

TRANSPORT FOR LONDON

BOARD

**SUBJECT: OPERATIONAL AND FINANCIAL PERFORMANCE AND
INVESTMENT PROGRAMME REPORTS – FIRST QUARTER
2010/11**

DATE: 22 SEPTEMBER 2010

1 PURPOSE AND DECISION REQUIRED

- 1.1 The following performance monitoring reports are attached for the First Quarter of 2010/11 (1 April – 26 June 2010):
- (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 16 September 2010.

2 RECOMMENDATION

- 2.1 The Board is asked to NOTE the reports.

3 CONTACT

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Transport for London

Operational and Financial Performance Report

First Quarter, 2010/11

Purpose of Report: For the Managing Director, Finance, to inform the Finance and Policy Committee, the TfL Board and other stakeholders of TfL's financial and operational performance every quarter.

This report covers quarter one (1 April 2010 – 26 June 2010), comprising operating periods one to three.

TfL performance summary

Service Demand: During quarter one 2010/11, passengers made more journeys than anticipated when the budget was set on all modes of transport. Passenger demand is recovering faster than anticipated from the economic recession, reflecting the position of the London economy. TfL has experienced year-on-year growth in a quarter which has seen the successful introduction of three-car trains on the DLR and the full opening of the East London Line. In addition, the index measure for cycle journeys on the TLRN (TfL road network) has continued the pattern of year-on-year growth.

Financial performance: Total operating income for quarter one was £885m (£48m above budget). The variance to budget is principally due to higher service demand levels than anticipated when the budget was set. Operating expenditure in the quarter was £1,284m (£54m below budget), and net capital expenditure excluding Crossrail was £363m (£73m below budget), both variances were mainly driven by timing changes that have occurred since the budget was agreed. TfL net service expenditure for the full year 2010/11 is forecast to be £226m below budget at £5,261m, incorporating current passenger demand expectations and economic forecasts.

Efficiencies: On a gross basis, £503 million of savings are forecast for the year, £23 million less than target. This reduction in forecast is mainly due to a shortfall in savings from London Underground's project efficiencies and the group wide Information Management (IM) programmes. This has been partially offset by increased savings relating to Fares and Ticketing, the surrender of the Agreement for Lease at "The Shard" and additional Enforcement savings.

Staff: At the end of quarter one, TfL employed fewer staff than budget reflecting ongoing efficiencies and headcount freezes across the organisation. The percentage of the workforce that are temporary workers continues to decline steadily.

Note on treatment of Tube Lines: On 27 June, TfL acquired Tube Lines. The forecast in this report takes account of the cash outflow for the purchase of the business, partly offset by the expected reduction in ISC (Infrastructure Service Charge) in London Underground due to the removal of profit and tax elements previously included before the acquisition. The forecast results of Tube Lines will be incorporated in the group forecast in the quarter two report.

London Underground

Operational Performance

London Underground Performance	unit	Q1				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Forecast	Vs Target	Status	Vs Last Year
Passenger Journeys	m	259.9	14.1	○	9.9	1,098.0	61.0	○	33.3
Scheduled Service Operated	%	97.3	1.0	○	1.9	96.3	-	○	(0.3)
Excess Journey Time (Weighted)	mins	5.82	(0.81)	○	(0.94)	6.54	(0.16)	○	0.13
Overall Customer Satisfaction	score	80.0	1.0	○	-	No forecast	N/A		N/A

○: better than or equal to target; ◐: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding errors.

- 1.0 In the first quarter of 2010/11, London Underground (LU) passengers made 9.9 million (4.0 per cent) more journeys than quarter one 2009/10, despite quarter one this year being one day shorter in length. This was 14.1 million (5.8 per cent) more journeys than the target and reflects the quicker than anticipated recovery in demand which has become evident since the budget was set.
- 1.1 In quarter one, LU operated more scheduled services than target and all quarterly results of last year.
- 1.2 The LU excess journey time has also improved, with a quarter one result of fewer than six minutes for the first time.
- 1.3 The Customer Satisfaction Survey (CSS) result for quarter one has increased 2 points from last quarter. It also matches the record scores achieved in the last quarter of 2008/09 and the first two quarters of 2009/10. All scores were the same or better than the previous quarter with large increases in satisfaction on 'Ease of getting to platform' and 'Train crowding'.
- 1.4 There were no accidental fatalities on LU during quarter one but 36 passengers sustained major injuries. The moving annual average of major injuries per million hours on the LU infrastructure is in line with the target.
- 1.5 In quarter one, there were 11.8 recorded crimes per million passenger journeys on the LU and Docklands Light Railway (DLR) networks. This was lower than the target of 12.9 as well as a reduction in the crime rate since the same quarter last year.

Financial Performance

London Underground Financials £m	Year to Date				Full Year			
	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
Operating Income	(434)	(419)	(15)	○	(1,882)	(1,792)	(90)	○
Operating Expenditure (net of third party contributions)	575	617	(42)	○	2,735	2,835	(99)	○
Net Operating Expenditure	140	198	(57)	○	853	1,042	(189)	○
Net Capital Expenditure	264	290	(26)	○	1,270	1,261	9	◐
Net Service Expenditure	404	487	(83)	○	2,123	2,304	(180)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

- 1.6 Operating income was higher than budget in the first quarter. This was mainly due to the fares income variance of £13 million reflecting higher than budgeted passenger numbers.
- 1.7 The full-year forecast for operating income reflects the updated Retail Price Index (RPI) and the Greater London Authority (GLA) economic forecast.
- 1.8 Operating expenditure in the year to date was below budget. Central Services expenditure was £10 million below budget, mainly due to timing differences. Changes in phasing of work and cost savings meant that Maintenance expenditure was £9 million below budget. Tube Lines' PPP cost was £7 million below budget reflecting late delivery of the Jubilee Line Upgrade and a usage adjustment for the final three periods of Contract Review Period 1. Further variances included Investment Programme revenue projects which were below budget by £5 million, mainly in Asset Stabilisation and Paddington enabling works.
- 1.9 The full year forecast for operating expenditure is also below budget. Following the acquisition of Tube Lines the forecast has been reduced by £54m to reflect the reduction in the ISC (Infrastructure Service Charge) profit and tax elements. Central Expenses are forecast to be £18 million lower than budget due to reduced cost provisions and efficiencies following integration with the former Metronet business. Investment Programme revenue projects are £10 million below budget, notably stations. Other reductions against budget include £4 million for replacement bus costs due to the revised Northern Line closure programme.
- 1.10 Capital expenditure year to date was below budget, largely due to the Victoria Line Upgrade which was £14 million below budget as a result of rolling stock production delays. The supplier (Bombardier) is addressing the production issues and this is anticipated to be resolved within the year. Also, Track projects were £9 million below budget mainly due to changes in the delivery plan.
- 1.11 The variance in the capital expenditure forecast is mainly due to higher expenditure on the Sub Surface Rail upgrade, where the full-year budget included allowance for capital efficiencies which the programme is no longer forecasting to meet in full, and a release from overprogramming for delays in project expenditure. These are partly offset by reduced Track and Civils expenditure due to programme changes, and savings on stations projects.

Surface Transport

Operational Performance

Surface Transport Performance	unit	Q1				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Forecast	Vs Target	Status	Vs Last Year
London Buses									
Passenger Journeys	m	546.6	24.5	○	(1.6)	2,248.5	65.5	○	(8.9)
Scheduled Service Operated	%	97.9	0.3	○	0.4	97.4	-	○	-
Excess Wait Time, High Freq Routes	mins	0.96	(0.12)	○	(0.13)	1.10	(0.03)	○	-
Overall Customer Satisfaction	score	82.0	3.0	○	3.0	No forecast	N/A		N/A
Other									
Cycle usage on TLRN (Index Mar 2000 = 100)	index	262.9	10.9	○	18.5	231.0	(9.0)	●	13.5
River Journeys	'000	1,182.	(32.9)	●	4.1	4,000.0	-	○	(169.2)
Dial-a-Ride trips	'000	322.6	9.6	○	28.8	1,350.0	-	○	95.3
Dial-a-Ride Overall Customer Satisfaction	score	93.0	1.0	○	2.0	93.0	1.0	○	0.1

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding errors.

- 2.0 Bus passengers made more journeys than target in quarter one despite the fares rise in January 2010 and ongoing impacts of the recession. Although passenger journeys are slightly lower than last year, they have not fallen as anticipated. As a result, the year end forecast for passenger journeys was increased by 3.0 per cent.
- 2.1 In the first quarter, London Buses scheduled services operated and the excess wait time showed positive gains against their targets and the same quarter last year. Mileage losses due to traffic delays were lower than expected.
- 2.2 The London Buses Customer Satisfaction Survey (CSS) score in quarter one was 3 points higher than the previous quarter as well as being higher than target and the same quarter last year. All of the London Buses satisfaction scores were the same or better compared to last quarter. Notably, the scores for 'Stations overall' and 'Night bus' increased by 4 and 3 points respectively.
- 2.3 On the Bus network during quarter one, 251 major injuries were sustained by passengers and members of the public and four fatalities occurred. This equates to 0.47 major injuries or fatalities per million passenger journeys. The number of major injuries has increased from quarter four which follows a seasonal trend but does also show a year-on-year reduction.
- 2.4 In quarter one, there were 10.4 recorded crimes per million passenger journeys on the bus network, based on April-June crime and passenger journeys data. This was lower than quarter one 2009/10 (11.1) and the full year 2009/10 (11.1).
- 2.5 In quarter one, the average index of cycle flows on the TLRN (TfL Road Network) exceeded target and continued to show steady year-on-year growth.
- 2.6 There were fewer river journeys made than target in quarter one, mainly due to fewer passengers on commuter services to Canary Wharf and fewer events at the O2.

- 2.7 The data for road collisions in London is for January and February 2010, during which there were 379 people killed or seriously injured. This was 150 fewer than the reduction target. Other than February 2010 showing a slightly higher result than January 2010, this result shows a general decline since October 2009. Of these casualties, the highest proportion was pedestrians at 146. 112 were car occupants, 55 were motor cyclists, 43 were cyclists and 23 were other road users.
- 2.8 The delivery of 105 signal-timing reviews achieved a 4.1 per cent reduction in stop-start delays for traffic at traffic signals in quarter one. The review of 1,000 signal timings is forecast to be achieved in the full year enabling the target of a four per cent reduction in traffic delays to be met.

Financial Performance

Surface Transport Financials £	Year to Date				Full Year			
	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
Operating Income	(391)	(376)	(15)	○	(1,651)	(1,592)	(59)	○
Operating Expenditure (net of third party contributions)	569	578	(9)	○	2,621	2,612	8	▶
Net Operating Expenditure	178	202	(24)	○	970	1,021	(51)	○
Net Capital Expenditure	50	61	(11)	○	279	260	19	●
Net Service Expenditure	228	263	(34)	○	1,249	1,281	(32)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ▶ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

- 2.9 The year-to-date operating income was higher than budget largely due to bus fares income which was £14 million higher, driven by higher passenger journeys than budget.
- 2.10 The full-year forecast for operating income reflects the updated RPI and the GLA economic forecast.
- 2.11 Operating expenditure in the year to date was below budget. The largest variance of £3 million relates to the first two Barclays Cycle Superhighways as the result of revised phasing. The remaining variances included deferrals on various activities (including Smarter Travel and Local Implementation Plans) and savings (including lower bus Contract Price Adjustments and discretionary signals maintenance work).
- 2.12 The full-year operating expenditure is forecast to be above budget. This is due to deferred expenditure of £4 million for Barclays Cycle Hire Scheme and Cycle Superhighways, originally budgeted to occur during 2009/10. Congestion Charging is forecasting additional costs because of some restrictions on data administration put in place by the Driver and Vehicle Licensing Agency.
- 2.13 Capital expenditure in the first quarter was £11 million below budget. This includes revised phasing on the Barclays Cycle Hire Scheme and Cycle Superhighways projects of £20 million. This was partly offset by additional expenditure of £6 million for acceleration of project spend on the Blackwall Tunnel (Northbound) refurbishment.
- 2.14 Capital expenditure for the full-year is forecast to be higher than budget. This is mainly due to deferrals of project spend on the Barclays Cycle Hire Scheme and Cycle Superhighways from 2009/10.

London Rail

Operational Performance

London Rail	unit	Q1				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Forecast	Vs Target	Status	Vs Last Year
DLR									
Passenger Journeys	m	17.9	0.4	○	1.3	74.0	(0.4)	●	4.6
Scheduled Service Operated	%	97.9	(0.1)	●	(0.2)	98.0	-	○	0.8
On time Performance	%	97.7	1.7	○	3.4	96.0	-	○	1.2
Overall Customer Satisfaction	score	82.6	2.6	○	N/A	80.0	-	○	N/A
London Overground									
Passenger Journeys	m	See paragraph 3.4							
On Time Performance (PPM Moving Annual Average)	%	93.7	0.5	○	1.4	93.2	-	○	-
Overall Customer Satisfaction	score	78.0	3.0	○	N/A	75.0	-	○	N/A
Trams									
Passenger Journeys	m	6.6	0.3	○	-	26.8	-	○	0.3
Scheduled Service Operated	%	99.5	1.5	○	0.4	98.0	-	○	(0.6)
Overall Customer Satisfaction	score	88.0	2.0	○	-	86.0	-	○	(0.3)

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding errors.

- 3.0 DLR passengers made 1.8 per cent more journeys than target in quarter one. The increased ridership compared to last year can be attributed to the operation of three-car services, which commenced a full service on 26 April 2010. Furthermore, there has been an increase in passengers interchanging at Shadwell due to the full reopening of the East London Line (ELL) on 23 May 2010.
- 3.1 The percentage of scheduled services operated by DLR narrowly missed target. However, it continued to rise during the first quarter and reached the highest level since quarter two 2009/10.
- 3.2 DLR on-time performance reached its highest level for two and a half years during the first quarter.
- 3.3 The DLR customer satisfaction score for quarter one was better than target, with the introduction of three-car trains having a positive effect on service satisfaction. A new measure, in line with the rest of TfL, is being used so satisfaction levels cannot be compared to the previous year.
- 3.4 Passenger journey data for London Overground (LO) is not reported at present. The new trains being introduced on the LO network will enable passenger numbers to be automatically monitored. The data is being tested and calibrated and is expected to be available for reporting later in the year.
- 3.5 The LO passenger performance measure (PPM) is the percentage of trains arriving at their destination within five minutes of the time stated in the timetable. In quarter one, the moving annual average continued to improve and was half a percentage point better than quarter four 2009/10. Of the PPM failures on London Overground in quarter one, London Overground Rail Operations Limited (LOROL) was responsible for 44 per cent, Network Rail was responsible for 37 per cent, London Underground was responsible for 3 per cent and other operators for 6 per cent.

- 3.6 The London Overground customer satisfaction survey was five points higher than last quarter. The ELL contributed to this with an individual score of 85 points. The overall score for station facilities has reached its highest level ever due to improvements on the North London Line and also the inclusion of the ELL stations.
- 3.7 The percentage of tram services operated remained higher than target and last year in quarter one.
- 3.8 Trams exceeded their target in the quarter one customer satisfaction survey. This result is part of a rising trend that started in quarter two 2009/10.

Financial Performance

London Rail Financials £m	Year to Date				Full Year			
	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
Operating Income	(36)	(34)	(2)	○	(170)	(167)	(2)	○
Operating Expenditure (net of third party contributions)	71	72	(1)	○	337	337	-	○
Net Operating Expenditure	35	38	(3)	○	167	170	(3)	○
Net Capital Expenditure	43	77	(34)	○	200	247	(48)	○
Net Service Expenditure	78	115	(37)	○	367	417	(50)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
 Tables may be subject to rounding errors.

- 3.9 Operating income in the year to date was higher than budget; this was mainly because engineering works have not had as great an impact as expected on the LO fares income. Ticket commissions received from other train operating companies were also higher.
- 3.10 The full-year forecast for operating income is higher than budget as a result of increases in commissions earned by LO for selling other operators' tickets.
- 3.11 The full year operating expenditure forecast is in line with budget overall but includes offsetting variances. The North London Rail (NLR) station upgrade is £10 million below budget, as it has been rephased in line with the LOROL revised programme. Additional expenditure of £3 million was incurred on the concession agreement between Rail for London and LOROL due to higher inflation. East London Line (ELL) infrastructure maintenance spend was £3 million higher than budget as a result of rephasing from 2009/10. There was also £3 million of expenditure which could not be included in the lease and arose once the railway became operational. This included LU track circuit works, cab simulator, driver only operation developments and power supply issues at Euston.
- 3.12 Capital expenditure in the year to date was £34 million below budget. The ELL Project underspent by £12 million as a result of costs occurring in 2009/10 which was earlier than budgeted. Lower expenditure of £12 million on the DLR was mainly due to new vehicle expenditure incurred earlier than budgeted in 2009/10, along with slower progress on Stratford International and Beckton Depot Offices. Additional underspends included the North London Rail Infrastructure Project (NLRIP) of £9 million due to a delay in contract awards.

- 3.13 The capital expenditure full year forecast is below budget, £26 million of which reflects the revised phasing across years for ELL. On the NLRIP, the Latchmere Curve works costs of £11 million will now be incurred in 2011/12. A further forecast variance lower than budget arises from an increase in the overprogramming of £8 million as a result of reprofiling between years.

Crossrail

Financial Performance

Crossrail Financials £m	Year to Date				Full Year			
	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
Third Party Capital Contributions	-	-	-	○	(15)	(15)	-	○
Capital Expenditure	104	125	(21)	○	727	734	(7)	○
Net Capital Expenditure	104	125	(21)	○	712	719	(7)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

- 4.0 Year-to-date expenditure was below budget, due to a rephasing of expenditure and a reduction in the provision for property compensation commitments.
- 4.1 The full-year forecast variance to budget is due to reductions in land and property expenditure of £70 million, as a result of deferrals and a reduction in the provision for property compensation commitments. This is largely offset by an increase of £63 million due to revised phasing of the Central Section's design and construction activity expenditure following a review of activities.

Corporate Directorates

Financial Performance

Corporate Directorates Financials £m	Year to Date				Full Year			
	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
Operating Income	(22)	(5)	(17)	○	(46)	(29)	(18)	○
Operating Expenditure	67	70	(3)	○	347	286	62	●
Third party revenue contributions	-	(1)	1	●	(3)	(3)	-	○
Operating Expenditure (net of third party contributions)	67	69	(2)	○	344	283	61	●
Net Operating Expenditure	45	64	(19)	○	298	254	44	●
Capital Income	(5)	(5)	-	○	(29)	(29)	-	○
Third Party Capital Contributions	-	-	-	○	-	-	-	○
Capital Expenditure	11	14	(2)	○	57	53	4	●
Net Capital Expenditure	6	9	(3)	○	28	24	4	●
Net Service Expenditure	51	73	(21)	○	325	278	47	●

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

- 5.0 The operating income variance to budget for both the year to date and full year forecast is in part due to cash received for surrendering accommodation leases.
- 5.1 The operating expenditure full year variances include forecast shortfalls in Information Management and accommodation savings, the latter mainly being due to savings materialising later than anticipated.
- 5.2 The capital expenditure forecast overspend includes the Integrated Transport Smartcard Organisation project deferral from 2009/10.

Group items

2009/2010 Prior Year		2010/2011 Year to date				2010/2011 Full Year			
Year to date	Group Items £m	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
(7)	Interest Income	(2)	(2)	-	○	(5)	(5)	-	○
35	Debt Servicing	43	43	-	○	200	202	(2)	○
-	Contingency/Other Group Items	-	38	(38)	○	289	291	(2)	○
28	Total Group Items	42	80	(38)	○	484	488	(4)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

- 6.0 Contingency and other group items expenditure was lower than budget in the year to date by £38 million. Due to the nature of contingency, funds will be drawn down as required, but the budget was evenly phased.

Savings Programme

Savings £m	Year to date Actual	Forecast at Q1	Target	Variance
Corporate and Group Wide	43	141	141	-
London Rail	3	9	8	1
London Underground	40	209	241	(32)
Surface Transport	29	144	136	8
Total Gross Saving	115	503	526	(23)
Implementation cost	(5)	(82)	(79)	(3)
Total Net Savings	111	421	447	(26)

- 7.0 On a gross basis, £503 million of savings are forecast for the year, £23 million less than target. This reduction in forecast is mainly due to a shortfall in savings from London Underground's project efficiencies and the Information Management (IM) programmes. This has been partially offset by increased savings relating to Fares and Ticketing following the termination of the Prestige PFI contract, the surrender of accommodation leases, and additional Enforcement savings.
- 7.1 Implementation costs for the full year are forecast to be £3 million greater than target.
- 7.2 Net savings are currently forecast to be £421 million for the year, £26 million below target. By the end of quarter one, net savings of £111 million had been delivered.
- 7.3 London Underground is currently forecasting a shortfall in savings from the capital programme of £32 million. Work to reduce this shortfall is progressing (it stood at £64 million at period one) and the aim remains to fully deliver the target for the current financial year.
- 7.4 Following a review of its existing costs and potential savings, IM is forecasting £24 million of savings against a target of £45 million this year while facing additional cost pressures of £18 million from business-as-usual activities. IM is unlikely to achieve its savings target in 2010/11 but work is ongoing to find opportunities to mitigate the gap. This gap is offset by Fares and Ticketing savings

following the termination of the Prestige contract and savings resulting from the surrender of accommodation leases.

Balance Sheet

Quarter One

Transport for London Group Balance Sheet at end of Quarter 1 £m	Actual	Variance to Budget
Fixed Assets – <i>(higher) / lower than budget</i>	22,211	132
Stocks, Debtors and Payments in Advance – <i>(higher) / lower than budget</i>	694	(146)
Cash – <i>(higher) / lower than budget</i>	1,274	47
Creditors and Receipts in Advance – <i>higher / (lower) than budget</i>	(4,633)	(37)
Prudential Borrowings – <i>higher / (lower) than budget</i>	(4,118)	-
Deferred Capital Grant – <i>higher / (lower) than budget</i>	(10,157)	19
Provisions – <i>higher / (lower) than budget</i>	(2,681)	(136)
Total Net Assets – <i>(higher) / lower than budget</i>	2,590	(121)

- 8.0 Fixed assets variances are largely due to lower than budget capital expenditure, as explained within the relevant modal capital expenditure sections above.
- 8.1 Stock, debtors, payments in advance and accrued income are some £146 million above budgeted levels. This principally reflects the cash paid to date for the purchase of shares in Tube Lines which is being temporarily held in current assets until the fair value exercise for the acquisition is completed.
- 8.2 Cash is £47 million below budget reflecting the cash outflow for the Tube Lines purchase, offset by trading variances to date.
- 8.3 Creditors are £37 million below budget reflecting lower than planned activity to date.
- 8.4 Deferred Capital Grants are £67 million lower than budget. Of this, some £8 million is in respect of lower contributions from third parties. The remainder is the non-cash effect of the grant accounting process.
- 8.5 The provision variance of £136 million below budget is as a result of revised assumptions and timing differences for property purchases in respect of the Crossrail project.

Full year Forecast

Transport for London Group Balance Sheet Forecast for the Year End £m	Forecast	Variance to Budget
Fixed Assets – (higher) / lower than budget	23,750	138
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	823	(333)
Cash – (higher) / lower than budget	945	337
Creditors and Receipts in Advance-higher / (lower) than budget	(4,644)	(3)
Prudential Borrowings – higher / (lower) than budget	(4,949)	135
Deferred Capital Grant – higher / (lower) than budget	(10,751)	168
Provisions – higher / (lower) than budget	(2,484)	(308)
Total Net Assets – (higher) / lower than budget	2,690	134

- 8.6 The forecast fixed assets are £138 million lower than budget. £23 million is due to lower activity as explained within the relevant modal capital expenditure sections above, and £34 million is due to lower than budgeted additions from Tube Lines under the PPP. The balance is due to forecast higher fixed asset disposals and higher depreciation.
- 8.7 Stock, debtors etc are £333 million higher than budget. As per quarter one commentary, this is largely due to the effects of full year costs relating to the purchase of Tube Lines. This is being temporarily held in current assets until the conclusion of the fair value exercise, following acquisition.
- 8.8 Cash is forecast to be below budget by £337 million reflecting the cash outflow for the purchase of Tube Lines partly offset by the expected reduction in ISC (Infrastructure Service Charge) due to the removal of profit and tax elements previously included before the acquisition. The variance also includes the reduction in transport grant of £108 million, other activity and working capital changes.
- 8.9 Prudential borrowing is expected to be £135 million higher than originally budgeted. This is due to the refinancing, within the Corporation, of certain elements of Tube Lines external borrowings.
- 8.10 Deferred Capital Grant balance again results from the non-cash effects of the grant accounting process.
- 8.11 Provisions are forecast to be £308 million below budget again due to revised assumptions and timing differences on Crossrail-related property purchases.

Appendix one: Operational summary

20010/11 Key Performance Indicator	Unit	Quarter 1				Full Year			
		Actual	Variance to target	Status	PY	Forecast	Variance to target	Status	PY
Contextual Indicators									
Service Demand									
Passenger Journeys - LU	m	259.9	14.1	○	250.0	1,098.0	61.0	○	1,064.7
Passenger Journeys - Buses	m	546.6	24.5	○	548.2	2,248.5	65.5	○	2,257.4
Passenger Journeys - DLR	m	17.9	0.4	○	16.6	74.0	(0.4)	●	69.4
Passenger Journeys - Trams	m	6.6	0.3	○	6.6	26.8	-	○	26.5
Passenger Journeys (total)- River Services	'000s	1,182.1	(32.9)	●	1,178.0	4,000.0	-	○	4,169.2
Total Trips - Dial a Ride	'000s	322.6	9.6	○	293.8	1,350.0	-	○	1,254.7
Supporting Economic Development									
Excess Journey Time (Weighted) - LU	mins	5.82	(0.81)	○	6.76	6.54	(0.16)	○	6.41
% Scheduled Services Operated - LU	%	97.3	1.0	○	95.4	96.3	-	○	96.6
Excess Wait Time, High Freq Routes – Buses	mins	0.96	(0.12)	○	1.09	1.10	(0.03)	○	1.12
% Scheduled Services Operated - Buses	%	97.9	0.3	○	97.5	97.4	-	○	97.1
On Time Performance - DLR	%	97.7	1.7	○	94.3	96.0	-	○	94.8
% Scheduled Services Operated - DLR	%	97.9	(0.1)	●	98.1	98.0	-	○	97.2
On Time Performance (PPM Moving Annual Average) - LO	%	93.7	0.5	○	92.4	93.2	-	○	93.2
% Scheduled Services Operated - Trams	%	99.5	1.5	○	99.1	98.0	-	○	98.6
Cycle usage on TLRN (Index Mar 2000 = 100)	index	262.9	10.9	○	244.4	231.0	(9.0)	●	217.5
Quality of Life									
Overall Customer Satisfaction - LU	score	80.0	1.0	○	80.0	No forecast	N/A		79.0
Overall Customer Satisfaction - Buses	score	82.0	3.0	○	79.0	No forecast	N/A		81.0
Overall Customer Satisfaction - DLR	score	82.6	2.6	○	N/A	80.0	-	○	N/A
Overall Customer Satisfaction - Trams	score	88.0	2.0	○	88.0	86.0	-	○	86.3
Overall Customer Satisfaction - LO	score	78.0	3.0	○	N/A	75.0	-	○	N/A
Overall Customer Satisfaction - Dial-a-Ride	score	93.0	1.0	○	91.0	93.0	-	○	92.9
Ensuring Safety and Security									
Number of killed or seriously injured people (Londonwide) *	#	379	(150)	○	488	2,787	(555)	○	3,178
Recorded Crime (per million journeys) - LU/DLR **	#	11.5	(1.4)	○	13.7	12.9	-	○	13.2
Recorded Crime (per million journeys) - Buses **	#	10.3	(0.5)	○	11.2	10.2	-	○	11.1

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding errors.

FTE = Full Time Equivalents

PY = Prior Year

* Due to the reporting process and nature of road traffic accident data the latest data available and included in the Q1 section above is for January & February 2010.

** The latest data available for recorded crime is for April - June 2010.

Appendix two: Financial summary

£m	Year to Date				Full Year			
	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
Fares Income - LU, buses and LR	(726)	(698)	(28)	○	(3,144)	(3,005)	(138)	○
Other Income	(159)	(138)	(21)	○	(614)	(583)	(31)	○
Total Operating Income	(885)	(837)	(48)	○	(3,758)	(3,588)	(169)	○
Operating Expenditure net of third party contributions	1,284	1,338	(54)	○	6,046	6,075	(30)	○
Operating Margin	399	501	(103)	○	2,288	2,487	(199)	○
Interest Income & Debt Payments	42	42	-	○	195	197	(2)	○
Contingency/other group items	-	38	(38)	○	289	291	(2)	○
Total Group Items	42	80	(38)	○	484	488	(4)	○
Margin	440	581	(141)	○	2,772	2,975	(203)	○
Capital Income (including property sales)	(6)	(5)	(2)	○	(28)	(29)	-	○
Capital Expenditure	388	468	(80)	○	1,901	1,917	(16)	○
Reimbursements from third parties	(18)	(26)	8	●	(96)	(96)	-	○
Net Capital Expenditure (excl Crossrail)	363	436	(73)	○	1,777	1,793	(16)	○
Net Service Expenditure (excl Crossrail)	804	1,018	(214)	○	4,549	4,768	(219)	○
Capital Expenditure - Crossrail	104	125	(21)	○	712	719	(7)	○
Net Service Expenditure (TfL)	908	1,143	(235)	○	5,261	5,487	(226)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
 Tables may be subject to rounding errors.

Operating Income

2009/2010 Prior Year		2010/2011 Year to date				2010/2011 Full Year			
Year to date	Operating Income £m	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
(411)	London Underground	(434)	(419)	(15)	○	(1,882)	(1,792)	(90)	○
(362)	Surface Transport	(391)	(376)	(15)	○	(1,651)	(1,592)	(59)	○
(29)	London Rail	(36)	(34)	(2)	○	(170)	(167)	(2)	○
(6)	Group Directorates	(24)	(7)	(17)	○	(55)	(37)	(18)	○
(808)	Total Operating Income	(885)	(837)	(48)	○	(3,758)	(3,588)	(169)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

Operating Expenditure

2009/2010 Prior Year		2010/2011 Year to date				2010/2011 Full Year			
Year to date	Operating Expenditure - Net of Third Party Contributions £m	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
574	London Underground	575	617	(42)	○	2,735	2,835	(99)	○
592	Surface Transport	569	578	(9)	○	2,621	2,612	8	◐
64	London Rail	71	72	(1)	○	337	337	-	○
75	Corporate Directorates	68	70	(2)	○	352	291	62	●
1,306	Total Operating Expenditure	1,284	1,338	(54)	○	6,046	6,075	(30)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

Capital Expenditure

2009/2010 Prior Year		2010/2011 Year to date				2010/2011 Full Year			
Year to date	Net Capital Expenditure £m	Actual	Budget	Variance	Status	Forecast at Q1	Budget	Variance	Status
264	London Underground	265	290	(25)	○	1,269	1,261	8	◐
44	Surface Transport	50	61	(11)	○	279	260	19	●
152	London Rail	43	77	(34)	○	200	247	(47)	○
14	Corporate Directorates	11	14	(2)	○	56	53	4	●
-	Over-programming	-	-	-	○	-	-	-	○
474	Net Capital Expenditure (excl Crossrail)	370	441	(72)	○	1,805	1,821	(17)	○
(1)	Capital Income (excl Crossrail)	(6)	(5)	(2)	○	(28)	(29)	-	○
473	Net Capital (Exc Crossrail)	363	436	(73)		1,777	1,793	(16)	
91	Crossrail	104	125	(21)	○	712	719	(7)	○
564	Net Capital (TfL)	468	561	(94)	○	2,489	2,512	(23)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding errors.

Appendix three: Balance sheet

Balance Sheet €m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Fixed Assets						
Tangible Assets	22,211	22,343	132	23,750	23,888	138
Current Assets						
Stocks	21	18	(3)	21	18	(3)
Debtors	430	280	(150)	555	247	(308)
Capital Debtors	29	11	(18)	29	10	(19)
Payments in Advance	214	239	25	218	215	(3)
Cash at Bank and in Hand	1,274	1,321	47	945	1,282	337
Current Liabilities						
Revenue	(971)	(1,016)	(45)	(967)	(936)	31
Receipts in Advance	(290)	(274)	16	(305)	(305)	-
Capital	(401)	(415)	(14)	(351)	(406)	(55)
Long Term Liabilities						
Balances with Infracos	(1,895)	(1,890)	5	(1,958)	(1,938)	20
Creditors Due after One Year	(1,076)	(1,075)	1	(1,063)	(1,062)	1
Prudential Loans	(4,118)	(4,118)	-	(4,949)	(4,814)	135
Capital Grants	(10,157)	(10,138)	19	(10,751)	(10,583)	168
Other Provisions	(538)	(674)	(136)	(341)	(649)	(308)
Pension Provision	(2,143)	(2,143)	-	(2,143)	(2,143)	-
Total Net Assets	2,590	2,469	(121)	2,690	2,824	134
Capital and Reserves						
Earmarked Reserves	1,008	750	(258)	1,251	1,329	78
Pension Reserves	(2,143)	(2,143)	-	(2,143)	(2,143)	-
General Fund	154	154	-	154	154	-
Other Reserves	3,571	3,708	137	3,428	3,484	56
Total Capital Employed	2,590	2,469	(121)	2,690	2,824	134

Appendix four: Cash summary

Cash Summary In / (Out) Flow £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Margin (from Appendix 2)	(440)	(581)	(141)	(2,772)	(2,975)	(203)
Working Capital Movements	72	405	333	755	1,362	607
Cash Spend on Operating Activities	(368)	(176)	192	(2,017)	(1,613)	404
Net Capital Expenditure (from Appendix 2)	(363)	(436)	(73)	(1,777)	(1,793)	(16)
Crossrail (from Appendix 2)	(104)	(125)	(21)	(712)	(719)	(7)
Working Capital Movements	(56)	(24)	32	(106)	(32)	74
Cash Spend on Capital Activities	(523)	(585)	(62)	(2,595)	(2,544)	51
Funded by:						
Transport and Other Grants	662	679	17	3,205	3,222	17
Precept Funding	2	2	-	12	12	-
Prudential Borrowing	-	-	-	831	696	(135)
Total Funding	664	681	17	4,048	3,930	(118)
Net Movement in Cash	(227)	(80)	147	(564)	(227)	337



Investment Programme Report

First Quarter 2010/11

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Transport for London

Investment Programme Report

First Quarter, 2010/11 (1 April 2010 – 26 June 2011)

1. Programme Highlights

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

- West Ham bus garage – works completed and garage opened
- East London line – full passenger services commenced
- Victoria line upgrade – new service control centre trialling began
- Victoria station upgrade – main works contract awarded
- Bond Street congestion relief – main works contract awarded
- DLR – 3-car service operational for North Route and Poplar to Woolwich Arsenal
- DLR Railcars – all additional 3-car vehicles in service

Post Quarter events include:

- Cycle Hire – go-live for registered users
- Cycle Superhighways – routes 3 and 7 opened
- Sub-Surface Railway upgrade – first S8 train in passenger service
- Victoria line upgrade – 10 new trains accepted into service
- London Rail Overground rolling stock – North London Railway fleet delivered

Cover picture:

The cover picture shows the newly completed West Ham bus garage. The garage boasts a range of eco-friendly features, including a wind turbine and will house some 320 buses. It has been built and designed to help staff recycle as much as possible, and to avoid the wasteful use of natural resources. The garage is predicted to cut CO₂ emissions by 27 per cent compared to a building built with traditional materials.

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 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 Private Finance Initiatives (PFI).

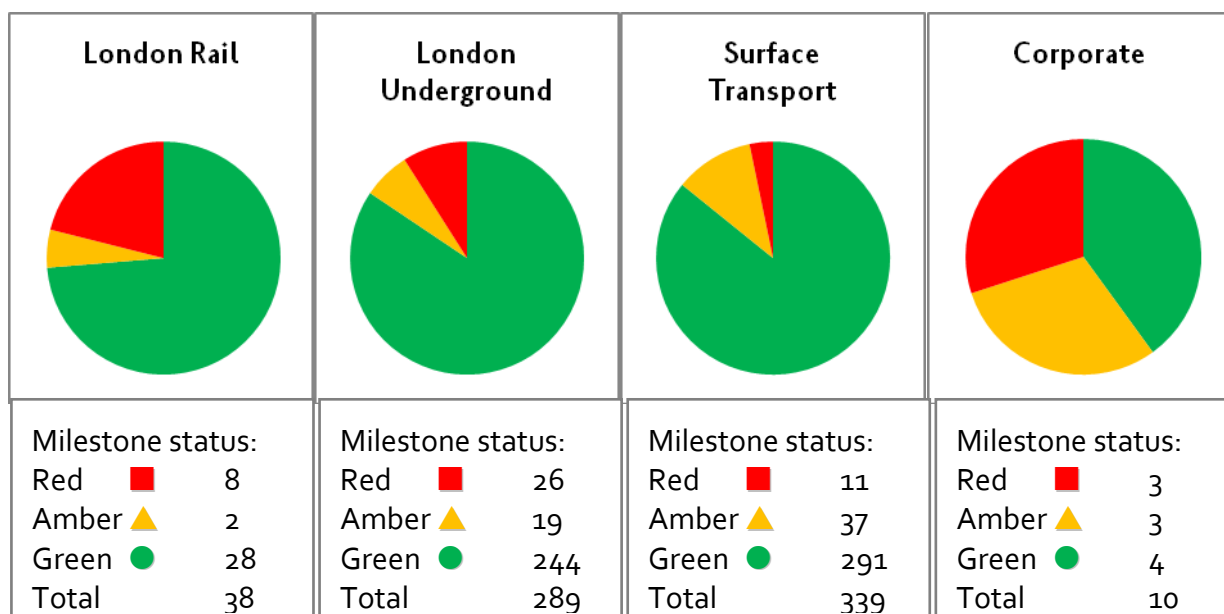
This main body of this report covers discrete projects with a total cost greater than £50m and programmes spending over £10m per annum. For each project, key milestones are listed with a forecast date compared against the March 2010 baseline. If appropriate, milestones listed as deliverables for the year in the 2010/11 Budget document are included.

Key to RAG status:

Status	Discrete Projects	Annualised Programmes
●	On time or early	100% of target achieved
▲	Between 1 and 89 days late	>75% of target achieved
■	Greater than 90 days late	<75% of target achieved

Milestone Status by Mode:

The status of all milestones included in the periodic reporting to the modal Investment Management Review meetings is shown in the charts below.



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

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

London Underground

Sub-Surface Railway Line Upgrade

Spend to end Q1 2010/11 £m	EFC £m
719.5	4,050.2

Milestones	Current Plan Date	Actual/F'cast Date	RAG
ATC supply - confirm approved shortlist	26/06/2010	08/07/2010	Completed
ATC – appoint contractor	05/02/2011	05/02/2011	●
Enabling Works - Lillie Bridge depot ready for Operational use for Working Timetable 10	08/01/2011	12/12/2010	●
Neasden Depot - new cleaning shed operational	18/09/2010	17/09/2010	●
S7 enabling works - start of full infrastructure integration testing	31/07/2011	31/07/2011	●
S8 enabling works – Baker Street complete (incl. train arrestors)	01/05/2010	31/07/2010	Completed
Trains - S7 test train delivered to London and available for testing	31/03/2011	31/03/2011	●
Trains - first S8 train in passenger service (M2)	18/09/2010	31/07/2010	Completed
S Stock migration complete	31/07/2015	31/07/2015	●

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.

Metropolitan Line Upgrade

Testing of the first new pre-production train continued in Quarter 1 and following the completion of the necessary infrastructure projects, the critical milestone of the first train ready for use in passenger hours was achieved on target on 24 June 2010. The first production train subsequently entered full passenger service on 31 July 2010, two months ahead of schedule. Further production trains are undergoing testing at the Old Dalby test

London Underground

track, but will not be accepted until the required level of reliability has been achieved.

Supporting works for Metropolitan Line upgrade

This sub-programme includes station remodelling, platform modifications, new conductor rail, signalling immunisation and other works. Baker Street and Aldgate stations are both undergoing significant work. Following delays at Baker Street caused by industrial action earlier in the year, the work was completed by the end of July.

Neasden Depot

Neasden is the busiest depot on the LU network and requires upgrading while still supporting the maintenance and operation of 56 Metropolitan line trains as well as the entry/exit of 20 Jubilee line trains. As part of the upgrade, Neasden will provide light maintenance for 58 eight-car (S8) trains and heavy maintenance for the full fleet of 191 S7 and S8 trains. The construction of the new cleaning shed is underway, with design of the main scope (maintenance and lifting sheds) in progress, with works due to start in November 2010.

Supporting works for District, Circle and Hammersmith and City Lines Upgrade

This programme includes work at Lillie Bridge Depot, Hammersmith Station, Edgware Road and power works, including conductor rail upgrades.

At Lillie Bridge Depot, the new power was commissioned on 28 June 2010.

Sub-surface wide Enabling Works

Additional enabling works which deliver new or upgraded assets to both S7 and S8 are legacy signalling upgrades, one person operation, CCTV design and installation, third party track immunisation, platform lengthening and tunnel cleaning. The scope of these projects cover both S7 and S8 works. The quarter has seen the completion of three S8 platform end barrier installations and the removal of five old barriers. 13.8km of tunnels have now been cleaned with 1.76 tonnes of dust removed.

Extra Low Loss Conductor Rail

Installation of Extra Low Loss Composite Conductor Rail (ELLCCR) along 69.5 Track kms of the SSL railway, to allow the introduction of the new S Stock trains. In Quarter 1, 20,682 linear metres (10,346 track metres) were delivered.

Power

London Underground

The SSR Upgrade Power works are necessary to support the introduction of the new rolling stock, and upgraded depots. The scope of these works covers upgrades of DC traction and depot power from the newly upgraded substations, delivered by the Major Power Works team, and on shared Network Rail sections on the Wimbledon Branch. In Quarter 1, the re-sectionalisation of Lillie Bridge Depot and temporary independent DC traction power feed from Earls Court Substation were completed and the design for permanent DC traction supply from Earls Court substation substantially completed.

Signalling Immunisation

This project provides immunisation of the legacy signalling system against the electro-magnetic effect of the new rolling stock. The programme is on schedule to allow achievement of milestone M2, the first train in passenger service. Further immunisation works at Upton Park, West Ham and Plaistow are due to commence in Quarter 2.

Automatic Train Control

The procurement of the new signalling contract is underway, evaluation of the received tenders has commenced. It is likely that the contract will be awarded in February 2011.

SSR Signalling Power

Spend to end Q1 2010/11 £m	EFC £m
0	56.8

This project will provide the Main power supplies for the Sub-Surface Railway signalling (local distribution of signalling power is covered elsewhere).

The project was approved at the June 2010 Finance and Policy Committee and is in the process of being baselined and put under change control. Appropriate milestones are currently being agreed. A detailed project plan and risk registers have been produced, as well as a scope of works for sites requiring scoping and development. These items continue to be developed further.

The stated "power required" dates for a small number of sites are so soon that it will be difficult to achieve them. These dates are being examined in light of the latest information from the SSR signalling bidders and fall back options are being investigated.

London Underground

SSR Power

Spend to end Q1 2010/11 £m	EFC £m
111.6	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Package 1b (Eastcote civil works) - start of Construction	24/07/2010	29/06/2010	Completed
Package 4 - completion of Edgware Road bulk supply point boundary wall piling	18/09/2010	16/06/2010	Completed
Package 1b (Eastcote transformer rectifier 2) - commission/energise QICC Part 8	16/10/2010	15/10/2010	●
Package 1a (Neasden Depot) - available to supply traction power	23/12/2010	23/12/2010	●

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

For package 1 (Metropolitan line north of Baker Street), the package 1a element is behind schedule as a result of the supplier being new to LU and taking longer than expected to complete their designs. If not corrected, slippage threatens to constrain the rate of introduction of the new S8 trains. Director level engagement is underway to mitigate and additional LU and supplier resources are being used. Twice weekly progress meetings at a senior level have been instigated and work has been re-prioritised to focus on the most urgent items. A revised delivery programme will be issued when a viable recovery plan has been agreed with the supplier. Package 1b is progressing well but the order of events has been changed by mutual agreement and the programme will be re-baselined to reflect this. The milestone 'Package 1b – Eastcote civil works – start of construction' was achieved on 29 June 2010, ahead of plan.

Package 2 (District/Circle/Metropolitan Acton Town and Baker Street group) mobilisation continues and is on plan. Package 4 (Bulk Supply Point at Griffith House) is progressing on plan. The milestone 'Package 4 - completion of Edgware Road bulk supply point boundary wall piling' was achieved on 16 June, ahead of plan. Package 6 (132Kv feed to Griffith House Bulk Supply Point and Neasden) is out to tender.

London Underground

Victoria Line Upgrade

Spend to end Q1 2010/11	EFC £m
712.4	1,059.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Start trialling the new service control centre (line control) in passenger hours	26/06/2010	23/05/2010	Completed
10 production trains accepted for service	24/07/2010	20/07/2010	Completed
Demonstrate operation of the new service control centre	21/08/2010	20/07/2010	Completed
20 production trains accepted for service	11/12/2010	12/11/2010	●
Start to control Victoria line operations from the new service control centre	15/08/2011	15/08/2011	●
Full service operation for 09 Tube stock	23/09/2011	23/09/2011	●
Demonstration of line upgrade capability	26/04/2012	26/04/2012	●
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. The programme remains on target and budget to complete ahead of the contractual completion date of August 2013. Fleet production and system reliability remain the primary focus.

Rolling Stock

Ten new 09 Stock trains have been commissioned into passenger service, with seven of these running during peak hours. Despite improvements to the build quality, a number of supply quality issues remain and the target production rate of six cars per week is still not being met.

Signals

The new line management system was successfully brought into use on 23 May 2010 and the

London Underground

VLU programme successfully achieved the demonstration of operating signalling and line control from the new Service Control Centre.

Jubilee Northern and Piccadilly Line Upgrades

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 - J5 - ready for revenue service	15/04/2010	TBA	■
Jubilee line - Automatic Train Operation capability demonstrated (M07)	13/05/2010	TBA	■
Northern Line – 50 per cent of trains converted	31/01/2010	06/05/2010	Completed
Northern Line - N6 ready for revenue service	07/12/2011	TBA	■
Piccadilly line upgrade - contract award	02/08/2010	TBA	■

Jubilee Line

Following the acquisition of Tube Lines Limited (TLL), LU has seconded staff to enable greater integration between LU operations, TLL and Thales.

Trial operations of the J23 section (Stratford to Waterloo) have been undertaken during the weekend closures, with the latest on 3 and 4 July running an improved service. Throughout most of the Saturday, nine trains ran; on Sunday eleven ran, completing over 100 round trips.

System performance remains mixed, with recurring faults still evident during the weekend closures. These need to be addressed before passenger services can be introduced. The key focus for the team is to develop a robust near-term programme for weekday operations on the J234 sections by October 2010.

Northern Line

As with the Jubilee Line, LU has seconded a team to TLL. The priority is to establish the true position of the Northern Line programme given the delays to the Jubilee Line programme. The existing programme is predicated on extensive and numerous weekend closures. A revised programme, based on fewer closures will be developed following the finalisation of

London Underground

the Jubilee Line programme. This is likely to show a completion date beyond 2013.

Piccadilly Line

LU has seconded a team to TLL to establish two key deliverables: a review of the upgrade and an immediate workstream to review opportunities to improve the reliability and performance of the existing systems.

Other Bakerloo Central and Victoria Line Upgrade Works

Spend to end Q1 2010/11 £m	EFC £m
104.7	626.3

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Central Line Bogie Mods - 960 frames delivered to fleet	13/07/2010	18/06/2010	Completed
Central Line Bogie Mods - 1,420 frames delivered to fleet (manufacture complete)	05/03/2011	10/01/2011	●

The Central Line Bogie Modifications Project is contained in this programme of works. 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 1,420 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 960 new frames delivered to fleet by 18 June 2010. The programme lift to fit the frames to the trains was delayed by two weeks to address increased motor problems, but the slippage has been recovered.

London Underground

Victoria Station Upgrade

Spend to end Q1 2010/11 £m	EFC £m
79.6	678.6

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Main works contract award	28/10/2009	15/04/2010	Completed
Bring into use ticket office	13/09/2010	13/09/2010	●
Birse utility works planned completion date	31/03/2011	17/12/2010	●
Northern ticket hall - civils complete (inc removal of traffic management)	15/12/2014	22/09/2014	●
Southern ticket hall - station operations room complete	06/12/2017	13/09/2017	●
Delivery into service	01/02/2019	12/10/2018	●

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 Vinci BAM Nuttall joint venture (VBN) is reporting being one week behind their mobilisation plan, however this does not affect any LU milestones.

Allington Street was re-opened to traffic on 30 May 2010, following successful completion of utility works by Birse.

VBN have held their first value engineering workshop and have identified a number of areas in which to make savings. Decisions on which value engineering measures to adopt will be made in Quarter 2.

The ground/structures monitoring equipment installations have progressed well; there is now an extensive network around the station. Background data will be collected before main works construction starts in May 2011.

The inaugural London 2012 ODA – VSU Working Group meeting was held on 16 June 2010 with discussion around the impact of the Alternative Olympic Route Network and Movement Management Areas.

London Underground

Channel Tunnel Rail Link at King's Cross

Spend to end Q1 2010/11 £m	EFC £m
853.2	858.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Completion of phase II works (excl post NTH works)	30/04/2010	30/04/2010	Completed
New passenger lift and ramp open to public	31/08/2010	30/08/2010	●
Completion of phase II works (incl post NTH works)	16/10/2010	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.

Mobility Impaired Passenger (MIP) Lift 5 and Ramp 4 works continued on plan during the period. Works to commission the lift into passenger service started in Quarter 1.

London Underground

Green Park Step-Free Access

Spend to end Q1 2010/11 £m	EFC £m
28.5	82.8

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Detailed design approved RIBA EF (Phase 3) - below ground	24/07/2010	22/03/2010	Completed
Lifts 5 and 6 installation start	31/03/2011	01/09/2010	●
Green Park delivery into service (as agreed with ODA)	19/12/2011	24/10/2011	●

This project provides step-free access at Green Park station, to provide a key interchange for mobility impaired passengers travelling to 2012 Games events using the Underground. The programme is currently on target to meet the Games delivery date of December 2011.

In Quarter 1, work to the lift shaft progressed, with waterproofing and secondary lining now 90% complete. Demolition works at street and ticket hall level have continued to plan. The manufacture of lifts five and six was completed by the end of August 2010. Installation works are due to commence in September 2010.

London Underground

Paddington (Hammersmith & City) Congestion Relief

Spend to end Q1 2010/11 £m	EFC £m
13.0	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
LU approve Crossrail Detailed design for interim & final scheme	13/11/2010	12/08/2010	●
Completion	25/11/2013	26/03/2013	●

Paddington (Hammersmith & City line) station is one of LU's top priorities for congestion relief because of demand growth associated with local area redevelopment and the Sub-Surface Railway upgrade. The project seeks to deliver congestion relief and step-free access benefits to ensure the continued safe operation of the 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.

LU is considering the potential cost savings that could arise if the phase 2 fit-out works, in addition to the phase 1 works are carried out by Crossrail (CRL).

The temporary canopy, platform and 7th car civils enabling works are complete. Construction of the temporary escape stair has commenced and a temporary licence agreed with the land owner.

An internal communication workshop has been held to advise LU operations of the works to be undertaken during the three week blockade which commenced on 24 July 2010.

London Underground

Tottenham Court Road Congestion Relief

Spend to end Q1 2010/11 £m	EFC £m
137.8	519.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Completion of demolition of Goslett Yard	21/08/2010	04/06/2010	Completed
Commence Oxford Street new entrance civil works	11/12/2010	11/12/2010	●
Delivery into service	09/09/2016	09/09/2016	●

The congestion relief scheme includes an upgraded and enlarged ticket hall, three new entrances, additional escalator access to the Northern line platforms, improved circulation space, step-free access throughout and an interchange with Crossrail.

The demolition works at Goslett Yard were completed in the quarter. Two of the seven large over-site development piles are complete. Installation of escalator jacks has commenced (Escalator 5).

Structural work to the new EDF substation is complete and the installation of equipment and running cables is proceeding to schedule. The installation of a new 2.5 km fibre optic cable between Godege Street and Leicester Square is nearing completion.

At the Goslett Yard site, the Museum of London Archaeology is currently undertaking a survey.

London Underground

Bond Street Congestion Relief

Spend to end Q1 2010/11 £m	EFC £m
15.2	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Main works contract award	18/09/2010	TBA	●
Take Possession of 354-358 Oxford Street	08/01/2011	10/11/2010	●
Start of main tunnelling operations	15/07/2013	20/05/2013	●
Completion	28/04/2017	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
- a step-free route to the Crossrail station will also be available

The Bond Street project was considered at by the Finance and Policy Committee at its meeting in July 2010. Permission to award the main works contract was granted subject to four conditions being met, including returning to the Committee in October 2010 for further approval.

London Underground

Bank Walbrook Square

Spend to end Q1 2010/11 £m	EFC £m
4.0	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Detail Design Compliance Submission	13/11/2010	16/09/2010	●
Complete Design of Box Fit out (Design)	30/08/2010	17/01/2011	■
Delivery into service	10/07/2015	10/07/2015	●

Bank Walbrook Square aims to provide more convenient access to streets south and south-west of the station, reduce congestion on the Waterloo & City line platforms, and provide step-free access to the Waterloo & City line. LU is making a fixed contribution to the funding of the construction of the station box shell which will be delivered by the developer (Legal & General). LU will fit out the station box to complete the new entrance.

The developer Legal & General has met with the Corporation of London with revised basement plans. Legal & General has approached LU with an offer to fund the fit-out design changes arising from the proposed box relocation. Due to a change in the planned location and design of the box, the completion of the design milestone has slipped into 2011.

London Underground

Bank Congestion Relief and Step-Free Access

Spend to end Q1 2010/11 £m	EFC £m
6.3	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
RIBA C Design Accepted / Phase Complete	05/02/2011	03/12/2010	●
Delivery into service	23/01/2021	23/01/2021	●

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 to RIBA stage C has continued on the preferred option to schedule.

The joint working group between the Corporation of London and LU has met to develop its aspirations on joint Transport and Works Act powers, land assembly issues and communication strategy. Site investigation of the old City and South London Line tunnels is ongoing to ascertain if they can be used during the construction phase to reduce environmental impact.

LU is engaging with DLR to ensure that the developed scheme contains DLR asset protection engineering input. Development of the 3D model is sufficiently advanced to allow extraction of 2D drawings of the preferred option. Passenger flow modelling is being carried out to develop design options for underground passageways.

London Underground

Other Station Upgrades

Spend to end Q1 2010/11 £m	EFC £m
214.3	238.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Notting Hill Gate station modernisation - practical completion	16/10/2010	07/09/2010	●
Notting Hill Gate station modernisation - delivery into service	18/11/2010	21/10/2010	●
Marble Arch station modernisation - practical completion	08/01/2011	21/11/2010	●
Marble Arch Station modernisation - delivery into service	31/01/2011	13/01/2011	●
Former Silverlink Stations Upgrade - Deliver Into Service Last Station (Approved by LU)	23/12/2010	30/11/2010	●

The programmes are generally on target. At Cannon Street, the planned development has the potential to impact the operation of the station. An interim agreement has been reached with the developer to carry out the heavy demolition at weekends and to install additional noise monitoring.

At the former Silverlink stations, the final stage testing and commissioning activities of the communications systems are in progress on five of the thirteen stations. LOROL's new control centre at Swiss Cottage became operational in July 2010. The testing and commissioning of the platform lighting is substantially complete, and the premises works are planned to be complete September 2010.

Works at Marble Arch and Notting Hill Gate are progressing to plan. Mitigation measures have been implemented to counter third party delays in providing low voltage mains supplies at both stations.

London Underground

Cooling the Tube

Spend to end Q1 2010/11 £m	EFC £m
147.5	789.4

Milestones	Current Plan Date	Actual/F'cast Date	RAG
MTV Tranche 1 & 1A - all sites brought into beneficial use	21/08/2010	23/07/2010	Completed
Victoria line: mid tunnel vents tranche 2 - first site brought into beneficial use	16/10/2010	16/08/2010	●
Victoria line: mid tunnel vents tranche 3 - first start on site	11/12/2010	09/11/2010	●

This is a long term programme to control ambient temperatures, which are already high. Without intervention, temperatures would rise as more energy is dissipated within the tunnels due to increased train service capability delivered by the deep-line upgrades. 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. Victoria line station-based cooling system designs are complete and the implementation of cooling at Victoria Station is being integrated with station upgrade works.

All mid-tunnel vent works on the Victoria Line are on plan. Some difficulty has been experienced at two Tranche 1 sites, Tynemouth Road and Moreton Terrace, where the new fans produced more noise than was expected, and remedial work had to be implemented. The work is now complete, the fans at both sites are operating at full speed in the day-times, and night-time speeds are being progressively increased while sound levels are continually assessed.

Further survey work is underway to bring disused fans back into service at Goodge Street, Lambeth and Clapham sub station.

London Underground

Crossrail Services & Safeguarding

Spend to end Q1 2010/11 £m	EFC £m
60.6	217.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Provided all LU input and support to facilitate MPRG (Major Project Review Group) Review Point 4	05/02/2011	15/12/2010	●
Finish On Site Works - Whitechapel	10/04/2011	10/02/11	●
Barbican Interlocking Machine Room Deliver into Service	22/05/2011	23/03/11	●
Communications Equipment Room Complete at Liverpool Street	21/12/2011	18/11/11	●

Project Assure, carried out by Crossrail to reassess the cost of works, scope and risk, is underway. Scope challenge workshops have been held to assess the options at Paddington, Tottenham Court Road, Bond Street and Liverpool Street. LU is working closely with Crossrail to identify options for scope reduction and assess the impacts on LU.

LU continues to work with Crossrail to develop a full suite of requirements whilst simultaneously the project is progressing towards major contract award.

LU have been supporting Crossrail Central (CC) in developing an approach by which sufficient progressive assurance is identified and made available to support letting of construction contracts in advance of station 'Approval In Principle'.

London Underground

Connect and Minor Power Works

Spend to end Q1 2010/11 £m	EFC £m
355.6	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Connect VN422 13 Video SDPs Northern & Piccadilly (RAC/ENG/PRG/0028 V1.17) - Practical Completion	01/05/2010	30/04/2010	Completed
Metronet video cut-in - installation Complete 76-100 (of 100)	29/10/2010	07/07/2010	Completed
Survey and implementation for Tubelines video cut-in - practical completion	16/10/2010	31/08/2010	●

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

Works to provide increased functionality, resilience, and improved video capability on the new Connect system are progressing. The rollout of the train mobile software has been delayed due to an interference issue with the Tracknet system, but commenced in May. Completion is now forecast for 14 September 2010.

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). Two of the three contract packages are progressing to plan but the frequency planning package is delayed by two months. This delay is not affecting any other part of the programme.

London Underground

BCV/SSR Station Upgrades and Lifts and Escalator Works

Spend to end Q1 2010/11	EFC to 2017/18 £m
1,222.6	2,276.9

Stations	Current Plan Date	Actual/F'cast Date	RAG
Mile End station modernisation - LUL accept delivery into service	31/03/2010	30/06/2010	Completed
Kings Cross station modernisation - delivery into service	16/10/2010	14/10/2010	●
Aldgate East station modernisation - delivery into service date agreed by LUL	31/03/2010	15/07/2010	Completed
Warren Street station modernisation - delivery into service	13/11/2010	13/11/2010	●
BCV Asset Stabilisation (09-10 workbank) - replacement of obsolete fire control system	24/07/2010	24/07/2010	Completed
Lifts and Escalators	Current Plan Date	Actual/F'cast Date	RAG
Piccadilly Circus escalators 1 to 11 refurbishment - returned to service (escalator 1)	10/07/2010	01/07/2010	Completed
Bank escalator 1,2,3 refurbishment - approval of practical completion submission (escalator 2)	26/11/2010	29/10/2010	●

One station (Tower Hill) has been accepted into maintenance in the quarter, bringing the total to 55. A further five stations are on site. At Brixton, delivery into service (DIS) was delayed by two months but has now been confirmed, with acceptance into maintenance imminent.

The platform adjustment works to provide compliance with the Rail Vehicle Accessibility Regulations (RVAR) are underway on the Metropolitan line. Amersham, Euston Square, Wembley Park, Pinner and King's Cross were all completed on plan. In addition, feasibility for RVAR compliance on the District, Circle and Hammersmith & City Lines is now complete.

London Underground

In the Lifts and Escalators programme, work is under way at Bank, Earl's Court, Oxford Circus, Piccadilly Circus and Warren Street.

London Underground

JNP Station Upgrades and Lifts and Escalator Works

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Tooting Bec station refurbishment - delivery into service	29/05/2010	20/04/2010	Completed
Archway station modernisation - delivery into service	29/05/2010	21/05/2010	Completed
Colliers Wood refurbishment - delivery into service	26/06/2010	12/04/2010	Completed
Hatton Cross station enhanced refurbishment	29/05/2010	22/04/2010	Completed
Canary Wharf E18 Module 1 refurbishment - return to service	26/06/2010	23/03/2010	Completed
London Bridge E11 Major & DC-AC conversion - return to service	21/08/2010	08/06/2010	Completed

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 2010. All 96 stations have now been declared as Delivered Into Service, the most recent being Hounslow East and South Wimbledon.

Escalator works were completed at Swiss Cottage, Heathrow, London Bridge and Waterloo.

London Underground

Track Renewal BCV/SSR

Spend to end Q1 2010/11	EFC to 2017/18 £m
449.3	1,221.7

SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
SSL Points and Crossings - 3 units achieved (year to date, 09/10 deliverable)	29/05/2010	06/04/2010	Completed
SSL Ballasted Track Replacement and Reballast metres - 6,750 metres achieved (year to date)	18/09/2010	23/08/2010	●
Track drainage - 5950m replaced (year to date)	18/09/2010	20/09/2010	●
SSL Ballasted Track Replacement and Reballast - 13,250 metres achieved (year to date)	31/03/2011	07/02/2011	●
Track drainage - 8250m replaced (year to date)	31/03/2011	13/12/2010	●
BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
BCV Ballasted Track Replacement and Reballast metres - 1,500 metres achieved (year to date)	31/03/2011	31/03/2011	●
BCV Points and Crossings - 6 units achieved (year to date)	31/03/2011	11/10/2010	●
BCV Class 1 (expected trackform life of 40 years) - 2,400m achieved year to date	31/03/2011	31/03/2011	●

During Quarter 1, production was broadly on target.

The tender for a new 5-year contract is under evaluation, with contract award planned for September 2010 and contract start in April 2011.

London Underground

Track Renewal JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Tube reconditioning	*	*	-
Track replacement	*	*	-

* Since the acquisition of Tube Lines Limited by TfL, work is underway to identify a cost effective package of works for 2010/11.

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).

All enhanced track replacement works have been completed for Review Period 1, with no further work envisaged. The programme for 2010/11 is expected following Period 4 and will consist of a number of Enhanced Track Replacements. This will be finalised once weekend closures for this programme are known.

Civils BCV/SSR

Spend to end Q1 2010/11	EFC to 2017/18 £m
104.6	650.5

BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
C156 EM3, 4, 7, 8 & 9 - Perivale to Greenford C156 - practical completion	26/06/2010	19/02/2010	Completed
C172 CTS1C & CT52 West Acton to Hanger Lane Junction Cutting Stabilisation - Start on Site	21/08/2010	26/07/2010	Completed
SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
M072 EM2 - Pinner to North Harrow M072 - Practical Completion	16/10/2010	23/07/2010	Completed

London Underground

EM12 & 13 Rickmansworth to Moor Park - Practical Completion	11/12/2010	01/11/2010	●
Mo20 EM10, EM11 & EM12 Chalfont & Latimer to Amersham Embankment Stabilisation - Start on Site	16/10/2010	13/10/2010	●
D164-EM1,2,4,5 East Putney to Southfields D164 practical completion	20/09/2010	20/08/2010	●

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 SSR networks.

The current two year programme comprises approximately 40 separate remediation projects across the four asset groups. 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, the bridge deck replacement at Hammersmith is progressing as planned with the replacement due to take place over a weekend closure in October.

Earth structure projects are generally on programme. Four live projects are on site and running to programme.

Civils JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
2010/11 civils programme	*	*	-

** Since the acquisition of Tube Lines Limited by TfL, work has been underway to identify a cost effective package of works for 2010/11.*

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 was focused on embankments and drainage projects. The programme for 2010/11 is expected during Quarter 2; the bulk of the work is forecast to be on drainage assets.

London Rail

East London Line Extension

Spend to end Q1 2010/11 £m	EFC £m
969.3	986.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
East London Line (Phase 1) complete	30/06/2010	23/05/2010	Completed

This project is a 2012 Games deliverable, with TfL as the passenger service operator through a joint East London Line/North London Railway concession with London Overground Rail Operations Ltd. The line was opened on 23 May 2010. All stations have now been handed over to LOROL for operation.

A small piece of scope remains outstanding in the project, the Crystal Palace station enhancement. The enhancement is mainly externally funded by Network Rail, the DfT and Railway Heritage Fund, with a minority contribution from the ELL budget. The proposed design is substantially complete and work is out for tender, with reconfirmation of external funding required before a decision is made to award the contract. The work will take approximately one year to complete from contract award, and this scheme will be tracked separately and excluded from further IP reports.

Whitechapel and Canada Water stations have been handed back to LU, snagging work on these stations will be completed in engineering hours.

At South Croydon, commissioning of the new interlocking by Network Rail has been postponed until December 2010. This has not affected the opening of the full East London Line down to Croydon and Crystal Palace as the current operating pattern does not require the interlocking to be operational.

London Rail

East London Line Phase 2

Spend to end Q1 2010/11 £m	EFC £m
2.8	55.3

Milestones	Current Plan Date	Actual/F'cast Date	RAG
TfL South London Line Link GRIP 5 design complete	31/05/2010	27/08/2010	■
Award GRIP 6 South London Line Link contract	31/10/2010	31/10/2010	●
Commence passenger services	14/05/2012	14/05/2012	●

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.

Discussions with Network Rail are ongoing regarding the scope, costs and programme at the interface with the North London Railway Infrastructure Project (NLRIP – Clapham Junction and crossover at Latchmere Curve). Network Rail has awarded contracts at Clapham Junction and Old Kent Road.

Network Rail has made a submission to the Office of Rail Regulation regarding Rail Asset Base (RAB) part-funding of the on-network works. Positive feedback regarding the submission has been received from the Department for Transport to date.

The Invitation to Tender for the main works of the project was issued to the market in August 2010.

London Rail

London Rail Concession Rolling Stock

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

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Delivery of NLR fleet	30/04/2010	31/08/2010	■
Completion of 24 NLR 3 car units to 4 car units	31/12/2010	31/12/2010	●
Delivery of ELR fleet	30/04/2010	31/03/2010	Completed
First train in service ELR	30/06/2010	27/04/2010	Completed

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 4-car units) have been added to operate the East London Line Phase 2 from Surrey Quays to Clapham Junction.

Twenty two of the original twenty four North London Railway (NLR) units have been purchased and are in passenger use. The final two units were delivered as four-car units and are currently undergoing acceptance testing.

All twenty of the trains comprising the base East London Railway (ELR) order have been purchased and are at New Cross Gate.

Seven of the ten additional four-car units required to allow increased service frequency across the Overground network have been purchased. The remaining three are in Derby, two in testing and one in production.

Conversion of the NLR units from three-car to four-car commenced in this quarter and is scheduled for completion in December 2010. Operation of four-car units commenced on the Euston to Watford line on 30 June 2010.

London Rail

North London Railway Infrastructure Project

Spend to end Q1 2010/11 £m	EFC £m
171.6	252.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete all lines blockade	01/06/2010	01/06/2010	Completed
Core signalling and infrastructure practical completion	31/01/2011	31/01/2011	●
Project completion	31/01/2011	31/01/2011	●

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.

Signalling infrastructure continues to be installed whilst snagging works from the blockade are ongoing.

Good progress was made on site in the quarter for Phase 1a civils works, the target to handover works to the systems and power contractors on 2 August 2010 was achieved. Overall, good progress continues on detailed design of both systems and power works, however there has been slippage on the power design deliverables including cabling and tunnel lighting. The installation schedule for these works has been compressed to maintain the handover date.

London Rail

DLR 3-Car Infrastructure

Spend to end Q1 2010/11 £m	EFC £m
290.1	298.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
North route – 3-car service operational	30/06/2010	27/05/2010	Completed
Poplar to Woolwich Arsenal – 3-car service operational	30/06/2010	19/04/2010	Completed
East route - practical completion of scissor crossover	21/09/2010	29/05/2010	Completed
East route - construction work complete	28/03/2011	28/03/2011	●
East route - service operational for Olympic test	30/05/2011	30/05/2011	●
East route – 3-car operational capacity available	31/05/2011	31/05/2011	●

This project delivers 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, Games station capacity (East route) and West route resilience.

Construction is complete on all packages of work, although sectional completion has been withheld on package 1 (Bank to Crossharbour) due to water leaking on the Crossharbour concourse and on package 7 (Canning Town Junction) due to outstanding snagging items around the remaining temporary speed restrictions.

A consolidated snagging list for the complete three car works at time of handover is steadily reducing. The majority of the snagging items are of a minor nature or consist of outstanding paperwork or drawings. Weekly progress meetings are scheduled between the DLR project team and Taylor Woodrow to ensure the timely completion of snagging and that no safety issues arise as a result of snagging works. By the end of August 2010, 1,819 of the 2,500 snagging items had been closed out.

London Rail

DLR Stratford International Extension

Spend to end Q1 2010/11 £m	EFC £m
163.8	182.5

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete conversion of North London line to DLR	20/09/2010	19/12/2010	▲
Service operational	20/09/2010	19/12/2010	▲

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.

All DLR works associated with Package 8 are substantially complete. All critical operational assets have been handed back to Network Rail and adopted into its maintenance regime. The close out of snagging items has continued although progress has remained slow.

On Package 6, progress on the station civil and mechanical works is approximately one month behind the recovery programme. The power and communications system work will push the completion date for the majority of the stations back to December 2010 with the final system performance demonstration prior to operation.

London Rail

DLR Railcars

Spend to end Q1 2010/11 £m	EFC £m
59.6	62.5

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Games additional capacity: final railcar delivered	31/08/2010	27/05/2010	Completed
Games additional capacity: all cars in service	31/10/2010	23/06/2010	Completed

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.

All cars are now in service.

Surface Transport

Congestion Charging Re-Let

Spend to end Q1 2010/11 £m	EFC £m
89.2	99.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
IBM functionality complete	31/08/2010	31/10/2010	▲
Release 2 - go live of automated payment account charging	31/12/2010	31/12/2010	●
Project close approved	30/06/2011	30/06/2011	●

The Congestion Charging Re-Let project is to deliver new more effective contracts to operate and manage the Congestion Charging and Low Emission Zone. The Re-Let will also incorporate more flexible and varied charging options.

Core enforcement functionality has been introduced. Public consultation to introduce Auto Pay, increase the daily charge and make changes on some discounts and exemptions commenced on 24 May for 10 weeks. The design and development of Release 2 is nearing completion, with elements of the system test having now commenced. The remainder of the plan is on schedule to complete testing in early November, allowing for a pilot and pre-registration ahead of go-live in December 2010.

Surface Transport

TLRN Capital Renewals Programme

The annual budget for the Capital Renewals Programme is based on long-term investment modelling and an objective assessment of the maintenance required to deliver a safe and serviceable network.

Spend to end Q1 2010/11 £m	2010/11EFC £m
7.3	46.5

Description of works	Units	2010/11 Annual target	2010/11 Achieved to date	2010/11 Forecast to date
Area of carriageway resurfaced	m ²	468,000	28,433	37,433
Area of footways resurfaced	m ²	58,500	2,500	4,650
Number of lighting units replaced	No.	1,080	161	161

The Capital Renewals Programme is an annualised programme of schemes that maintain the physical infrastructure of the TLRN, including carriageways, footways, structures, tunnels, lighting and drainage. The programme consists of maintenance schemes that lengthen the useful life of an asset, either by replacing it with a new one, or by some other intervention such as reconstruction or refurbishment.

Schemes are formulated to meet the annual delivery target and added to the programme on a rolling basis (the majority of schemes are identified one or more years in advance of delivery). Progress and costs for each scheme are monitored and the programme is refined accordingly. Each quarter, a baseline is established for schemes that are programmed into the forecast. This baseline is used to assign targets to ensure the annual target is met. The delivery against the Q1 forecast is shown in the table above.

Carriageway resurfacing:

In Quarter 1, 28,433m² of carriageway was resurfaced against a forecast output of 37,433m² for the quarter. Overall, the forecast for the year is to deliver a total of 376,048m², 91,952m² below the target for the year at present. Work is underway to programme more schemes to achieve the year-end target.

Footways resurfacing:

In Quarter 1, 2,500m² of footway was resurfaced against a forecast output of 4,650m². Overall, the forecast for the year is to deliver a total of 47,168m², 11,332m² below the target for the year at present. Work is underway to programme more schemes to achieve the year-end target.

Surface Transport

Lighting column replacements:

In Quarter 1, 161 lighting columns were replaced against a forecast output of 161. Overall, the forecast for the year is to deliver a total of 1,446 columns, 366 above the target for the year.

A406 Bounds Green

Spend to end Q1 2010/11 £m	EFC £m
19.1	56.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Completion of advance statutory works	19/04/2010	19/04/2010	Completed
Commence main works	31/05/2010	19/04/2010	Completed
Complete protection structure for LUL bridge	31/03/2011	10/05/2011	▲
Completion of main works	03/05/2012	14/05/2012	▲

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.

Work on the protection structure for the LUL bridge has been delayed due to Thames Water taking longer than planned to reroute a 24" water main.

Completion of the advanced statutory works occurred on 19 April and the main works commenced. Traffic management was implemented by Skanska on the Wilmer Way junction on 24 May and has continued without major impact on local roads. Problems in getting possession of properties next to the Wilmer Way retaining wall has resulted in a 12.5 week delay on the contractor's programme.

The project completion date of 3 May 2012 has changed to 14 May as a result of the problems getting access to the Wilmer Way properties. This has been partially mitigated by changing the work sequencing, and use of TfL time allowance.

The next major milestone is the completion of protection structure for the LUL bridge on 10 May 2011.

Surface Transport

Blackwall Tunnel Northbound Refurbishment

Spend to end Q1 2010/11 £m	EFC £m
21.7	73.3

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Mobilisation Period complete	03/05/2010	03/05/2010	Completed
Shaft 2 complete	18/03/2011	18/03/2011	●
Construction complete	02/12/2012	02/12/2012	●

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 being delivered during night time and occasional weekend possessions.

The mobilisation period was completed on 3 May. Design works have continued in the period with the submission of the permanent lighting, CCTV and loudspeaker PA packages. Construction continued during the period and the removal of the existing fans, cowling and fan floors was completed. The installation of the new steelwork for shafts 2 and 3 commenced. The first weekend closure occurred over the weekend of 4-7 June.

The next milestones are the completion of shaft 2 on 18 March 2011 and the completion of construction remains on schedule for December 2012.

On 27 August 2010 (post Quarter 1), it was announced that the project team expect to complete the essential safety and security upgrade at least six months early, in time for the London 2012 Games.

Surface Transport

Cycle Hire

Spend to end Q1 2010/11 £m	EFC £m
22.2	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Go live #1 - website	Summer 2010	23/07/2010	Completed
On street construction completed	06/07/2010	31/12/2010	■
Systems integration end to end testing	28/07/2010	28/07/2010	Completed
Go live #2 – on street	Summer 2010	30/07/2010	Completed

The Barclays Cycle Hire scheme launched successfully on 30 July 2010 to registered members. On the day of launch, 4,204 cycles were available at 315 locations across nine London boroughs and several Royal Parks. By 24 August 2010, nearly 60,000 users had registered for the scheme and over 250,000 individual hire cycle trips had been made. 93 per cent of all journeys have been half an hour or less and therefore, after the access charge, completely free.

Many volunteers from across TfL, supplemented by agency staff were trained to help with the scheme launch. The volunteers were on hand to offer advice on hire charges and how to use the docking station and cycles.

Work is underway with the contractor Serco to deliver the remainder of the planned 400 docking stations and bring the total number of available hire cycles to 6,000. By the end of August 2010, an additional 20 docking stations had been opened, taking the total to 335. Due to delays in getting all docking stations and bikes into operation, the go-live was limited to registered members. The addition of casual user functionality and the implementation of the remainder of the docking stations are currently being forecast to be completed by the end of 2010.

Surface Transport

Two Cycle Superhighways

Spend to end Q1 2010/11 £m	EFC £m
8.4	23.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Route 3 - completion of detailed design and Network Assurance Team (NAT) works approval	14/04/2010	19/07/2010	Completed
Route 3 - construction complete	Summer 2010	19/07/2010	Completed
Route 7 - completion of detailed design and NAT works approval	14/04/2010	19/07/2010	Completed
Route 7 - construction complete	Summer 2010	19/07/2010	Completed

Two Cycle Superhighways is a pilot project to deliver the first two cycle superhighway routes – Route 3 (Barking to Tower Hill) and Route 7 (South Wimbledon to the City) by summer 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 being delivered using the Highways and Maintenance Works Contractors (HMWC) framework agreement that provides resources to deliver Streets schemes in Surface Transport.

These first two routes were launched by the Mayor on the 19 July and work to complete snagging continues. Advanced works were completed in March and core construction started at the end of April. Civils works was largely complete by 2 July and blue surfacing by 9 July.

Surface Transport

Ten Cycle Superhighways

Spend to end Q1 2010/11 £m	EFC £m
1.0	145.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Phase 1 invitation to tender Issued	09/04/2010	09/06/2010	Completed
Phase 1 preliminary design completed	30/09/2010	30/09/2010	●
Phase 1 contract award	31/08/2010	31/08/2010	Completed
Phase 1 detailed design completed	28/02/2011	28/02/2011	●
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	●

The Ten Cycle Superhighways scheme will deliver a further ten radial routes into central London following the pilot project. Planning and development are occurring in parallel with the delivery of the first two pilot routes. The ten routes will be delivered in five phases of two routes, annually from May 2011 and the last is expected to be delivered by January 2015.

The phase one (Route 2 – Ilford to Aldgate, Route 8 – Wandsworth to Westminster) Invitation To Tender was issued on 9 June 2010, two months behind schedule due to negotiations on the positioning of the outer end of the highway. The contract award milestone was completed at the end of August 2010. The feasibility stage is now complete and preliminary design is continuing, with consultation underway.

The timeline for Phase 1 of the ten routes project is being produced, learning from experiences on the first two routes. As a result, a phased approach to delivery has been adopted with preliminary design completion to the end of September 2010. Detailed design completion is scheduled for the end of February 2011. Launch dates remain on target.

On Phase 2, Route 5 and 12 alignment has been agreed following formal change request and on Phase 3 the pre-feasibility stage has started.

Surface Transport

West Ham Bus Garage

Spend to end Q1 2010/11 £m	EFC £m
47.1	50.2

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Completion of wind turbine	30/04/2010	03/06/2010	Completed
Completion of permanent bus parking area	10/05/2010	04/05/2010	Completed
Opening of bus garage	31/05/2010	09/06/2010	Completed

This project provides a new bus garage to replace displaced existing garages on the Games site.

Practical completion was achieved on 9 June and the East London Bus Group has now moved its entire operation from the temporary site into the completed bus garage. The wind turbine was completed on 3 June after a five week delay caused by the previous supplier going into administration and issues with the fixing methodology. This will produce 10 per cent of the bus garage's energy needs. The external parking area was completed on 4 May 2010.

Work to rectify a small number of defects and decommission the temporary garage was completed by 6 August 2010, and the site was handed back to the LDA.

IM Strategic Investment Programme

Spend to end Q1 2010/11 £m	EFC £m
69.0	69.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
End User Computing – completion of thin client swap out	TBA	31/03/2011	■
Voice and Data Network – core migration from LAN to MAN completed	02/06/2010	02/06/2010	Completed
Data Centre A – completion of enterprise platform	30/04/2010	15/05/2010	Completed

The IMSIP programme was originally scheduled to complete in financial year 2009/10, some workstreams continued into the first Quarter of 2010/11. A final status update is given below:

End User Computing

EUC has completed the migration of more than 14,800 users and 12,500 devices to the One London domain (only 334 users are outstanding due to complex application issues). Work on the replacement of legacy desktops with Neoware thin client units is currently on hold due to print issues identified at various locations including Windsor House. The remedial actions to address the print issues are underway.

Voice and Data Networks

The MAN Migration project is completed and all legacy core network switches have been decommissioned. In total, 86 migrations were completed, which included 20 core sites, 38 non-core sites, 22 services, all users, all LUL stations and bus garages that now interface with a new core network.

Data Centre A

The delivery of Data Centre A is completed with all the six releases of Enterprise Platform delivered into the Data Centre.

Hosting

This project has migrated nine LU business services of the originally scoped ten from Fujitsu hosted data centre into the Woking data centre. One service has been de-scoped due to the excessive effort required to make it compatible for hosting on the new Enterprise Platform.

Future Ticketing

Spend to end Q1 2010/11 £m	EFC £m
0.4	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Phase 1 – initial bus launch to be implemented, payment of the bus single fare by contactless bank card	Early 2012	Early 2012	●
Phase 2a – multi-modal daily travel and daily capping with contactless bank card to be implemented	31/12/2012	31/12/2012	●
Phase 2b – 7 day capping to be implemented	31/12/2013	31/12/2013	●

The Future Ticketing Project enables the acceptance as payment for travel of contactless cards issued on an EMV (Eurocard, Mastercard, Visa) platform both by banks and by TfL. To enable cost savings and acceptance of contactless cards, changes to the existing ticketing system and back office processes will be made.

During Quarter 1, a detailed programme plan was established, resulting in the completion dates for each phase moving by three months. The business case was completed and the project discussed at the Project Review Group and at the meeting of the Finance and Policy Committee in July 2010. Project Authority for all of phases 1,2a and 2b will be considered by the Finance and Policy Committee at its meeting in September 2010. Following this, Phase 1 will be to enter into a variation to the Future Ticketing Agreement to allow implementation to begin. Work on Phase 2 during the quarter has included cost estimating and early stage supplier engagement.

ITSO

Spend to end Q1 2010/11 £m	EFC £m
18.1	55.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Head office processing system operational	31/07/2010	12/09/2010	▲
3G communications software development complete	15/10/2010	03/05/2011	■
Completion of changes to back-office systems	30/04/2011	13/06/2011	▲
Completion of project	31/08/2011	12/06/2012	■

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. The project is being funded by the DfT under an agreement with TfL dated 28 May 2009.

Further delays this quarter in receiving the Business Rules from the DfT have caused a slippage in the forecast completion date from August 2011 to June 2012. The DfT have issued a change request to implement a newer version (2.1.4) of the ITSO specification. This is currently estimated to have a four-six month impact on the date for completion.

During this quarter, further milestone payments were made by the DfT upon completion of the vanguard (known as milestone 7). There are 29 new readers on the Rail and Underground systems, and 30 new readers on buses operating in East London. These new card readers will be capable of accepting cards/tickets issued under either the ITSO or Oyster specification.