</i>	(238)
Creditors and Receipts in Advance – <i>higher / (lower) than budget</i>	(105)
Prudential Borrowings – <i>higher / (lower) than budget</i>	-
Deferred Capital Grant – <i>higher / (lower) than budget</i>	(265)
Provisions – <i>higher / (lower) than budget</i>	190
Total Net Assets – <i>(higher) / lower than budget</i>	(403)

- 8.5 The forecast fixed assets variance reflects net capital spend of £26 million higher than budget, and associated variances in non activity items, such as depreciation. This is partly offset by Crossrail spend of £35 million lower than budget and third party contributions of £24 million higher than budget.
- 8.6 Stock, debtors etc are forecast to be £71 million lower than budget. Included within this variance is a £30 million effect for interest as referred to in the year-to-date, and £60 million lower variance in Crossrail are offset by a £30 million higher variance in LUL. LU's position is driven by higher stock levels, trade debtors, based on increased activity towards year-end and higher income accruals for CTRL from DfT. The Crossrail variance again relates to the 2009 property pre-payments transferring to fixed assets.
- 8.7 Cash is forecast to be above budget by £238 million mainly reflecting the lower cash payments expected for Crossrail property and project work.
- 8.8 Creditors are forecast to be £105 million lower than budget. In Surface Transport, the earlier payment of SME creditors allied to overall lower levels of operating expenditure has led to a forecast creditor position some £49 million below budget. In London Underground the PPP Lease creditor is forecast to be £19 million higher than budget and Capital creditors are expected to be £9 million higher as capital works are concentrated towards the year end, however, these are offset by lower revenue creditors of £60 million from lower operating spend and lower anticipated expenditure on risk items. Crossrail's creditor forecast is £33 million below budget, reflecting lower anticipated activity in the year, in line with overall changes to the project's forecast. London Rail is forecasting creditors above budget by £33 million at the year-end due to increased activity on major capital projects such as the East London Line works.
- 8.9 Deferred Capital Grant balance is forecast to be £265 million below budget. Once again nearly all of this is the effect of the grant accounting process reflecting the delay in the cash payments on the Crossrail properties and the timing of project expenditure.
- 8.10 The forecast for provisions includes £190 million in respect expected future cash payments for compensation to freeholders, tenants and other interested parties arising from Crossrail property acquisitions.

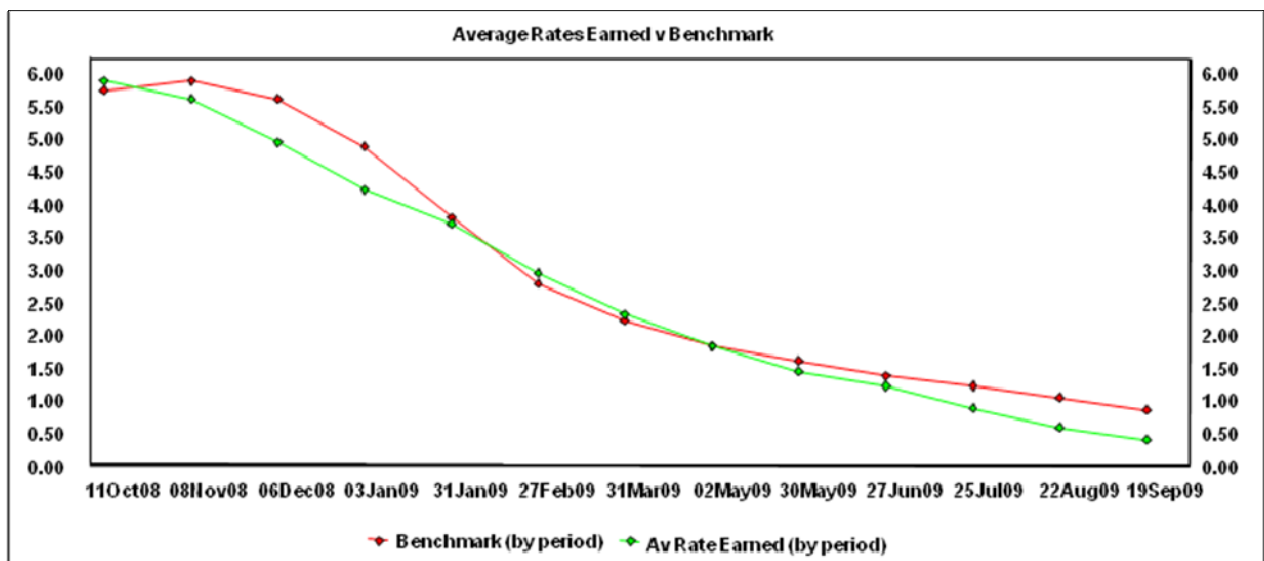
Cash Summary

Performance

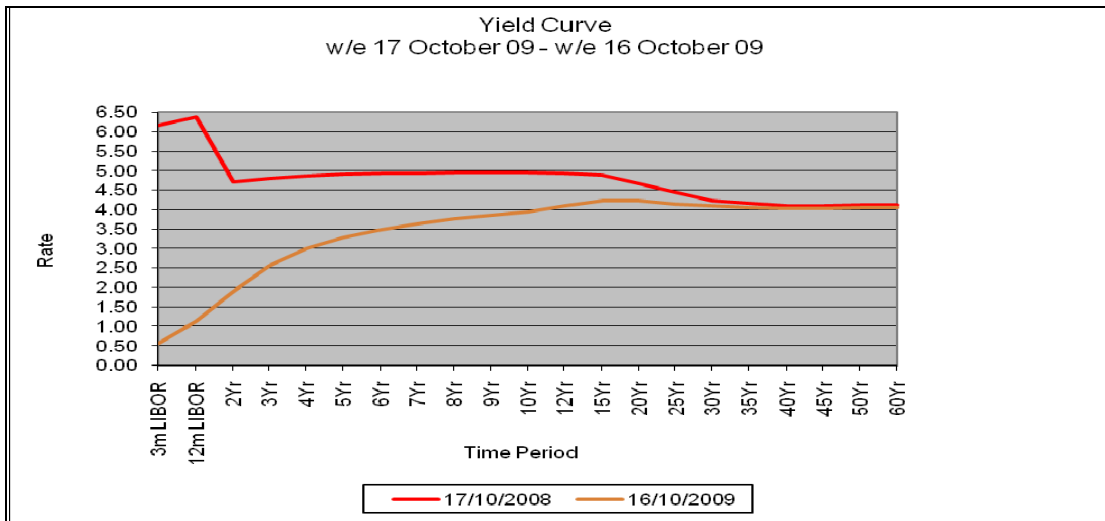
- 9.0 Interest receivable performance has been impacted by the decision to sacrifice yield in return for security. Earnings for the year to date have fallen short of the budget by 49 basis points.

	Period 4	Period 5	Period 6	2009/10 Year to date
Average Rate of Return (%)	0.88	0.58	0.39	1.06
Budget (%)	1.40	1.24	1.04	1.55
Variance To Budget (%)	0.52	0.66	0.65	0.49
Interest Earned (£ million)	1.3	0.8	0.6	10.1
Budget (£ million)	2.2	1.9	1.5	11.1

- 9.1 Actual interest earnings were less than budgeted for the year to date by £1.0 million. This adverse variance resulted from lower earnings (£2.8 million) due to lower than budgeted rates earned, offset by extra interest earned (£1.8 million) on higher than budgeted balances, mainly the proceeds from earlier than budgeted borrowing.
- 9.2 The chart below shows the decreasing interest rates earned from October 2008 onwards. The decline is a result of reduced base rates which dropped from 4.5 per cent in October 2008 to 0.5 per cent in March 2009.



- 9.3 TfL has historically measured interest receivable performance against a benchmark of three months LIBOR less 12.5bps. Under the current Treasury Management Strategy, the majority of TfL deposits are placed with the Debt Management office (which offers interest rates well below the benchmark level), and as a result TfL is underperforming the benchmark by 0.25bps.
- 9.4 Yield curve: The graph below shows the dramatic effect on short/medium-term yields over the past year. A year ago, three month rates were 6.16 per cent; they have currently dropped to 0.57 per cent. However, 60-year rates remain within the range of 4.06 per cent - 4.11 per cent. The chart now shows a traditional curve dropping slightly after 20 years when rates are at 4.22 per cent. TfL has borrowed at a weighted average rate of 4.19 per cent for maturities ranging between 9.5 and 30 years.



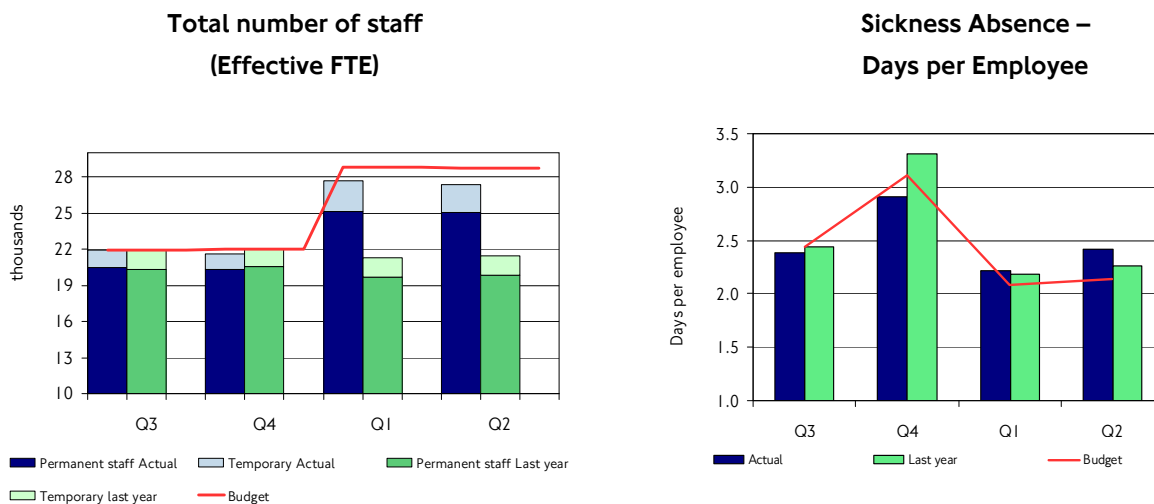
9.5 Legal and Regulatory Risk

i) Prudential Indicators for Prudence and Affordability, Capital Expenditure and External Debt: Prudential Indicators relating to borrowing for 2009-10 have not been exceeded. In relation to debt service, the Prudential Indicator will be slightly exceeded due to reduced forecast interest income and reduced forecast net operating expenditure.

ii) Payment Card Industry Data Security Standards (PCI DSS): The Compliance Programme Board (an Internal Audit recommendation) meets quarterly to review progress on existing projects and to receive an assessment of new IT developments impacting on Group PCI DSS obligations. At its last meeting, a review of existing projects showed steady progress continues to be made.

TfL's merchant acquirer (Barclays) continues to receive a regular progress report and continues to express its satisfaction on its content and progress made.

People



Total number of staff and sickness absence data excludes Crossrail.

10.0 Staff numbers: At the end of the second quarter of 2009/10, TfL employed 27,159 full time equivalent (FTE) staff. This was 1,599 fewer than budget and 329 fewer than last quarter. Due to the integration of Metronet, it is not possible to make direct comparisons to last year for TfL and London Underground.

- London Underground's new organisational structure was implemented during the quarter, reflecting the outcome of the Operating Cost Review (OCR) and integration of the former Metronet staff. At the end of the quarter, there were 20,112 FTEs in London Underground which was 1,175 FTE fewer than budget. This reflects tight controls on recruitment across London Underground.
- There were 4,270 FTE staff in Surface Transport at the end of quarter two, 187 fewer than budget and 220 fewer than last year. There were a number of vacancies in Congestion Charging to be filled by December 2009 as well as ongoing recruitment for Dial-a-Ride drivers following a review of establishment levels. Bus Performance and Bus Operations have operational vacancies which are in the process of being recruited. Community Safety, Enforcement and Policing (CSEP) have lower staff numbers than target as a result of a recruitment freeze due to an organisational change.
- London Rail had 255 FTE staff, eight fewer than budget and six more than last year.
- There were 2,521 FTE staff in the Corporate directorates at the end of quarter two, 110 fewer than budget and 99 less than last year. The largest variance was in Finance with 90 fewer FTEs, mainly comprising of 60 in Group IM. There were 38 fewer FTEs than budget in Group Marketing and Communications. This was partly offset by 15 more FTEs in Planning.

Temporary staff: At the end of quarter two, there were 2,327 temporary staff in TfL, 99 fewer than budget. There were 1,292 temporary workers with over twelve months of service, 101 more than budget. At the end of quarter two:

- There were 1,655 temporary FTE in London Underground, 203 fewer than budget. Although total temporary staff numbers have fallen by over 200 since the beginning of the year, the number in service for twelve months or more has shown little change and ended the quarter at 1,042, which was 107 more than budget.
- At the end of quarter two, there were 293 temporary staff in Surface Transport. This was 80 more than budget, but 129 fewer than last year. Road Network Management continues to recruit for permanent employees in order to roll off temporary workers. In quarter two, there were more temporary staff than budget working in response to the needs of the Cycle Hire and Cycle Highways Scheme as well as Customer Services and Road Network Performance. There

were 117 temporary staff with service in excess of twelve months, which was 15 fewer than budget and 38 fewer than last year.

- There were 36 temporary FTEs in London Rail at the end of quarter two, 17 fewer than budget but eight fewer than last year. There were 15 temporary staff with more than twelve months' service, which was unchanged from last year and 8 fewer than budget. The majority of these are working on the East London Line project.
- There were 343 temporary FTEs in the Corporate Directorates, 49 more than target but 160 fewer than last year. Finance had 44 more temporary FTEs than budget, principally in IM. This is expected to reduce steadily, as permanent recruitment is ongoing. Corporate Directorates had 99 temporary staff with over twelve months of service, three fewer than budget but twelve more than last year.

10.1 **Sickness:** In the year to date, TfL staff were absent for an average of 4.6 days per employee, 9.8 per cent worse than target. Operational staff were absent for an average of 5.8 days per employee, which was 11.3 per cent worse than target, and non-operational staff were absent for an average of 2.9 days, 8.1 per cent worse than target. The increase in absence in TfL was mainly due to the medical advice given regarding Swine flu.

10.2 Workforce composition:

TfL Group	Q2 Actual	Q2 Budget	Q2 Last Year
% of Women Staff	24.5	24.7	24.7
% of Women Staff in Senior Management	22.2	21.7	21.3

TfL Group	Q2 Actual	Q2 Budget	Q2 Last Year
% of BAME Staff	31.5	29.0	31.1
% of BAME Staff in Senior Management	10.5	11.0	10.0

TfL Group	Q2 Actual	Q2 Budget	Q2 Last Year
# of Disabled Staff	609.0	697.7	643.0
# of Disabled Staff in Senior Management	28.0	37.5	36.0

Workforce composition data excludes Nominee companies and Crossrail staff

At the end of quarter two:

- The proportion of female staff in TfL was 0.1 percentage point lower than the previous quarter at 24.5 per cent. This was 0.2 percentage points lower than target and last year. The percentage of women in senior management was 22.2 per cent this quarter, an increase of 0.1 percentage point compared to last quarter. This was 0.5 percentage points higher than target and 0.9 percentage points higher than last year.
- The percentage of TfL staff from BAME communities was 31.5 per cent at the end of quarter two, 0.3 percentage points lower than last quarter. However, this was 2.5 percentage points higher than the target and 0.5 percentage points higher than last year. The percentage of BAME staff in senior management was 10.5 per cent, 0.1 percentage point lower than last quarter. This was 0.5 percentage points lower than target but 0.4 percentage points higher than last year.
- Representation of disabled staff in TfL is now reported by the number of disabled staff. At the end of quarter two, TfL employed 609 disabled staff, 19 fewer than last quarter. This was 89 fewer than target and 34 fewer than last year. There were 28 disabled senior managers at the end of quarter two, four fewer than last quarter. This was 10 fewer than target and eight fewer than last year. Ability to impact the number of disabled staff has been affected by the current tight controls on recruitment.

Annex One: Financial Summary

£m	2009/10 Year to date			2009/10 Full Year		
	Actual	Budget	Variance	Forecast at Q2	Budget	Variance
Fares Income - LU, Buses and LR	(1,310)	(1,363)	53	(2,846)	(2,950)	104
Other Income	(274)	(277)	3	(585)	(593)	8
Total Operating Income	(1,583)	(1,639)	56	(3,431)	(3,543)	112
Operating Expenditure net of 3rd party contributions	2,601	2,709	(108)	5,739	5,874	(135)
Gross Operating Margin	1,017	1,070	(52)	2,308	2,332	(23)
Interest Income & Debt Payments	63	52	11	155	146	9
Contingency/Other Group Items	(3)	22	(25)	10	59	(49)
Total Group Items	59	74	(14)	165	205	(40)
Margin	1,077	1,144	(67)	2,473	2,536	(63)
Capital Income (including Property Sales)	(38)	(3)	(35)	(54)	(20)	(33)
Capital Expenditure	1,298	1,381	(83)	3,135	3,178	(43)
Reimbursements from third parties	(63)	(79)	16	(176)	(160)	(16)
Overprogramming (TfL Group)	-	(23)	23	-	(51)	51
Net Capital Expenditure	1,235	1,279	(44)	2,959	2,968	(8)
Net Service Expenditure	2,274	2,419	(146)	5,379	5,484	(105)
By Mode:						
London Underground	812	846	(35)	1,882	1,888	(6)
Surface Transport	568	602	(34)	1,269	1,368	(99)
London Rail	372	334	39	690	652	38
Crossrail	323	409	(86)	1,003	1,038	(35)
Group Directorates	139	177	(38)	370	383	(14)
Overprogramming (TfL Group)	-	(23)	23	-	(51)	51
Group Items	59	74	(14)	165	205	(40)
Net Service Expenditure	2,274	2,419	(146)	5,379	5,484	(105)

Table may be subject to rounding errors

Annex Two: Balance Sheet

Balance Sheet £m	2009/10 Year to Date			2009/10 Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Fixed Assets						
Tangible Assets	19,530	19,548	18	21,070	21,014	(56)
Current Assets						
Stocks	24	17	(7)	23	17	(6)
Debtors	130	212	82	182	218	36
Capital Debtors	30	17	(13)	40	15	(25)
Payments in Advance	183	264	81	142	208	66
Cash at Bank and in Hand	2,032	1,065	(967)	1,357	1,119	(238)
Current Liabilities						
Revenue	(982)	(1,016)	(34)	(896)	(1,084)	(188)
Receipts in Advance	(255)	(237)	18	(276)	(267)	9
Capital	(416)	(391)	25	(453)	(415)	38
Long Term Liabilities						
Balances with Infracos	(1,723)	(1,706)	17	(1,822)	(1,805)	17
Creditors Due after One Year	(609)	(583)	26	(595)	(576)	19
Prudential Loans	(3,702)	(3,018)	684	(4,118)	(4,118)	-
Capital Grants	(9,310)	(9,476)	(166)	(9,829)	(10,094)	(265)
Other Provisions	(397)	(396)	1	(687)	(497)	190
Pension Provision	(1,037)	(1,037)	-	(1,037)	(1,037)	-
Total Net Assets	3,498	3,263	(235)	3,101	2,698	(403)
Capital and Reserves						
Earmarked Reserves	407	202	(205)	709	303	(406)
Pension Reserves	(1,037)	(1,037)	-	(1,037)	(1,037)	-
General Fund	155	155	-	155	155	-
Other Reserves	3,973	3,943	(30)	3,274	3,277	3
Total Capital Employed	3,498	3,263	(235)	3,101	2,698	(403)

Annex Three: Cash Summary

Cash Summary In/(Out) Flow £m	2009/10 Year to Date			2009/10 Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Margin (from Annex 1)	(1,077)	(1,144)	(67)	(2,473)	(2,536)	(63)
Working Capital Movements	169	15	(154)	352	253	(99)
Cash Spend on Operating Activities	(908)	(1,129)	(221)	(2,121)	(2,283)	(162)
Net Capital Expenditure (from Annex 1)	(1,235)	(1,279)	(44)	(2,959)	(2,968)	(9)
Capital Income (from Annex 1)	38	3	(35)	54	20	(33)
Working Capital Movements	-	(12)	(12)	27	14	(13)
Cash Spend on Capital Activities	(1,197)	(1,288)	(91)	(2,878)	(2,934)	(56)
Funded by:						
Transport & Other Grants	1,446	1,475	29	3,242	3,222	(20)
Precept Funding	5	5	-	12	12	-
Prudential Borrowing	684	-	(684)	1,100	1,100	-
Total Funding	2,135	1,480	(655)	4,354	4,334	(20)
Net Movement in Cash	30	(937)	(967)	(645)	(883)	(238)

Annex Four: Subjective Analysis

Analysis of operating expenditure by cost category is provided below. For details of variances in operating income, please see paragraphs 6.0 to 6.3.

Some of the actual expenditure has been re-categorised since the budget was approved and following the integration of the nominee companies within LU. This is particularly apparent in Premises and Asset Maintenance.

The main variances are:

- Bus contract payments for the full year are forecast to be £23 million below budget. This is principally due to £15 million of savings arising from lower Contract Price Adjustments (CPAs) due to lower than budgeted indices (RPI, Earnings and Diesel) and savings to the Quality Incentive Contracts (QICs) scheme of £5 million.
- Full year PPP payments are forecast to be £46 million higher than budget. This is predominantly due to Tube Lines' claims which will be funded from the London Underground risk budget within Other expenses.
- The full year forecast for PFI payments is £18 million below budget as is the year to date expenditure. The forecast variances are mainly due to a lower Connect claim than provided for, following negotiation with the Connect contractor, and reduced new ticket media base contract costs.
- Employee expenses are forecast to be £39 million below budget in the full year following the Operating Cost Review (OCR) and the impact of the sale of East Thames Buses on staff numbers.
- Full year premises expenditure is forecast to be £91 million below budget. This is mainly due to the reclassification of expenditure to asset maintenance as part of incorporating the nominee companies within LU (£93 million).
- Asset Maintenance expenditure is forecast to be £82 million higher than budget for the full year and £18 million higher than budget in the year to date. This is due to the reclassification of expenditure from premises of £93 million, partly offset by savings due to reduced maintenance activity.
- Payments to Boroughs are forecast to be £17 million below budget, primarily on non Local Implementation Plan (LIPs) funded expenditure. This mainly relates to carried forward of Cycle Highways and Olympic cycle and walking routes.
- Professional Fees and Management Consultancy Costs are forecast to be £11 million higher than budget for the full year but £3 million lower than budget in the year to date. The largest full year variance relates to an increase in legal expenditure of £13 million within London Underground in respect of Connect claims and Periodic Review fees. There is also an above budget spend of £2 million relating to Asset Financing. These variances were partly offset by the reclassification of expenditure of £10 million to Information and Communication Technology following integration of the nominee companies with LU.
- Engineering, Project Management and Other Technical Consultancy expenditure associated with project development is forecast to be £26m lower than budget in the full year. This mainly relates to rephasing of London Overground station enhancements (£13 million) to future years and £3 million of delays in the setup of the East London Line Infrastructure Maintenance facility and Asset Management System. Further reductions of £8 million are a result of reprogramming Planning projects.
- Ticket Commission is forecast to be £11 million lower than budget in the full year due to reduced bus ticket sales and changes to the way that commissions are apportioned across TfL modes since the budget was approved.
- The Bad Debt Provision is forecast to be £9 million lower than budget for the full year. This is mainly due to reduced traffic enforcement revenue, combined with improved compliance and better debt recovery rates.
- Information and Communication Technology expenditure for the full year forecast is £26 million higher than budget. This mainly relates to £22 million of IMSIP savings to be achieved in future years and the reclassification of £10 million of expenditure from Management Consultancy. This is partly

offset by £3 million of efficiency savings from reduced IM spend on third party contracts as a result of in-sourcing a number of IT services from Computer Sciences Corporation (CSC).

- Other expenses are forecast to be £58 million below budget in the full year. This is mainly due to Tube Lines' claims, which are budgeted within risk but incurred under PPP payments. There are also reduced costs of £8 million forecast on the London Overground Train Service Agreement (TSA) and leasing costs, due to rolling stock delivery delays, and reduced interest rates, as well as savings on the London Wide Oyster project of £4 million.

Subjective Analysis

£m	2009/10 Year to date			2009/10 Full Year		
	Actual	Budget	Variance	Forecast at Q2	Budget	Variance
Operating Income	(1,583)	(1,639)	56	(3,431)	(3,543)	112
Operating Expenditure						
Bus Contract Payments	754	759	(5)	1,635	1,658	(23)
PPP Payments	318	298	21	678	632	46
PFI Payments	152	170	(18)	329	346	(18)
Employee Expenses	793	813	(20)	1,687	1,726	(39)
Premises	122	162	(40)	265	356	(91)
CCS & Other Road Contracted Services	38	45	(7)	85	85	(0)
Asset Maintenance	128	110	18	319	237	82
Payments to Boroughs	61	66	(6)	177	194	(17)
Professional Fees and Mangement Consultancy	38	41	(3)	104	94	11
Engineering, Project Management and Other Technical Consultancy	22	39	(17)	65	91	(26)
Ticket Commissions	17	23	(6)	37	49	(11)
Customer Information	18	25	(7)	46	55	(9)
Insurance	16	21	(5)	44	43	1
Bad Debt Provisions	36	41	(5)	77	86	(9)
Information and Communication Technology	52	30	21	90	64	26
Traction Current	31	35	(3)	74	71	2
National Rail Payments	5	6	(0)	11	11	(1)
Franchise Payment	88	91	(3)	193	194	(2)
Other (including Intercompany)	(88)	(63)	(25)	(177)	(119)	(58)
Operating Expenditure	2,601	2,709	(109)	5,739	5,875	(136)
Net Operating Expenditure	1,017	1,070	(53)	2,308	2,332	(24)

Table may be subject to rounding errors



Investment Programme Report

Second Quarter, 2009/10

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Transport for London

Investment Programme Report

Second Quarter, 2009/10 (28 June 2009 – 19 September 2009)

I. Programme Highlights

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

- DLR Railcars – final Stratford International car delivered and first additional Games capacity vehicle
- Final acceptance of iBus and project closure
- Cycle Hire contract award
- IMSIP – Data Centre operationally ready

Post Quarter events include:

- East London Line test running commenced
- South Quay DLR station move undertaken
- Oxford Circus remodelling
- First Victoria line train running with new signalling and control centre
- First Sub Surface Rail train delivered to London

Cover picture:

Imperial Wharf station, on the London Overground network, opened in September 2009. The station features Oyster ticketing, a staffed ticket office, step-free access, CCTV, and the latest security and information features. From 2011, it will be served by four London Overground trains per hour, every day. Southern trains also call at the station. The station is operated and part funded by TfL and built by Network Rail.

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

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 2 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 Q2 2009/10 £m	EFC £m
73.7	908

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	13/09/2009	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	Completed
Full approval to operate production trains on the Victoria line	27/11/2009	27/11/2009	●
All track works complete	14/01/2010	10/01/2010	●
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	●

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.

Signalling software development progressed during the quarter which enabled the start of train testing on the line. 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 on schedule. The train testing programme has progressed from a single train operating a single round trip to the train now operating two round trips from 2200 hours, each returning ahead of timetable. The latest software version has been successfully deployed and is expected achieve final acceptance in early November 2009.

The first production train (T3) is complete and undergoing full eight-car testing at the Old Dalby Test Track, however delivery has slipped one month to 23 November 2009 due to a number of known production issues. T5 is now in production as planned. The decommissioning of the first 67 Tube Stock train remains on target for 29 January 2010.

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The Service Control Centre successfully completed its first stage trial operations in September, with the second stage successfully completing on 10 October, followed by operation in passenger hours on 26 October 2009.

The completion date of May 2012 for the Journey Time Capability (JTC) remains ahead of the PPP contractual date of August 2013.

LU line upgrade – PPP JNP

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	TBA	■
Jubilee Line - Power Upgrade - power on	28/09/2009	10/09/2009	Completed
Jubilee line - J5 - ready for revenue service	15/04/2010	TBA	■
Northern Line - 50% of trains converted	31/01/2010	01/04/2010	▲
Northern Line - full journey time capability	26/10/2011	TBA	■
Piccadilly line upgrade - select rolling stock supplier	31/12/2009	07/12/2009	●
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. In April, Tube Lines Ltd (TLL) was granted 12 additional short-notice weekend closures to support its revised programme, which included 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 further since the previous report and is based on closures that are known to be unavailable. The J23 section is now planned to be combined with the J4 section in one step. The plan to complete J234 by 31 December has proven beyond Tube Lines, despite additional short notice access being provided. The programme is now expected to run well into 2010. LU and TLL are working together to agree a realistic programme through to the delivery of J5 that can be supported by the known available line closures. The power upgrade has progressed, with “power-on” achieved on 10 September, ahead of target.

For the Northern line, the programme is suffering from the focus of TLL resources on the Jubilee line. The full journey time capability contract date remains targeted for early 2012, 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. A revised programme was expected in P6 but is now further delayed. Driver recruitment was due to commence in October, but has been deferred.

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The conversion of the trains to Transmission Based Train Control (TBTC) is underway. The conversion cycle time has improved from 40 days for T7, through 27 days for T9, to 15 days for T20. The target cycle time of 14 days is expected by T21, enabling full conversion by October 2010, but with the TBTC signalling slipping, full train conversion is not now needed until December 2010.

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 June 2010. The Invitation To Tender was issued on 29 May 2009, tenders were returned in September and the technical and commercial evaluation is underway. Selection of the preferred bidder is planned for December 2009.

LU line upgrade – Sub-Surface Railway

Year to date as at Q2 2009/10 £m	EFC £m
113	3,315

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	21-Oct-09	●
Signalling - Phase 1a immunisation works - operational segment 1	26-Nov-09	13-Sep-09	Completed
First train ready to use on network	30-Sep-10	31-May-10	●
Start of full infrastructure integration testing	31-Jul-11	31-Jul-11	●
S Stock migration complete	31-Jul-15	31-Jul-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

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Neasden area on the Jubilee Line, but the first train was delivered to the London depot on 21 October, 10 days early. Testing during engineering hours commenced on 8 November 2009.

Procurement for the new signalling contract is underway and the Invitation To Tender 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 were received in September and are now under review.

Channel Tunnel Rail Link at King's Cross

Spend to end Q2 2009/10 £m	EFC £m
822	870

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Completion of escalator installation & commissioning	14/09/2009	31/07/2009	Completed
Northern Ticket Hall (NTH) - open to public	31/12/2009	29/11/2009	●
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 29 November. During Quarter 2, the main premises work was completed on 24 July 2009 and the focus is now on testing of the fire and communications systems, which are on the critical path. Training and test operations began on 5 October and the site is no longer a "hard hat" area.

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Bond Street Congestion Relief

Spend to end Q2 2009/10 £m	EFC £m
12.6	*

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	14/12/2009	■
Main contract award	08/02/2010	26/07/2010	■
Completion	29/09/2016	03/03/2017	■

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;
- four 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 project will return to the Finance and Policy Committee outlining possible cost options while continuing with the design work. The Invitation To Tender documents have been on hold during the Business Plan process, and are now planned for issue on 14 December 2009, with contract award forecast for 26 July 2010.

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Paddington (Hammersmith & City) Congestion Relief

Spend to end Q2 2009/10 £m	EFC £m
5.9	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Stage D (Final Report) sign off	14-Dec-09	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.

The design was completed to RIBA Stage D on 12 June 2009 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. The detailed design is now underway and enabling works on site have commenced. The tender for the ground works was drafted during the quarter and the main works tender is now under preparation. Critical to the Crossrail programme is the delivery of the taxi ramp, which remains on target for March 2011. The 'delay' until August 2014 reflects a conscious re-phasing of the project reflecting both funding availability and the Crossrail programme requirement.

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Victoria Station Upgrade

Spend to end Q2 2009/10 £m	EFC £m
69.7	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Financial approval (main works)	21/10/2009	21/10/2009	Completed
Main works contract award	28/10/2009	11/05/2010	■
Handover sites to main works contractor	21/04/2010	08/04/2011	■
Asbestos removal and finishes – all works on site complete	15/10/2010	29/11/2010	▲
Delivery into service	26/06/2017	12/10/2018	■

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 Public Inquiry was completed on 23 January 2009, and the tenders for the main works were returned on 23 December 2008. The Transport and Works Act Order was made on 28 August and came into effect on 18 September 2009.

Project approval was granted by the TfL Board on 21 October and the delivery milestones have been re-set in the table above. Further value engineering is planned to establish ways of reducing the overall cost. A further paper will be presented to the Finance and Policy Committee detailing the opportunities. The enabling works have continued to plan, including further utilities diversions and water management works.

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Tottenham Court Road Congestion Relief

Spend to end Q2 2009/10 £m	EFC £m
116	*

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	21/10/2009	Completed
Main Construction - tender award	19/02/2010	TBA	●
Start on Site - main construction	21/02/2010	TBA	●

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 continued. Buildings on Denmark Place are now down to ground level and basement clearance has begun. The electricity diversions are also complete at two sites. Highway works in Soho Square, Falconberg Mews and Sutton Row have been accelerated in order to avoid the Christmas period, with working hours now running from 06:00 to 22:00hrs.

The London Borough of Camden has made late comments on the design of the proposed roof canopies. English Heritage and the Commission for the Built Environment have approved the designs and a satisfactory resolution is expected.

The TfL Board approved the project on 21 October with the revised timetable and budget to meet the Business Plan constraints. Further examination of the project scope and value engineering will be undertaken to contain the additional costs of the revised programme.

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Bank Congestion Relief

Spend to end Q2 2009/10 £m	EFC £m
7.6	*

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	02/11/2009	Completed

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. Following the withdrawal of the Legal and General building lessee, the project is likely to be delayed by at least one 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 Q2 2009/10 £m	EFC £m
26.6	119

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)	19/12/2011	24/10/2011	●
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 but is currently ahead of target at 6 August 2010.

Green Park – The programme is currently on target to meet the Olympic delivery date. In Quarter 2, escalator four was closed on 31 August to allow the installation of the jacking system and underpinning followed in September. Utilities diversions continued and the new sewer connection was made into the main Thames Water sewer in Piccadilly. Delivery Into Service has slipped by one month to 24 October 2011 due to an extension of the lift installation programme in a design review. This may be recovered when the lift contractor's programme is finalised.

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Cooling the Tube

Spend to end Q2 2009/10 £m	EFC £m
111.5	*

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	Completed
Mid Tunnel Vents Tranche 1 – Drayton Park brought into beneficial use	07/09/2009	02/08/2009	Completed
Mid Tunnel Vents Tranche 1 – Tynemouth Road brought into beneficial use	30/10/2009	30/10/2009	Completed

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 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 have been deferred and the projects 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 second site at Tynemouth Road is planned to be brought into beneficial use by 30 October 2009. On Tranche 2, the detailed design and construction contract was awarded on 27 March 2009. Site set up is now complete on all three locations and work is on plan.

At Green Park, the trial boreholes were completed ahead of programme and the second phase is on target to begin in November.

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Operational Accommodation

Spend to end Q2 2009/10 £m	EFC £m
50.5	75.8

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	Completed
Edgware Rd - Construction contract award	22/11/2009	02/11/2009	Completed
Harrow on the Hill TCA - 1st floor 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 was completed on 16 July 2009.
- High Barnet – The main works contract commenced on site on 31 July 2008 and completion was achieved on 21 September 2009, four days ahead of target.
- Harrow on the Hill – the phase I fit out is complete and the furniture delivered. Occupation is on plan for 11 November, ahead of target.
- Leytonstone – the modular accommodation has been installed and fit out is proceeding to plan.

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Connect and Connect Airwave

Spend to end Q2 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	22/09/2009	Completed
Rationalisation of LUL video circuits - complete	05/10/2009	04/12/2009	▲
Additional Connect Resilience - 2nd Stage 'Quick Wins' (Equipment and Process)	28/10/2009	06/10/2009	Completed

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. The Hammersmith and City line also completed and testing of the last two sections of the District line is now complete. 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 resilience quick wins programme recovered from a two week slippage to complete early on 6 October 2009.

The Connect Airwave project enhances the emergency services' communication system on the Underground by expanding coverage and capacity. Airwave Phase 2, including an extension of coverage to Stratford, has now been agreed with the National Police Information Authority (NPIA). The conceptual designs for all 39 additional stations have now been re-submitted following quality issues with the first submissions.

London Underground

Major Power Works

Spend to end Q2 2009/10 £m	EFC £m
182	*

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	10/09/2009	Completed
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	TBA	●

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 the contract was awarded 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 was achieved on 10 September 2009 and snag clearance has begun.

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 and all milestones will be revised.

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Thameslink

Spend to end Q2 2009/10 £m	EFC £m
16.9	36.6

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. Work is underway but the 30-month closure is at risk of extending. At Farringdon Station, the footbridge contractor has gone into receivership and the possession planned to complete the works on 26 September was cancelled.

London Underground

Central Line Bogie Modifications

Spend to end Q2 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 ahead of target. The Programme Lift, the 4.5-year maintenance cycle that this project feeds into, began on 6 April. By the end of Quarter 2, 160 bogies have returned to service. The programme rate has now improved to the planned rate of one train (four units) per week.

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Track Renewal BCV/SSR

Year to date as at Q2 2009/10 £m	EFC £m
65.7	1,127

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 - five units achieved	31/03/2010	08/03/2010	●
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	●
Points & crossings - 11 units achieved	31/03/2010	06/07/2009	Completed

During Quarter 2, production was broadly on target, with 10,487m of Ballasted Track Renewal against the year-to-date target of 11,113m. Two points and crossings improvements have been deferred, reducing the year end forecast to 14.

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	Completed
Workbank 5 - Project close out	16/10/2010	30/06/2010	●

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

The total completed Enhanced Track Replacement increased to 983m for the year to date against the target of 1,200m but TLL has now achieved all 37,301m planned in the AAMP since the start of the PPP contract. Remaining work for this year is focused on tube reconditioning works and pit block renewal. Both these programmes are also nearing completion. The work plan for points and crossings has now been revised to focus on heavy maintenance rather than replacement.

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Civils BCV/SSR

Year to date as at Q2 2009/10 £m	EFC £m
17.2	724

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-EMI,2,4,5 East Putney to Southfields D164 Start on Site	10/07/2009	21/07/2009	Completed
D164-EMI,2,4,5 East Putney to Southfields D164 Practical Completion	20/09/2010	21/07/2010	●

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.

On bridge projects, work is on programme. One project is now on site and contracts for three further sites were awarded in the quarter and are planned to commence in October.

Earth structures projects are generally on programme. Three of the six projects that were on site at the start of the financial year have now completed, with the rest progressing well. Of the seven projects planned to begin in 2009/10, one has been deleted following better than expected condition analysis results. Of the remaining six projects, two are now on site, with the remainder under commercial negotiation.

On track drainage, 4,528m had been replaced year to date, ahead of the planned 3,062m.

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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.

Four earth structures are planned for the year, with work on site underway at Dollis Hill. Drainage improvement works are planned at 31 locations and work has begun at 15 of these.

Station Upgrades – BCV/SSR

Year to date as at Q2 2009/10 £m	EFC £m
82.2	983

BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
Oxford Circus Station Modernisation - Delivery into service agreed by LUL	25/05/2009	22/12/2009	■
Hainault Station Modernisation - Delivery into service date agreed by LUL	30/05/2009	19/05/2009	Completed
Wanstead Station Refurbishment - Start on site	30/06/2009	14/06/2009	Completed
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	14/10/2009	Completed
Earl's Court Station Modernisation - LUL agree delivery into service	31/12/2009	17/07/2009	Completed

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

These works proceeded and at the end of P6 18 of these stations were completed. Eight stations are in the construction phase, six of which are planned to complete in 2009/10, including Aldgate East and Oxford Circus.

London Underground

At Oxford Circus, the DIS slipped further in the Quarter 2, from 12 October to 22 December 2009 as a result of non-conforming cable installations but the remedial work is now largely complete.

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	06/12/2009	09/12/2009	●
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	15/12/2009	▲
Green Park Station Modernisation	23/10/2009	23/10/2009	Completed
Hatton Cross Station Enhanced Refurbishment	29/05/2010	19/03/2010	●

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. Of the 97 stations planned for the first PPP Contact Review Period, 71 were declared as Delivered Into Service by the end of Quarter 2 and the programme is on target.

In Quarter 2, the scope of the station works on the Jubilee Line Extension was under further negotiation with TLL in order to achieve costs savings and facilitate earlier work to Colliers Wood, South Wimbledon and Hounslow East, which were not previously planned for upgrades until Review Period 2.

London Rail

East London Line Extension

Spend to end Q2 2009/10 £m	EFC £m
894	986

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete Crossrail enabling works at Whitechapel	30-Jun-09	30-Jun-09	Completed
Submit planning application to LBH & TH to discharge conditions 14/17/19 (noise demonstration)	10-Apr-09	30-Nov-09	■
Complete Dalston podium slab	31-Jul-09	31-Jul-09	Completed
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	13-Sep-09	Completed
Commission all TSSs including Hoxton, Shadwell & Canal Junction (for 33kv only)	04-Jun-09	20-Oct-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.

During quarter 2, the Crossrail enabling works at Whitechapel were completed on time in late June and the Dalston podium slab was completed on time in late July. The SCADA temporary master station and system was commissioned four and a half months late in mid-September.

The SCADA and further TSS (Traction Substation) delay to 20 October is due to a delay in being able to energise the system. The planning application for discharge of noise conditions was also delayed further and is now expected on 30 November (five of the six applications have already been submitted).

Crystal Palace Station Enhancement (Package 2) has been subject to continued design delays which have resulted in a further delay to issuing the invitation to tender for construction. The

London Rail

intention is now to commission the new infrastructure and platforms at Crystal Palace in January 2010 with completion of other works scheduled for October 2010 after services commence.

Despite these delays, the project is largely on schedule and services are expected to commence in June 2010. Several major milestones have been achieved. Energisation of traction power from Dalston down to Shadwell was achieved on 30 September via the Shadwell traction sub-station and the Canal Junction traction sub-station was energised on 11 October. Test running began on the line on 5 October. Another milestone achieved is the telecommunications network becoming operational line wide during August.

East London Line Phase 2

Spend to end Q2 2009/10 £m	EFC £m
0.9	55.4

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	31-Dec-09	▲
Commence Passenger Services	14-May-12	14-May-12	●

East London Line (ELL) Phase 2 will provide an additional four trains per hour on the core ELL. 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.

A key scope issue for the project relates to the Kensington sidings. A study has been commissioned to consider both the technical viability and the cost to refurbish the existing sidings for the storage of eight trains. Network Rail has also been asked to provide an estimate of costs for these works as this is covered under the Regulatory Asset Base.

The next major milestone is the commencement of GRIP 5 design, however this has recently slipped from 5 October 2009 to 31 December as a result of earlier delays to GRIP 4 preliminary designs.

London Rail

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	Completed
First Train in Service NLR	31-May-09	29-Jul-09	Completed
First ELR units delivered for Network Rail track test	31-Jul-09	21-Sep-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 (three x four-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.

The first North London Railway unit was accepted on 7 July, just over two months late and the first entered service on 29 July. The first East London Line unit was delivered for Track testing on 21 July and which began on 5 October 2009. A revised delivery programme is expected shortly but the current programme shows delivery of the final ELL unit on 12 January 2010. This means that 20 units will not be available for stage 3 tests, however 16 will be available to satisfy the power supply and headway tests. TfL is not confident in the ELL unit delivery programme based on current performance, anticipating only 10 units being available for stage 3 tests. The test programme will be adjusted to take account of the delays to delivery and it is not expected to delay service commencement.

The next milestones are for the NLR fleet to be delivered by the end of December 2009 and for the ELL units to be delivered by the end of March 2010. A revised delivery programme is expected from Bombardier, however, and these dates are expected to slip.

London Rail

North London Railway Infrastructure Project

Spend to end Q2 2009/10 £m	EFC £m
71.2	249

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	20-Feb-10	▲
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. The all lines blockade was expected on 31 December 2009, however, this has now been re-phased to 20 February 2010 to combine two separate blockades into one to reduce impacts. This three month possession is out for industry consultation.

Tender evaluation for the systems and power works from Dalston to Highbury and Islington has progressed and contract award is expected shortly.

The design work for the track, drainage and pipe crossing works on the Dalston Western Curve is progressing and, despite being up to two weeks behind the original programme, this is not likely to affect progress on site.

The stage 2 works to the Dalston Lane Covered Way were completed ahead of programme. On Kingsland High Street covered way, demolition of the north deck was completed and the slab was prepared and poured. Demolition of the south deck progressed well.

The brickwork walls on Boleyn Road were completed in the period.

London Rail

DLR Three Car Infrastructure

Spend to end Q2 2009/10 £m	EFC £m
272	325

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 (Three Car Package 1 Works)	31-Jul-09	30-Oct-09	▲
Complete New South Quay Station (Three Car Package 1 Works)	30-Sep-09	26-Oct-09	▲
Bank Lewisham: construction complete	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 three car operation on the DLR. This includes platform extensions, track realignment and viaduct strengthening. The project includes three 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.

The Package 7 installation of the new London Underground compound and road at Canning Town was delivered on 25 September. South Quay station was moved on 26 October following a weekend closure.

The completion of Westferry Station has been delayed by a further two months to the end of October due to problems with steelwork design and fabrication. This has been exacerbated by some earlier problems with c2c on agreements on the Limehouse Link Bridge.

On Package 4, Blackwall and East India stations opened on 11 October, which is in advance of the contractual end date of 7 November 2009. At Royal Victoria, the completion of the Station construction is forecast for mid-November, with the extended platform to be open by the first week of December 2009.

London Rail

DLR Stratford International Extension

Spend to end Q2 2009/10 £m	EFC £m
141	198

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete decommissioning at Abbey Road	25-Apr-09	24-Jul-09	Completed
Network Rail Infrastructure Decommissioned (SIE Package 8 Works)	30-Jun-09	19-Jul-09	Completed
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.

The final change-over works at the Network Rail platforms at Stratford (Package 8) were successfully completed during the possession of 18/19 July 2009.

The decommissioning at Abbey Road took place on 24 July. The next milestone is the completion of construction at Star Lane Station expected on 13 November and at Canning Town station on 14 December 2009.

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

London Rail

DLR Railcars

Spend to end Q2 2009/10 £m	EFC £m
28.1	58.8

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	Completed
Games additional capacity: First railcar delivered	14-Dec-09	16-Sep-09	Completed
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	Completed
Stratford International Extension: All (9) Railcars accepted into service	31-Dec-09	05-Oct-09	●

This project covers the provision of 24 extra DLR railcars for three-car operation and the Woolwich Arsenal extension, nine for the Stratford International extension and 22 for the Games.

Several milestones were completed during the quarter. Then last of the 24 railcars for the Woolwich Arsenal extension was delivered on 10 July. The first additional Games railcar was delivered on 16 September and the final (ninth) railcar was delivered for the Stratford International extension and all were accepted into service on 5 October 2009.

The next milestones are for the final Games railcar to be delivered by August 2010 and accepted into service by October 2010.

Surface Transport

iBus

Spend to end Q2 2009/10 £m	EFC £m
81.2	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	Completed
Old system decommissioned and all operations transferred to new system	30-Jun-09	30-Jun-09	Completed
Legacy radio system turned off	31-Aug-09	13-Jul-09	Completed

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

During this quarter, the old system was decommissioned as expected at the end of June and the legacy radio system was turned off seven weeks earlier than expected in mid July. 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 project was closed on 9 July and ongoing contractual performance measurement and management has transferred to operations under business as usual. This project is to be removed from this report next quarter.

Surface Transport

Congestion Charging Re-Let

Spend to end Q2 2009/10 £m	EFC £m
81.2	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	Completed
Ready for Service Testing starts	21-Sep-09	07-Sep-09	Completed
Readiness Review	30-Sep-09	02-Oct-09	●
Release 1 - go live of new system for Congestion Charging and Low Emission Zone	30-Nov-09	31-Oct-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 further milestones were achieved during this quarter. The public information campaign began on 1 September and the ready for service testing began two weeks ahead of schedule on 7 September. Subsequent to the quarter, the readiness review was undertaken two days later than expected on 2 October.

The release of the new system for Congestion Charging and the Low Emission Zone – was achieved a month early over the weekend of 31 October and is running well.

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.

TLRN Capital Renewal		£ 000's
YTD Actuals		16,338
Full Year Budget		38,176
Full Year Forecast		40,005
Variance to budget		1,828

Description	Units	2009/10 Target	Q1 Forecast	Achieved to Date
Area of carriageway resurfaced	m ²	255,000	255,000	40,581
Area of footways resurfaced	m ²	60,000	60,000	22,386
Number of lighting units replaced	No.	608	608	334
Number of schemes to achieve a reduction in the total number of structures with special measures	No.	32	32	0
Removal of pedestrian guard railing	Km	35	35	11.9

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 Q2, 40,581 m² of carriageway had been resurfaced, which represents 16 per cent of the annual target. 22,386 m² of footway had been resurfaced, which represents 37 per cent of the annual target and 11.9 km of pedestrian guardrail had been removed, which represents 34 per cent of the annual target. The target for the number of lighting units has been confirmed as 608 in line with budget reductions and 334 have been achieved to date (55 Per cent).

An even delivery profile is not being followed and the project team state that they are on schedule to achieve 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 Q2 2009/10 £m	EFC £m
12.3	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	19-Apr-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. 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.

During this quarter, utility works have been progressed. The advanced demolition contract was awarded in September and began in October and tenders were invited in early September for the main works contract. There was a slight delay to the production of the contract documents due to quality issues. The mobilisation period has increased to two months and this has led to a slipping of the main works commencement from 29 March to 19 April 2010. This has had no knock on effects onto the completion of main works milestone.

The next major milestone is expected to be the award of contract in February 2010.

Surface Transport

Blackwall Tunnel Northbound Refurbishment

Spend to end Q2 2009/10 £m	EFC £m
4.0	60.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Award Contract	29-May-09	21-Dec-09	■
Start of Main Works	30-Jun-09	02-Feb-10	■
Revised procurement strategy approved	30-Jun-09	30-Jun-09	Completed
Construction complete	21-Jun-11	01-Feb-12	■

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 has recently been through an extended procurement process due to the tenders being returned above the budgeted price. The original tenderers were invited back into the process and negotiations have managed to reduce the price. The project was subject to a Corporate Gate Review at the October Project Review Group and is presented separately to the Finance and Policy Committee.

The next major milestone will be the award of contract just before the Christmas period.

Surface Transport

Cycle Hire

Spend to end Q2 2009/10 £m	EFC £m
6.1	91.6

Milestones	Current Plan Date	Actual/F'cast Date	RAG
ITT published	31-Mar-09	04-Mar-09	Completed
Contract Award	30-Jun-09	11-Aug-09	Completed
Planning Applications Submitted	20-Nov-09	20-Nov-09	●
Go Live #1 - Website	31-Mar-10	21-May-10	▲
Go Live #2 - On Street	31-May-10	30-Jul-10	▲

The Cycle Hire scheme will deliver 6,000 cycles in central London by May 2010. 400 docking stations will be introduced, which equates to nine docking stations per square kilometre.

The contract award was made on 11 August, which has been delayed by six weeks as a result of clarification meetings with bidders. This has resulted in the website go live milestone to be delayed by two months to 21 May 2010 and the on-street implementation being delayed to the end of June 2010. The next major milestone is the submission of Planning Applications expected on 20 November.

The charging scheme has been agreed in principle with the Mayor and a paper is expected to be presented to the December Board meeting.

Surface Transport

Two Cycle Superhighways

Spend to end Q2 2009/10 £m	EFC £m
1.2	22.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Route 3 - Completion of definition of route & measures	16-Jul-09	31-Jul-09	Completed
Route 3 - Completion of Preliminary design and NAT scheme approval	02-Oct-09	16-Nov-09	●
Route 7 - Completion of Preliminary design and NAT scheme approval	19-Oct-09	05-Nov-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	●

Two Cycle Superhighways is a pilot project to deliver the first two cycle superhighway routes – Routes 3 (Barking to Tower Hill) and Route 7 (South Wimbledon to the City) by May 2010. The remaining ten routes will be delivered in a separate project by 2015. Extensive monitoring is in place to assess the effectiveness of some of the interventions proposed. 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.

These 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.

Route 3 Definition of Route and Measures was delivered, two weeks later than expected, at the end of July. Approval of preliminary design for Route 3 is now expected on 16 November. For Route 7 approval of preliminary design is expected on 5 November. Provisional approval was given for both routes in September. Construction commenced on schedule on 30 October.

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.

Surface Transport

Ten Cycle Superhighways

Spend to end Q2 2009/10 £m	EFC £m
0	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Phase 1 Invitation To Tender Issued	28/02/2010	28/02/2010	●
Phase 1 preliminary design completed	31/05/2010	31/05/2010	●
Phase 1 detailed design completed	31/08/2010	31/08/2010	●
Phase 1 complete (two routes total)	31/05/2011	31/05/2011	●
Phase 2 complete (four routes total)	31/10/2012	31/10/2012	●
Phase 3 complete (six routes total)	31/07/2013	31/07/2013	●
Phase 4 complete (eight routes total)	30/04/2014	30/04/2014	●
Phase 5 complete (ten routes total)	30/01/2015	30/01/2015	●

As with the pilot routes, 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 Ten Cycle Superhighways scheme will deliver a further ten radial routes into central London following the pilot project. Planning and development is occurring in parallel with the delivery of the first two pilot routes. The ten routes are expected to be delivered in five phases of two routes, annually from May 2011 and the last is expected to be delivered by January 2015. After the agreed changes to the timescale, the project was re-baselined to deliver three years later than previously expected. This accounts for the increase in expected final costs as a result of inflation and additional team costs over those extra years.

The procurement process for these ten routes has not yet been decided. The next major milestone is the issue of Invitation To Tender for Phase 1 at the end of February 2010.

Surface Transport

West Ham Bus Garage

Spend to end Q2 2009/10 £m	EFC £m
36.0	53.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Access and commence permanent bus parking area (phase 3)	01-Apr-2009	31-Mar-2009	Complete
Access to phase 2 building	01-Sep-2009	01-Sep-2009	Complete
Completion of main garage building (phase 2)	30-Nov-2009	30-Nov-2009	●
Completion of fuel and wash building	01-Dec-2009	19-Feb-2010	▲
Completion of wind turbine	31-Jan-2010	15-Mar-2010	▲
Completion of permanent bus parking area	26-Feb-2010	10-May-2010	▲
Opening of bus garage	31-Mar-2010	31-May-2010	▲

This project provides a new bus garage to replace displaced existing garages on the Olympic site. The project has suffered from cost increases as a result of site difficulties and the accelerated delivery programme necessitated by the delays to the planning permission whilst still delivering in time for the Olympics. There is an ongoing discussion with the LDA over the apportionment of costs for this project.

This has also led to the delay to several milestones, including the completion of the fuel and wash building, which has been delayed by seven weeks to 19 February 2010, the completion of the wind turbine has been delayed to 15 March, and the bus parking area has been delayed to 10 May. The opening date has slipped by two months to the end of May 2010.

The next major milestone is the completion of the main garage building, expected on 30 November.

The project was subject to a Corporate Gate Review at the October Project Review Group and is presented separately to the Finance and Policy Committee.

Group

IM Strategic Investment Programme

Spend to end Q2 2009/10 £m	EFC £m
42.5	81.06

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	31/03/2010	■
Data Centre 2 Operational readiness	14/09/2009	14/09/2009	Completed
Migration of Fujitsu Systems to DC2 hosting	31/03/2010	31/03/2010	●
Application Portfolio Management – Database delivered	30/09/2009	30/09/2009	Completed

The IM Strategic Investment Programme is a programme of works to update TfL's IM infrastructure. There are five remaining work streams (the Enterprise Management work stream has finished and transferred to operations):

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

By the end of the second quarter 10,047 users (69 per cent) and 10,283 units (97 per cent) were migrated.

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 second quarter, migration had taken place at 23 buildings, including eight core sites. The remaining seven core sites were expected to be migrated by the end of October but this has slipped to the end of March 2010. These sites will be migrated as quickly as possible as technical issues are resolved. Analysis is currently underway to assess what remedial actions are required. All other sites and services are expected to be migrated by mid-2010.

Data Centre (DC) – is to provide a dedicated and highly resilient data centre and to decommission most of the existing computer rooms.

Group

During the second quarter of 2009/10, the first milestone of Data Centre 2 in Woking was completed and is now ready for taking on further operations.

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.

Migration of Fujitsu’s application services for LU is expected to be complete by the end of March 2010. Four out of five of these have already been migrated. Journey Planner is expected in early 2010.

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 delivered the database during September, which will now be transferred to Business As Usual management.

The project was subject to a Corporate Gate Review at the October Project Review Group and is presented separately to the Finance and Policy Committee on the closed agenda for authority.

ITSO

Spend to end Q2 2009/10 £m	EFC £m
1.0	56.7

Milestones	Current Plan Date	Actual/F’cast Date	RAG
Agree scope and funding with DfT	31-Jan-09	28-May-09	Completed
System architecture sign off	18-Sep-09	18-Sep-09	Completed
System requirements sign off	12-Oct-09	09-Dec-09	▲
Head office processing system operational	31-Jul-10	31-Jul-10	●
3G Comms software development complete	15-Oct-10	15-Oct-10	●
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 ITSO tickets, establishment of a head office processing system (HOPS), new or upgraded communications links and other system changes.

Group

The project is being funded by the DfT as per an agreement between it and TfL dated 28 May 2009.

System architecture was signed off on schedule on 18 September. System requirements are now expected to be signed off on 9 December, two months later than originally planned. The project is dependent upon external stakeholders to some extent such as the DfT and in particular the receipt of the ITSO business rules. The project is due to complete in August 2011.