

TRANSPORT FOR LONDON

BOARD

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

DATE: 2 FEBRUARY 2011

1 PURPOSE AND DECISION REQUIRED

- 1.1 The following performance monitoring reports are attached for the Third Quarter of 2010/11 (19 September 2010 - 11 December 2010):
- (a) Appendix 1 - Operational and Financial Performance report; and
 - (b) Appendix 2 - Investment Programme report.
- 1.2 Timing constraints for the production of the reports meant that they were not available for consideration by the Finance and Policy Committee at its meeting on 20 January 2011.

2 RECOMMENDATION

- 2.1 The Board is asked to NOTE the reports.

3 CONTACT

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Operational and Financial Performance Report

Third 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 three (19 September 2010 - 11 December 2010), comprising operating periods seven to nine.

TfL performance summary

Service: In quarter three 2010/11, passenger demand increased to record levels. London Underground (LU) saw the highest number of passenger journeys in a third quarter, beating the previous record set in quarter three 2007/08 by almost 3 million passenger journeys. On the Docklands Light Railway (DLR), there were 2 million more passenger journeys than the previous record set in quarter three last year. Despite challenging operating conditions in the quarter, due to snow, bus passengers made more journeys than target.

Service provision and reliability in quarter three was impacted by industrial action and asset failures on LU; student demonstrations (which required temporary road and LU station closures in central London) and, towards quarter-end, a bout of severe weather saw road and rail networks disrupted by snow and icy conditions.

Financial performance: Total operating income of £2,707 million in the year to date, was £172 million higher than budget. This was principally due to a higher level of passenger demand than was anticipated when the budget was set. Operating expenditure was £3,654 million, £336 million lower than budget, and net capital expenditure (excluding Crossrail) of £1,237 million was £191 million below budget. TfL net service expenditure for the full year, at £4,433 million, is forecast to be £970 million lower than budget. This incorporates current passenger demand expectations and economic forecasts.

Efficiencies: At quarter three, £574 million of savings are forecast for the year, £48 million above target. This updated forecast represents a continued improvement, with additional savings of £27 million identified in the quarter.

Staff: At the end of quarter three, TfL employed fewer staff than budget. This reflects ongoing efficiencies and recruitment freezes across the organisation. The number of temporary workers, including those with more than 12 months' service, continues to decline steadily.

London Underground

Operational Performance

London Underground Performance	unit	Quarter 3 (Operating periods 7-9)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Forecast	Vs Target	Status	Vs Last Year
Passenger Journeys	m	269.6	17.0	○	9.8	1,100.0	63.0	○	35.3
Scheduled Service Operated	%	93.3	(3.0)	◐	(3.8)	95.8	(0.5)	◐	(0.8)
Excess Journey Time (Weighted)	mins	7.8	1.1	●	1.0	6.7	-	○	0.3
Overall Customer Satisfaction	Score	Not available: To be reported at quarter four							

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

Tables may be subject to rounding

- 1.0 In quarter three, London Underground passengers made 9.8 million (3.8 per cent) more journeys than last year and 17.0 million (6.7 per cent) more journeys than target. Period eight saw a record number of passenger journeys in a four week period, only to be followed by an even higher number in period nine. This was despite three occurrences of industrial action on 3-4 October, 2-3 November and 28-29 November. In the year to date, passengers made 49.2 million more journeys than target. Therefore, the full-year number of passenger journeys is forecast to be higher than both target and last year.
- 1.1 The proportion of journeys made on the Underground by passengers who are not required to pay fares, was 0.2 per cent. These passengers include children and staff. They do not include journeys made using a Freedom Pass, as TfL receives payment from the Boroughs for these.
- 1.2 In the quarter, London Underground operated a lower percentage of scheduled service compared to target and the same quarter last year. This was largely driven by the three instances of industrial action by RMT and TSSA union members noted above. However, adjusted data indicates that the network percentage fell short of target even when strike losses are excluded. This was largely due to several major but unrelated asset failures in October, notably on the Jubilee and Victoria lines, and poor rolling stock availability on the District and Metropolitan lines caused by defective brackets and wheel flats. The percentage of scheduled services operated in the year to date is 0.7 percentage points lower than target. Cumulatively, to the end of quarter three, industrial action has caused a loss of 0.6 million kilometres, equivalent to 1.2 per cent of the year-to-date schedule. For this reason, the forecast for the full year is below target and last year.
- 1.3 Excess journey time on London Underground was more than a minute adverse to target in quarter three. This was mainly due to industrial action, although high passenger numbers and issues with rolling stock, track and signals also adversely affected excess journey time. In the year to date, the excess journey time is slightly better than target due to the good performance at the start of the year. Therefore, London Underground is expecting to meet target in the full year.
- 1.4 The London Underground Customer Satisfaction Survey is not yet available and will be reported at quarter four.
- 1.5 During quarter three, 31 passengers sustained accidental major injuries, 5 more than the same quarter last year. In the year to date, the moving annual average of major injuries per million hours on London Underground infrastructure was slightly worse than target. This is because there have been more accidental injuries compared to last year, although passenger numbers are also higher.

- 1.6 Crime on the LU and DLR network is lower than target for the period of October and November 2010. Due to this, the forecast for the year end is 1.3 recorded crimes per million journeys fewer than the target of 12.9.
- 1.7 At the end of quarter three, there were 8.5 per cent fewer LU staff than budgeted. LU has forecast to have 19,221 FTE at year end, which is 1,626 fewer FTE than the full year budget. This is due to a freeze on recruitment during a period of organisational change.

Financial Performance

London Underground £m	Year to date (Operating Periods 1-9)				Full year					
	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status	Forecast at Q2	Forecast variance
Operating Income	(1,315)	(1,246)	(69)	○	(1,891)	(1,792)	(98)	○	(1,887)	(4)
Operating Expenditure (net of third party contributions)	1,299	1,592	(293)	○	1,834	2,136	(302)	○	1,998	(164)
Net Operating	(16)	346	(362)	○	(56)	344	(401)	○	112	(168)
Net Capital Expenditure	809	898	(89)	○	1,219	1,261	(42)	○	1,259	(40)
Net Service Expenditure	793	1,244	(451)	○	1,163	1,605	(443)	○	1,370	(208)

(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

- 1.8 Operating income was higher than budget in the year to date. This was mainly due to the fares income variance of £55 million, reflecting higher than budgeted passenger numbers.
- 1.9 The full year forecast for operating income takes account of the January 2011 fares increase, which averages at 6.8 per cent.
- 1.10 Operating expenditure in the year to date was £293 million lower than budget. Provisions for Tube Lines claims and environmental-related risks of £116 million have been released. Central Services expenditure was £72 million below budget largely due to savings on overheads and staff costs. Refinancing of the Tube Lines PPP contract was finalised in 2004/05, generating a saving in financing costs. Of this, LU received a benefit of £41 million, which was being written off over the 30 years of the PPP contract. Following TfL's acquisition of Tube Lines, the remaining balance of £32m has been written back in 2010/11. Further reduced expenditure included more efficient line maintenance regimes and also changes to revenue elements of the Investment Programme for Station Refurbishments, Track and Infrastructure projects.
- 1.11 The full-year forecast for operating expenditure is £302 million lower than budget. Provisions for Tube Lines claims and environmental-related risks of £116 million have been released. Savings of £69 million have been identified across Central Services, including £49 million of overheads, and there has been a post acquisition adjustment of £32 million relating to Tube Lines, as explained above. Other savings include changes to revenue projects in the Investment Programme, revised maintenance regimes and reduced staff costs. The forecast movement in operating expenditure since quarter two is primarily due to the release of provisions, for Tube Lines claims and environmental-related risks, and the Tube Lines post acquisition adjustment.

- I.12 Capital expenditure in the year to date was £89 million below budget. Underspends included re-profiling of expenditure on new trains for the Sub-Surface Rail (SSR) upgrade following the signing of a supplementary agreement with the supplier (Bombardier), changes in phasing of the track project delivery plan and reduced expenditure on stations projects.
- I.13 The full-year capital expenditure forecast at quarter three is below budget. The movement arising since the quarter two forecast is mainly due to savings on Track Programmes.

Tube Lines

Financial Performance

Tube Lines £m	Year to date (Operating Periods 1-9)				Full year					
	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status	Forecast at Q2	Forecast variance
Operating Income	(34)	(26)	(9)	○	(44)	(43)	(1)	○	(46)	2
Operating Expenditure (net of third party contributions)	170	170	-	○	297	316	(18)	○	307	(10)
Net Operating	136	144	(9)	○	253	272	(19)	○	261	(8)
Net Capital Expenditure	116	147	(32)	○	201	252	(51)	○	249	(48)
Net Service Expenditure	251	292	(40)	○	454	524	(70)	○	510	(56)

(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

- I.14 Operating income in the year to date was £9 million higher than budget. This was due to revised engineering schedules affecting passenger services, and related performance payments, later in the year than originally planned.
- I.15 Full-year operating expenditure is forecast to be lower than budget as a result of savings in maintenance management and administration.
- I.16 The capital expenditure in the year to date was less than budget and this is reflected in the full-year forecast. The variances are predominately due to Jubilee Line and Northern Line Upgrade slippage; and Piccadilly Line Upgrade scope deferrals.
- I.17 Tube Lines is not yet fully integrated with TfL reporting processes. Therefore, staff numbers can be monitored and reported, but are not included in the TfL group number. At the end of the third quarter, Tube Lines staff numbers were as follows:
- 2,251 permanent staff members (including secondees), 232 staff fewer than budget.
 - 2,238 permanent staff forecast for year end, 239 staff fewer than budget.
 - 147 temporary staff, 21 fewer than budget.
 - 150 temporary staff forecast for year end, 6 over budget.

Surface Transport

Operational Performance

Surface Transport Performance	unit	Quarter 3 (Operating periods 7-9)				Full Year			
		Vs		Status	Vs Last Year	Forecast	Vs		Vs Last Year
Actual	Target	Target	Status				Target	Status	
London Buses									
Passenger Journeys	m	548.5	20.9	○	0.5	2,276.0	93.0	○	18.6
Scheduled Service Operated	%	96.4	(0.3)	●	0.2	97.4	-	○	0.3
Excess Wait Time, High Freq Routes	mins	1.2	(0.1)	○	(0.1)	1.00	(0.1)	○	(0.1)
Overall Customer Satisfaction	Score	78	(1)	●	(1)	79	-	○	-
Performance - Other Areas									
Cycle usage on TLRN (Index Mar 2000 = 100)	index	255.9	5.8	○	29.7	246.0	6.0	○	28.5
River Journeys	'000	794.6	34.6	○	(39.6)	4,049.0	49.0	○	(120.2)
Dial-a-Ride trips	'000	317.0	(10.2)	●	6.6	1,350.0	-	○	95.0
Dial-a-Ride Overall Customer Satisfaction*	Score	90	(3)	●	(1)	93	-	○	1

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

*Provisional data

Tables may be subject to rounding

- 2.0 Bus passengers made more journeys than target in quarter three and 72.5 million more journeys than target in the year to date. This reflects the impact of improved economic conditions compared to those expected at the time of producing the budget and was partly due to passengers affected by the industrial action on LU travelling by bus. The higher ridership is expected to continue as reflected in the full-year forecast.
- 2.1 Passengers who are not required to pay fares made 19.7 per cent of journeys on London Buses in the quarter. These include journeys made by children, staff and police, but they do not include journeys by Freedom Pass holders, as TfL receives payment from the London boroughs for these.
- 2.2 In the third quarter, London Buses operated slightly fewer scheduled services than target but more than last year. Heavy snow together with icy conditions led to mileage losses towards the end of the quarter. Other factors that had an adverse effect were student demonstrations in Westminster, roadworks and industrial action on the Underground that led to increased ridership on the bus network. In the year to date, the percentage of scheduled services operated was 0.1 percentage points higher than target and 0.3 percentage points higher than last year. In quarter three, the scheduled services operated showed decline but due to a good start to the year, London Buses is forecast to meet its target in the full year.
- 2.3 Bus excess wait time in the quarter was better than target and last year. This was due to the use of QICs (Quality Incentive Contracts) combined with various initiatives to improve control of routes, including traffic signal re-timing and the full roll-out of iBus. The year-to-date result is 0.2 minutes better than target and last year, which is reflected in the full year forecast.
- 2.4 The provisional score for the London Buses Customer Satisfaction Survey is 78 points, one point lower than target. For the first time, the survey was conducted by a new supplier, TNS Research International. The results are subject to further analysis to ensure data consistency and will be confirmed for quarter four, when the analysis will also be available.

- 2.5 On the bus network during quarter three, 257 major injuries were sustained by passengers and members of the public and three fatalities occurred. The number of major injuries and fatalities is the same as last quarter although there were 29 million more passenger journeys. This means the rate of major injuries and fatalities per million passenger journeys has improved to 0.47.
- 2.6 Overall bus related crime compared to last year is decreasing, building on significant reductions in recent years. However it is higher than target due to a 3 percent increase in bus-related robbery offences since November 2009. This compares to an overall MPS increase in robbery offences of 5.5 per cent over the same period, reflecting a trend of increasing acquisitive crime in the current economic climate. A greater number of proactive policing operations to tackle weapon enabled offences have been run during the year (compared to 2009/10), reflecting community concern and a London-wide focus on serious youth violence. These have had the added effect of, amongst other things, increasing detections for drug related offences by 39 per cent in the period April to November compared to 2009/10.
- 2.7 In quarter three, the average index of cycle flow on the TLRN (TfL Road Network) exceeded target, despite severe weather conditions in November and December. In the year to date, the year-on-year growth of 28.5 index points was also above target. The full-year forecast at quarter three is 6 index points above the target.
- 2.8 The most recent data for the Barclays Cycle Hire scheme is from the start of the scheme to 9 January 2011, by which date over 2.24 million journeys had been made by 104,332 scheme members and 369 docking stations were available. The scheme was opened to casual users on 3 December and as of 9 January, 45,729 casual hires had been made.
- 2.9 In quarter three, river passengers made more journeys than target, but fewer than the same quarter last year. There has been an anticipated seasonal decline in river passengers, which was made worse by severe weather conditions at the end of the quarter. In the year to date, passenger demand for river services was higher than target and the full-year forecast has been increased by 49,000 river journeys to reflect this.
- 2.10 There were approximately 10,200 fewer Dial-a-Ride (DAR) journeys made than target. This was solely due to the adverse weather conditions experienced in November and December affecting roads and pavements, especially in South East London. These conditions increased journey times and the time needed for disabled passengers to move safely between vehicles and their homes. In the year to date, there were slightly fewer journeys made than target, although it is still anticipated that the full-year target will be achieved.
- 2.11 From quarter three, the DAR Customer Satisfaction Survey (CSS) is being conducted by a new company and the survey considers a broader sample of DAR customers, including, for relevant questions, customers who tried unsuccessfully to make a booking. However, overall satisfaction is still measured using a sample of customers who did travel, as it requires a rating for all aspects of the service, including the journey. There was a three-point decrease in overall customer satisfaction with DAR in the quarter. The reasons for this are currently being investigated but it is likely to relate to a decrease in satisfaction with bus punctuality. There was also a slight decrease in satisfaction with the booking process, which may reflect the change in methodology to include in the survey sample people whose bookings were not successful.

- 2.12 At the end of quarter three, Surface Transport had fewer full time equivalent (FTE) staff than budget. In the full year, Surface Transport forecast to have 78.5 FTE fewer than budget, due to recruitment freezes, delays in filling posts, planned organisational change programmes and higher than anticipated turnover.

Financial Performance

Surface Transport £m	Year to date (Operating Periods 1-9)				Full year					
	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status	Forecast at Q2	Forecast variance
Operating										
Operating Income	(1,173)	(1,126)	(47)	○	(1,661)	(1,592)	(70)	○	(1,656)	(5)
Operating Expenditure (net of third party contributions)	1,758	1,788	(29)	○	2,595	2,612	(17)	○	2,605	(10)
Net Operating	585	661	(76)	○	934	1,021	(87)	○	949	(15)
Net Capital Expenditure	183	189	(6)	○	253	260	(7)	○	282	(29)
Net Service Expenditure	768	850	(82)	○	1,188	1,281	(93)	○	1,231	(44)

(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

- 2.13 Operating income in the year to date was higher than budget. This was largely due to higher bus fares income of £46 million, which was driven by 4.9 per cent more journeys made by passengers paying full fares.
- 2.14 The full-year forecast for operating income takes account of the January 2011 fares increase, which averages at 6.8 per cent.
- 2.15 Operating expenditure in the year to date was lower than budget, including deferrals of Behavioural Change campaigns for improving travel choices and savings in Enforcement.
- 2.16 Operating expenditure in the full year is forecast to be below budget. This includes: the in-year effect of the marketing freeze, savings in Roads, Enforcement and Better Routes and Places and the rescheduling of work into 2011/12. These are partly offset by expenditure brought forward from 2009/10 on Barclays Cycle Hire and Barclays Cycle Superhighways, as well as increased Quality Incentive Contracts (QICS) bonus payments to reflect improved bus excess wait time. The lower operating expenditure forecast compared to quarter two is mainly due to the rescheduling of work into 2011/12.
- 2.17 Capital expenditure in the year to date was below budget. This is principally driven by the revised programme for the implementation of Barclays Cycle Hire, as well as the reprogramming and de-scoping of Bus shelter, station and stand projects. These were partly offset by accelerated expenditure on Blackwall Tunnel Northbound and the additional system costs associated with the implementation of Congestion Charging Auto Pay.
- 2.18 Capital expenditure in the full year is forecast to be slightly lower than budget. This reflects slippage on Barclays Cycle Superhighways and small London Routes and Places (LRP) schemes. These are partly offset by additional Congestion Charging systems work and Blackwall Tunnel (Northbound) refurbishment programme acceleration. The forecast movement since quarter two is primarily due to expenditure slippage on Barclays Cycle Superhighways and small LRP schemes.

London Rail

Operational Performance

London Rail	unit	Quarter 3 (Operating periods 7-9)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Forecast	Vs Target	Status	Vs Last Year
DLR									
Passenger Journeys	m	19.5	1.6	○	2.3	77.1	2.7	○	7.7
Scheduled Service Operated	%	97.0	(1.0)	●	1.4	97.8	(0.2)	●	0.6
On time Performance	%	96.9	0.9	○	3.6	97.0	1.0	○	2.2
Overall Customer Satisfaction**	Score	80	-	○	n/a	81	1	○	n/a
London Overground									
Passenger Journeys	m	Not available*							
On Time Performance (PPM Moving Annual Average)	%	94.1	0.9	○	1.2	93.8	0.6	○	0.6
Trams									
Passenger Journeys	m	6.8	0.3	○	0.5	27.8	1.0	○	1.3
Scheduled Service Operated	%	98.7	0.7	○	(0.7)	99.5	1.5	○	0.9
Overall Customer Satisfaction**	Score	84	(2)	●	(2)	86	-	○	-

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

Tables may be subject to rounding

*Passenger load-weight data is being assessed for future reporting

***Provisional data

Docklands Light Railway (DLR)

- 3.0 In the quarter, DLR passengers made more journeys compared to target and last year. This broke the previous record set in quarter three last year by more than 2 million passenger journeys. In the year to date, the DLR has carried 4.8 per cent more passengers than target and shown year-on-year growth of 10.2 per cent. There is higher ridership on the DLR due to additional train capacity, improving financial sector employment and less engineering work. Therefore, the full-year forecast is 2.7 million more passenger journeys than target.
- 3.1 The percentage of scheduled services operated by DLR was below target but higher than the same quarter last year. This was due to points and vehicle failures, Bank station closures and adverse weather conditions. The year-to-date result of 97.5 per cent was 0.5 percentage points below target and subsequently the full-year forecast is slightly under target.
- 3.2 DLR on-time performance was 0.9 percentage points higher than target in quarter three and is forecast to be higher than target in the full year.
- 3.3 The provisional score for the DLR Customer Satisfaction Survey is 80 points, in line with target. For the first time, the survey was conducted by a new supplier. The results are subject to further analysis to ensure data consistency and will be confirmed for quarter four, when the analysis will also be available.

London Overground (LO)

- 3.4 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 three, the moving

annual average remained higher than target despite being slightly affected by the closure of Canada Water station during the industrial action on LU.

3.5 The London Rail Customer Satisfaction Survey will be reported at quarter four.

Trams

3.6 In the quarter, tram passengers made more journeys than target. Quarter three recorded the highest number of passenger journeys in a third quarter beating the previous record set in quarter three 2008/09. Following disruption from engineering work and poor economic conditions last year, passenger numbers are now returning to the level last seen in 2008. Therefore, Trams have forecast more passenger journeys than target, in the full year.

3.7 The percentage of tram services operated remained higher than target and last year in quarter three.

3.8 The provisional score for the Trams Customer Satisfaction Survey is 84 points, two points less than target. The results are subject to further analysis to ensure data consistency and will be confirmed for quarter four, when the analysis will also be available.

London Rail

3.9 Compared to budget, there were 5.2 per cent fewer London Rail employees at the end of quarter three, with higher numbers of permanent staff offset by fewer temporary staff than budgeted.

Financial Performance

London Rail £m	Year to date (Operating Periods 1-9)				Full year					
	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status	Forecast at Q2	Forecast variance
Operating										
Operating Income	(132)	(115)	(18)	○	(185)	(167)	(18)	○	(170)	(15)
Operating Expenditure (net of third party contributions)	217	227	(9)	○	318	337	(19)	○	329	(12)
Net Operating	85	112	(27)	○	132	169	(37)	○	159	(27)
Net Capital Expenditure	134	179	(46)	○	166	248	(82)	○	196	(29)
Net Service Expenditure	218	291	(73)	○	299	417	(119)	○	355	(56)

(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

3.10 Operating income in the year to date was higher than budget primarily due to the receipt of compensation for late delivery of trains. DLR income benefited from increased patronage. These factors are also reflected in the full-year forecast, and are the main reason for the favourable variance between the quarter two and quarter three forecasts.

3.11 Operating expenditure in the year to date was below budget, mainly due to delays to the North London Rail (NLR) station upgrade as a result of delayed design submissions and on-site works.

3.12 The full-year operating expenditure forecast is also below budget. This is mainly due to expenditure deferred to 2011/12, including the rephasing of the NLR station upgrade, in line with

London Overground Rail Operations Limited's (LOROL) revised programme, and the East London Line (ELL).

- 3.13 Capital expenditure in the year to date was £46 million below budget. The ELL project phases 1 and 2 were underspent by £19 million, largely due to revised costs of the main works and programme changes, including accelerated spend of £6 million in 2009/10. Further underspends included slower progress on the Stratford International extension; delay in contract awards on the NLR Infrastructure Project; and, expenditure on new DLR trains which was incurred earlier than budgeted in 2009/10.
- 3.14 The capital expenditure full-year forecast is £82 million lower than budget. This mainly relates to rephased expenditure, including ELL, Beckton Depot office works and delays on the Stratford International extension. There is also reduced expenditure on new DLR trains because spend was incurred earlier than budgeted, in 2009/10.

Crossrail

Financial Performance

Crossrail £m	Year to date (Operating Periods 1-9)				Full year					
	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status	Forecast at Q2	Forecast variance
Net Capital Expenditure	426	490	(64)	○	682	734	(52)	○	663	19

(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

- 4.0 Year-to-date expenditure was £64 million below budget. The variance included delays in direct construction expenditure, a put option of £33 million which was not exercised by the property owner, property and land expenditure deferred into future years and a lower assessment of property compensation commitments. These were partly offset by the timing of £100m of costs under the new Canary Wharf Development Agreement, where Crossrail is recognising the full value of work to date rather than at completion, due to the revised agreement.
- 4.1 The full-year forecast is £52 million below budget. The quarter two forecast allowed for reductions in land and property expenditure as a result of deferrals, a reduction in the provision for property compensation commitments and reductions in direct construction expenditure due to delays. At quarter three, further reductions in direct construction are partly offset by the timing of £100 million of costs under the new Canary Wharf Development Agreement.

Corporate Directorates

Financial Performance

Corporate Directorates £m	Year to date (Operating Periods 1-9)				Full year					
	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status	Forecast at Q2	Forecast variance
Operating										
Operating Income	(52)	(23)	(29)	○	(66)	(37)	(29)	○	(61)	(4)
Operating Expenditure	210	216	(6)	○	321	300	21	●	341	(20)
Third party revenue contributions	(1)	(3)	2	●	(1)	(3)	2	●	(1)	-
Operating Expenditure (net of third party contributions)	209	213	(4)	○	320	297	23	●	339	(20)
Net Operating	157	190	(33)	○	254	260	(6)	○	278	(24)
Capital										
Capital Income	(26)	(23)	(3)	○	(34)	(29)	(6)	○	(34)	(1)
Third Party Capital Contributions	-	-	-	○	-	-	-	○	(1)	1
Capital Expenditure	22	38	(16)	○	44	53	(9)	○	73	(29)
Net Capital Expenditure	(4)	14	(19)	○	10	24	(14)	○	39	(29)
Net Service Expenditure	153	205	(52)	○	264	284	(20)	○	317	(53)

(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

- 5.0 The operating income variance to budget in the year to date and in the full-year forecast, is mainly due to cash received for the surrender of accommodation leases and recovery of project costs.
- 5.1 The full year operating expenditure includes rephasing of implementation costs for the accommodation strategy and forecast savings shortfalls in Information Management (IM). These are partly offset by reduced IM and accommodation costs, efficiencies in Planning from bringing work in-house and the refurbishment of traffic cameras.
- 5.2 Capital income in the year to date was higher than budget as a result of additional income from property sales. The full-year forecast has been increased to reflect this.
- 5.3 Capital expenditure in the year to date was below budget due to delays on the Integrated Transport Smartcard Organisation (ITSO) project and the delayed start of IM projects.
- 5.4 The quarter three forecast movement is mainly due to expenditure carried forward to future years on the Future Ticketing Project, IM change management projects and delayed ITSO assurance work.
- 5.5 The combined Corporate directorates' forecast for staff at year end is 47 FTE higher than budget, despite currently being below budget. This was driven by the transfer of Surface Transport contact centre staff to Group Marketing and Communications and the transfer of former Metronet IM staff to Finance.

Group items

Group Items £m	Year to date (Operating Periods 1-9)				Full year					
	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status	Forecast at Q2	Variance
Interest Income	(5)	(4)	(1)	○	(7)	(5)	(2)	○	(7)	-
Debt Servicing	171	175	(4)	○	259	270	(11)	○	259	-
Contingency/Other Group Items	3	169	(166)	○	132	291	(159)	○	237	(105)
Total Group Items	169	340	(171)	○	384	556	(172)	○	489	(105)

(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

- 6.0 The debt servicing full-year forecast is lower than budget. This is mainly due to the majority of corporate borrowing being deferred to the latter part of the financial year.
- 6.1 Contingency and other group items expenditure variances are largely due to the purchase of Piccadilly line rolling stock which has been deferred to future years.

Savings Programme

Savings £m	Year to date Actual	Forecast at Q3	Target	Variance	Forecast at Q2	Forecast Variance
Corporate and Group Wide	101	135	141	(6)	137	(2)
London Rail	7	9	8	1	8	1
London Underground	185	288	241	47	259	29
Surface Transport	93	142	136	6	142	-
Total Gross Saving	386	574	526	48	546	27
Implementation cost	(18)	(62)	(79)	17	(67)	5
Total Net Savings	368	512	447	64	479	32

Highlights

- 7.0 On a gross basis, £574 million of savings are forecast for the year, £48 million above target. This updated forecast is a continued improvement, with an additional £27 million of savings being identified within the forecast during quarter three.
- 7.1 Although there have been some reductions in forecast within Corporate and in Group-wide activities, £29 million of additional savings relate to London Underground in terms of new opportunities identified in line with the Comprehensive Spending Review (£17 million) and also through a review of spend on consultancy and IT support (£12 million).
- 7.2 £386 million (73 per cent) of targeted savings has been secured in the first three quarters, which is £48 million ahead of target.
- 7.3 Implementation costs are forecast to be £17 million below target this year. This leaves the expected net position for 2010/11 at £64 million better than target.
- 7.4 These changes provide further evidence that that the programme can deliver against its target, although achievement will vary by area.
- 7.5 The forecast for Information Management savings at quarter three is £24 million against a target of £45 million – unchanged since quarter two. IM is unlikely to close the savings gap in 2010/11 and further work is progressing on the development of new savings opportunities.

Balance sheet

Transport for London Group Balance Sheet at end of Quarter 3 £m	Actual	Variance to Budget
Fixed Assets – (higher) / lower than budget	23,116	240
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	949	(68)
Cash – (higher) / lower than budget	1,646	(217)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,406)	(117)
External Borrowings – higher / (lower) than budget	(5,878)	(350)
Deferred Capital Grant – higher / (lower) than budget	(11,620)	971
Provisions – higher / (lower) than budget	(2,575)	(101)
Total Net Assets – (higher) / lower than budget	2,232	358

- 8.0 It should be noted that the actual and forecast balance sheets shown in this report represent a consolidated position for TfL and its subsidiaries, now including the Tube Lines companies. The most significant balance sheet impact of the acquisition has been the reduction in London Underground's PPP lease creditor (previously shown in the creditors line above) largely offset by the external borrowings held by Tube Lines (Finance) Plc (now included in the External Borrowings line). Budgets have also been restated for the impact of the Tube Lines acquisition.
- 8.1 Fixed assets are £240 million lower than budget mainly due to activity variances of £261 million, offset by lower depreciation and disposals.
- 8.2 Stock, debtors, payments in advance and accrued income are £68 million above budgeted levels. Stock levels are £17 million above budget, reflecting increase in track materials and other works in progress in London Underground, due to a change in accounting procedures following the introduction of a new stock system. Accrued income is £55 million above budget, of which £27 million is for ODA grant in the Corporation due to movements in milestones on the North London Railway, £23 million is in London Rail for uninvoiced income from the Overground Operator and £12 million is in Surface Transport for recoveries against various road schemes e.g. Tottenham Hale. The remaining difference reflects minor trading fluctuations across the group.
- 8.3 Cash is £217 million above budget as a result of lower net service expenditure (including Crossrail) of £934 million, offset by the deferral of external borrowings (£350 million) and lower cash grant (£48 million following the reduction of Transport Grant as well as deferred ODA grant), faster than budgeted settlement of liabilities for acquisition of properties for the Crossrail project (£64 million), and working capital differences (£255 million).
- 8.4 Capital creditors are £120 million lower than budget, reflecting activity underspends to date.
- 8.5 Deferred capital grants are £971 million higher than budget. Of this, some £13 million is in respect of lower contributions from third parties. The remainder is the non-cash effect of the grant accounting process.
- 8.6 Provisions are £101 million below budget. This is as a result of revised assumptions and timing differences for property purchases in respect of the Crossrail project (£64 million) and the release of provisions in London Underground.

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	23,656	281
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	791	7
Cash – (higher) / lower than budget	1,542	(583)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,061)	(170)
Prudential Borrowings – higher / (lower) than budget	(6,339)	(63)
Deferred Capital Grant – higher / (lower) than budget	(11,482)	63
Provisions – higher / (lower) than budget	(2,461)	(140)
Total Net Assets – (higher) / lower than budget	2,646	(605)

- 8.7 The forecast for fixed assets is £281 million below budget, mainly due to activity variances but also due to higher depreciation and lower disposals. The activity variance is £249 million, primarily reflecting current market conditions relating to Crossrail property (£83 million) and the deferral of the purchase of Piccadilly Line rolling stock (£105 million).
- 8.8 Stock, debtors etc. are forecast to be £7million lower than budget. In LU, higher track stocks (£17 million) and capital debtors for works at King's Cross, due to changed milestones (£14 million) are offset by lower trade debtors (£55 million) due to lower expected third party contributions. In the Corporation, debtors and payments in advance are £20 million higher than budget, due to higher accrued ODA grant and property related accruals mainly relating to the Bounds Green property disposals. The remaining difference reflects minor trading fluctuations across the group.
- 8.9 Cash is forecast to be above budget by £583 million. This is due to lower net service expenditure (including Crossrail) of £970 million, offset by the deferral of external borrowings (£63 million) and lower cash grant (£108 million), faster than budgeted settlement of liabilities for acquisition of properties for the Crossrail project (£100 million), and working capital differences (£116 million).
- 8.10 Creditors and receipts in advance are expected to be £130 million lower than budgeted at year end, reflecting the reduced levels of activity in the forecast.
- 8.11 External borrowing is expected to be £63 million lower than originally budgeted. This variance includes borrowings undertaken to settle certain Tube Lines loans (£135 million), offset by lower borrowings due to the deferral of Piccadilly Line rolling stock purchases (£105 million) and a reduction following the inclusion of finance lease creditors on Tube Lines balance sheet that scores against TfL's borrowing limits for the year.
- 8.12 The variance on deferred capital grant again results from the non cash effects of the grant accounting process.
- 8.13 Provisions are forecast to be £140 million below budget again due to revised assumptions and timing differences on Crossrail related property purchases (£100 million) and the release of provisions in London Underground, as for quarter three.

Appendix one: Operational summary

2010/11 Key Performance Indicator	Unit	Quarter 3				Full Year			
		Actual	Var	Status	LY	Forecast	Var	Status	LY
Contextual Indicators									
Service Demand									
Passenger Journeys - LU	m	269.6	17.0	○	259.8	1,100.0	63.0	○	1,064.7
Passenger Journeys - Buses	m	548.5	20.9	○	548.0	2,276.0	93.0	○	2,257.4
Passenger Journeys - DLR	m	19.5	1.6	○	17.2	77.1	2.7	○	69.4
Passenger Journeys - Trams	m	6.8	0.3	○	6.3	27.8	1.0	○	26.5
Passenger Journeys - River Services	'000s	794.6	34.6	○	834.2	4,049.0	49.0	○	4,169.2
Total Trips - Dial a Ride	'000s	317.0	(10.2)	▶	310.4	1,350.0	-	○	1,255.0
Supporting Economic Development									
% Scheduled Services Operated - Buses	%	96.4	(0.3)	▶	96.2	97.4	-	○	97.1
% Scheduled Services Operated - LU	%	93.3	(3.0)	▶	97.1	95.8	(0.5)	▶	96.6
% Scheduled Services Operated - DLR	%	97.0	(1.0)	▶	95.6	97.8	(0.2)	▶	97.2
% Scheduled Services Operated - Trams	%	98.7	0.7	○	99.4	99.5	1.5	○	98.6
Excess Journey Time (Weighted) - LU	Mins	7.8	1.1	●	6.8	6.7	-	○	6.4
Excess Wait Time, High Freq Routes - Buses	Mins	1.2	(0.1)	○	1.3	1.00	(0.1)	○	1.1
On Time Performance - DLR	%	96.9	0.9	○	93.3	97.0	1.0	○	94.8
On Time Performance (PPM MAA) - LO	%	94.1	0.9	○	92.9	93.8	0.6	○	93.2
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	255.9	5.8	○	226.2	246.0	6.0	○	217.5
Quality of Life									
Overall Customer Satisfaction - LU	Score	Not available: To be reported at quarter four							
Overall Customer Satisfaction - Buses	Score	78	(1)	▶	79	79	-	○	79
Overall Customer Satisfaction - DLR	Score	80	-	○	n/a	81	1	○	n/a
Overall Customer Satisfaction - Trams	Score	84	(2)	▶	86	86	-	○	86
Overall Customer Satisfaction - LO	Score	Reported twice a year: Next data available at quarter four							
Overall Customer Satisfaction - Dial-a-Ride	Score	90	(3)	▶	91	93	-	○	92
Ensuring Safety and Security									
Number of killed or seriously injured people (Londonwide) *	#	730	(45)	○	792	2,904	(184)	○	3,227
Recorded Crime (per million journeys) - LU/DLR **	#	12.4	(0.6)	○	12.9	11.6	(1.3)	○	13.2
Recorded Crime (per million journeys) - Buses **	#	10.6	0.4	▶	10.7	10.4	0.2	▶	11.1

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

Tables may be subject to rounding
LY = Prior Year

* Due to the reporting process and nature of road traffic accident data the latest data available and included in the Q3 section above is for June - August 2010.

** The latest data available for recorded crime is for calendar months, October - November 2010.

Appendix two: Financial summary

£m	2010/2011							
	Year to date				Full year			
	Actual	Budget	Variance to budget	Status	Forecast at Q3	Budget	Variance to budget	Status
Fares income - LU, buses and LR	(2,194)	(2,090)	(104)	○	(3,168)	(3,005)	(163)	○
Other income	(513)	(446)	(68)	○	(679)	(626)	(53)	○
Total operating income	(2,707)	(2,535)	(172)	○	(3,847)	(3,631)	(215)	○
Operating expenditure net of third party contributions	3,654	3,989	(336)	○	5,364	5,698	(334)	○
Operating margin	946	1,454	(508)	○	1,518	2,067	(549)	○
Interest income and debt payments	166	171	(5)	○	252	265	(13)	○
Contingency/other group items	3	169	(166)	○	132	291	(159)	○
Total group items	169	340	(171)	○	384	556	(172)	○
Margin	1,115	1,794	(679)	○	1,902	2,623	(721)	○
Capital income (including property sales)	(30)	(23)	(7)	○	(38)	(29)	(9)	○
Capital expenditure	1,322	1,519	(197)	○	1,973	2,170	(197)	○
Third party contributions	(55)	(68)	13	●	(86)	(96)	10	●
Net capital expenditure (excl Crossrail)	1,237	1,428	(191)	○	1,849	2,046	(197)	○
Net service expenditure (excl Crossrail)	2,352	3,222	(870)	○	3,751	4,668	(917)	○
Capital expenditure - Crossrail	426	490	(64)	○	682	734	(52)	○
Net service expenditure (TfL)	2,778	3,712	(934)	○	4,433	5,402	(970)	○

(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

Operating Income

2009/2010

2010/2011

2010/2011

Prior Year

Year to date

Full year

Year-to-date	Operating Income £m	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status
(1,237)	London Underground	(1,315)	(1,246)	(69)	○	(1,891)	(1,792)	(98)	○
-	Tube Lines	(34)	(26)	(9)	○	(44)	(43)	(1)	○
(1,076)	Surface Transport	(1,173)	(1,126)	(47)	○	(1,661)	(1,592)	(70)	○
(91)	London Rail	(132)	(115)	(18)	○	(185)	(167)	(18)	○
(23)	Group Directorates	(52)	(23)	(29)	○	(66)	(37)	(29)	○
(2,427)	Total Operating Income	(2,707)	(2,535)	(172)	○	(3,847)	(3,631)	(215)	○

(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

Operating Expenditure

2009/2010

2010/2011

2010/2011

Prior Year

Year to date

Full year

Year-to-date	Operating Expenditure - net of third party £m	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status
1,648	London Underground	1,299	1,592	(293)	○	1,834	2,136	(302)	○
-	Tube Lines	170	170	-	○	297	316	(18)	○
1,781	Surface Transport	1,758	1,788	(29)	○	2,595	2,612	(17)	○
186	London Rail	217	227	(9)	○	318	337	(19)	○
230	Group Directorates	209	213	(4)	○	320	297	23	●
3,844	Total Operating Expenditure	3,654	3,989	(336)	○	5,364	5,698	(334)	○

(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

Capital Expenditure

2009/2010

2010/2011

2010/2011

Prior Year

Year to date

Full year

Year-to-date	Net Capital Expenditure £m	Actual	Budget	Variance	Status	Forecast at Q3	Budget	Variance	Status
-	London Underground	(4)	-	(4)	○	(4)	-	(4)	○
-	Tube Lines	-	-	-	○	-	-	-	○
(5)	Surface Transport	-	-	-	○	-	-	-	○
-	London Rail	-	-	-	○	-	-	-	○
(43)	Group Directorates	(26)	(23)	(3)	○	(34)	(29)	(6)	○
(48)	Capital Income (excl Crossrail)	(30)	(23)	(7)	○	(38)	(29)	(9)	○
720	London Underground	813	898	(85)	○	1,223	1,261	(39)	○
-	Tube Lines	116	147	(32)	○	201	252	(51)	○
128	Surface Transport	183	189	(6)	○	253	260	(7)	○
422	London Rail	134	179	(45)	○	167	248	(81)	○
35	Group Directorates	22	38	(16)	○	44	53	(9)	○
1,304	Capital Expenditure – net of third party contribution	1,267	1,451	(184)	○	1,887	2,074	(187)	○
1,256	Net Capital (Exc Crossrail)	1,237	1,428	(191)	○	1,849	2,046	(197)	○
755	Crossrail	426	490	(64)	○	682	734	(52)	○
2,011	Net Capital (TfL)	1,663	1,918	(255)	○	2,531	2,780	(249)	○

(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

Appendix three: Balance sheet

Balance Sheet £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Fixed Assets						
Tangible Assets	23,116	23,356	240	23,656	23,937	281
Current Assets						
Stocks	43	26	(17)	43	26	(17)
Debtors	624	611	(13)	493	535	42
Capital Debtors	17	11	(6)	24	10	(14)
Payments in Advance	265	233	(32)	231	227	(4)
Cash at Bank and in Hand	1,646	1,429	(217)	1,542	959	(583)
Current Liabilities						
Revenue	(1,461)	(1,454)	7	(1,124)	(1,262)	(138)
Receipts in Advance	(273)	(280)	(7)	(277)	(306)	(29)
Capital	(389)	(509)	(120)	(400)	(406)	(6)
Long Term Liabilities						
Creditors Due after One Year	(1,283)	(1,280)	3	(1,260)	(1,257)	3
External Borrowings	(5,878)	(6,228)	(350)	(6,339)	(6,402)	(63)
Capital Grants	(11,620)	(10,649)	971	(11,482)	(11,419)	63
Other Provisions	(432)	(533)	(101)	(318)	(458)	(140)
Pension Provision	(2,143)	(2,143)	-	(2,143)	(2,143)	-
Total Net Assets	2,232	2,590	358	2,646	2,041	(605)
Capital and Reserves						
Earmarked Reserves	893	1,148	255	1,336	727	(609)
Pension Reserves	(2,143)	(2,143)	-	(2,143)	(2,143)	-
General Fund	154	154	-	154	154	-
Other Reserves	3,328	3,431	103	3,299	3,303	4
Total Capital Employed	2,232	2,590	358	2,646	2,041	(605)

Cash and Investments						
CRL Sponsor funding account	901	856	(45)	811	782	(29)
Other cash	745	573	(172)	731	177	(554)
Total as above	1,646	1,429	(217)	1,542	959	(583)

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)	(1,115)	(1,794)	(679)	(1,902)	(2,623)	(721)
Working Capital Movements	(2,020)	(1,826)	194	(2,236)	(2,039)	197
Cash Spend on Operating Activities	(3,135)	(3,620)	(485)	(4,138)	(4,662)	(524)
Net Capital Expenditure (excl Crossrail) (from Appendix 2)	(1,237)	(1,428)	(191)	(1,849)	(2,046)	(197)
Crossrail (from Appendix 2)	(426)	(490)	(64)	(682)	(734)	(52)
Working Capital Movements	(57)	68	125	(53)	(33)	20
Cash Spend on Capital Activities	(1,720)	(1,850)	(130)	(2,584)	(2,813)	(229)
Funded by:						
Transport and Other Grants	3,225	3,272	47	4,522	4,629	107
Precept Funding	7	8	1	12	12	-
Prudential Borrowing	1,760	2,110	350	2,221	2,284	63
Total Funding	4,992	5,390	398	6,755	6,925	170
Net Movement in Cash	137	(80)	(217)	33	(550)	(583)



Investment Programme **Report**

Third Quarter 2010/11

Table of Contents

1.	Programme Highlights.....	- 3 -
2.	Projects (over £50m) and Programmes (over £10m per annum)	- 4 -
	Sub-Surface Railway Line Upgrade.....	- 6 -
	SSR Signalling Power.....	- 8 -
	SSR Power	- 9 -
	Victoria Line Upgrade.....	- 10 -
	Other Bakerloo Central and Victoria Line Upgrade Works.....	- 11 -
	Victoria Station Upgrade	- 12 -
	Channel Tunnel Rail Link at King’s Cross	- 13 -
	Green Park Step-Free Access	- 14 -
	Paddington (Hammersmith & City) Congestion Relief.....	- 15 -
	Tottenham Court Road Congestion Relief	- 16 -
	Bond Street Congestion Relief.....	- 17 -
	Bank Walbrook Square	- 18 -
	Bank Congestion Relief and Step-Free Access.....	- 19 -
	Other Station Upgrades.....	- 20 -
	Cooling the Tube	- 21 -
	Crossrail Services and Safeguarding	- 22 -
	Connect.....	- 23 -
	BCV/SSR Station Upgrades and Lift and Escalator Works.....	- 24 -
	Track Renewal BCV/SSR	- 25 -
	Tube Lines Station Upgrades.....	- 27 -
	Tube Lines Lifts and Escalators (L&E)	- 28 -
	Tube Lines Track.....	- 29 -
	Tube Lines Civils	- 29 -
	Tube Lines Jubilee and Northern Line Upgrade Works	- 30 -
	East London Line Extension.....	- 32 -
	East London Line Phase 2	- 33 -
	London Rail Concession Rolling Stock	- 34 -
	North London Railway Infrastructure Project.....	- 35 -
	DLR Three-Car Infrastructure	- 36 -
	DLR Stratford International Extension	- 37 -

Congestion Charging Re-Let	- 38 -
TLRN Capital Renewals Programme	- 39 -
A406 Bounds Green	- 41 -
Blackwall Tunnel Northbound Refurbishment	- 42 -
Cycle Hire	- 43 -
Two Cycle Superhighways	- 44 -
Ten Cycle Superhighways	- 45 -
Split Cycle Offset Optimisation Technique (SCOOT)	- 46 -
Future Ticketing	- 47 -
ITSO.....	- 48 -

Transport for London

Investment Programme Report

Third Quarter, 2010/11 (19 September 2010 – 11 December 2011)

I. Programme Highlights

The key highlights from the third Quarter of 2010/11 were:

- Barclays Cycle Hire scheme - launched for casual users
- Neasden Depot – new cleaning shed operational
- Station upgrades – Notting Hill Gate station practical completion
- Green Park step-free access – installation of lifts 5 and 6 commenced
- Escalator refurbishments at Canary Wharf, North Greenwich and Southwark completed
- DLR 3-Car East Route – construction work completed
- Bank escalators 1,2,3 refurbishment – works completed
- Channel Tunnel rail link at King's Cross –Mobility Impaired Passenger (MIP) lift 5 and ramp 4 completed

Post Quarter events include:

- Congestion Charging Re-let - AutoPay went live for registered customers
- Jubilee line upgrade - automatic train operation tested successfully
- Victoria station upgrade – utility diversion works completed

Cover picture:

One of the new S Stock trains in service on the Metropolitan line pulls in at Northwood Hills station. The first of the S Stock trains are now being introduced into passenger service on the Metropolitan line, with the roll-out to be complete by 2011. Trains will start being delivered on the Circle and Hammersmith & City lines from 2011 and start operating on both lines from 2012. The District line will follow in 2013 and all trains will be on the network from 2015.

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

TfL's Investment Programme contains a range of programmes and projects over £50m, in addition to a multitude of smaller activities. These are delivered by TfL directly, through 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.

Committed schemes and milestones listed in Annex B of the 2010 Spending Review funding settlement letter are included in this report. The Deep Tube Upgrade programme will be included after feasibility works are completed. Long range milestones for the Sub Surface Railway upgrade will be added in the next version of this report.


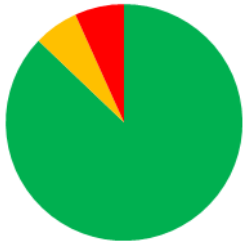
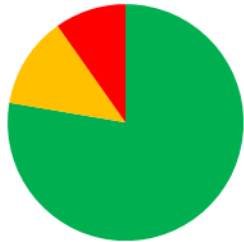
The milestones contained in Annex B are identified in the project pages with the note '(Annex B: date)' listed after the description.

Key to RAG status:

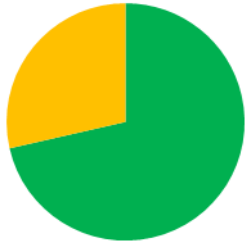
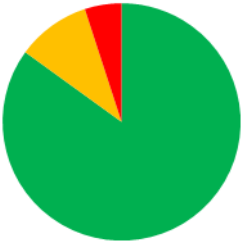
Status	Discrete Projects	Annualised Programmes
●	On time or early	100 per cent of target achieved
▲	Between 1 and 89 days late	>75 per cent of target achieved
■	Greater than 90 days late	<75 per cent of target achieved

Milestone Status by Mode – Quarter 3 2010/11:

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

London Rail	London Underground	Surface Transport
		
Milestone status: Green 19 Amber 4 Red 10 Total 23	Milestone status: Green 413 Amber 29 Red 32 Total 474	Milestone status: Green 254 Amber 41 Red 32 Total 327

Milestones status by mode (continued):

Corporate	Tube Lines
	
Milestone status: Green 5 Amber 2 Red 0 Total 7	Milestone status: Green 17 Amber 2 Red 1 Total 20

This report focuses on the delivery of investment projects. For discussion on wider financial performance, see the Quarter 3 Operational and Financial Report.

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

London Underground

Sub-Surface Railway Line Upgrade

Spend to end Q3 2010/11 £m	EFC £m
1,215.4	4,355.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
ATC supply - confirm approved shortlist	26/06/2010	08/07/2010	Completed
ATC – appoint contractor (Annex B: 2011)	05/02/2011	15/03/2011	▲
Enabling Works - Lillie Bridge depot ready for operational use for Working Timetable 10	08/01/2011	12/12/2010	Completed
Neasden Depot - new cleaning shed operational	18/09/2010	18/09/2010	Completed
S7 enabling works - start of full infrastructure integration testing	31/07/2011	27/11/2011	■
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	03/02/2016	■

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

Metropolitan Line Upgrade

This sub-programme includes station remodelling at Baker Street and Aldgate, platform modifications, new conductor rail, signalling immunisation, legacy signalling changes and other works to permit the operation of the new S Stock trains on the Metropolitan line.

The S8 infrastructure has been enabled and integration testing was completed in the quarter, allowing the first new trains to be used in passenger service to Baker Street from 13 December. S Stock trains will run through to Aldgate from March 2011.

London Underground

Neasden Depot

Neasden depot will be upgraded as part of the Sub Surface Upgrade programme and it will provide “heavy” maintenance for the entire S Stock fleet. The upgrade must take place at the same time as supporting the maintenance and operation of the existing Metropolitan line trains as well as the 20 Jubilee line trains that access the depot.

Following the bringing into service of the new cleaning shed, screens are being erected to allow demolition of the old cleaning shed as a precursor to construction of the new maintenance and lifting facilities. Significant progress has been made to secure the access requirements to commission the new signalling on schedule. The depot power upgrade works continued on budget and schedule.

District, Circle and Hammersmith & City Lines Upgrade

This sub-programme includes upgrades to permit the operation of the new S Stock trains on the District, Circle and Hammersmith & City lines. Works include:

- upgrades to Ealing Common and Upminster depots;
- significant works at Lillie Bridge depot;
- remodelling Hammersmith station;
- major modifications to the legacy signalling at Edgware Road;
- legacy signalling works, along with one person operation, CCTV design and installation;
- third party track immunisation;
- platform lengthening modifications;
- new conductor rail;
- signalling immunisation; and
- power works, including conductor rail upgrades.

Enabling works at Lillie Bridge depot were completed in the quarter, which will allow new S7 trains to be stabled at the depot. A review of the work required to support the new trains has confirmed roll-out dates that mean the start of integration testing has been moved back to November 2011. The revised forecast date for completing the S Stock migration reflects the latest train production forecast, which makes allowance for ensuring that all quality issues are resolved before trains enter service.

Automatic Train Control (ATC)

Negotiations with the two remaining bidders for the ATC contract are underway. It is intended to award a contract by the end of March 2011, subject to successful conclusion of the negotiations.

London Underground

SSR Signalling Power

Spend to end Q3 2010/11 £m	EFC £m
0.2	56.0

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

The programme governance process has been established in this quarter and prices sought for the first phases of work as variations to existing contracts. Procurement of the initial phase is now underway. The scoping and design contract is ready to be placed once procurement authority is granted. Milestones are being identified and are expected to be finalised once the ATC contract is let and the exact scope of power requirements is understood.

London Underground

SSR Power

Spend to end Q3 2010/11 £m	EFC £m
164.2	*

Milestones	Current Plan Date	Actual/Forecast 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	24/03/2011	■
Package 1a (Neasden Depot) - available to supply traction power	23/12/2010	10/03/2011	■
P8M substation full beneficial use (All S7 Sites)	28/02/2013	08/02/2013	●

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

Power supply capacity is now available to support up to 20 S8 trains in timetabled service on the Metropolitan line.

On Package 1a (Enterprise Metropolitan line traction power north of Baker Street) works continue to need close management to achieve the required capacity upgrades and to contain cost escalation and schedule delays. Commissioning of the new traction substation at Neasden Depot is running late, but alternative arrangements have been made to maintain power to newly delivered trains until it is finished. Some Package 1b works, including Eastcote, have been rescheduled to compensate for delays on Package 1a, but this has no adverse effect on availability of power to support introduction of new trains.

London Underground

Victoria Line Upgrade

Spend to end Q3 2010/11	EFC £m
839.6	1,061.3

Milestones	Current Plan Date	Actual/Forecast 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	22/11/2010	Completed
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 (Annex B: 2013)	07/04/2013	07/04/2013	●

The Victoria line upgrade includes new rolling stock, signalling, control equipment, depot and track works. 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

Twenty new 09 Stock trains (09TS) have been commissioned into passenger service and the reliability trend is increasing. 27 new trains are planned to be in service by the end March. By the end of Quarter 3, Bombardier achieved a production rate of six cars per week, though adverse weather affected material supply in the final weeks of 2010.

A door modification plan is producing a positive impact on service reliability, design changes to the 'sensitive edge' door system have reduced the number of train faults.

Signals

Signalling reliability growth remains a key focus for the project team. A revised reliability growth strategy has been developed to support the planned rate of introduction of the new rolling stock. Invensys have now allocated sufficient resource to deliver asset replacement at the required rate, but progress is being monitored closely.

Operations have transferred partially to the new control centre, subject to thorough testing the full transfer is still on schedule for August 2011.

London Underground

Other Bakerloo Central and Victoria Line Upgrade Works

Spend to end Q3 2010/11 £m	EFC £m
107.5	343.8

A reduction in the EFC this quarter reflects transfer of budget to the Deep Tube Programme.

Milestones	Current Plan Date	Actual/Forecast 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	28/02/2011	●

The Central Line Bogie Modifications project was instigated following the Chancery Lane incident, to address the issues identified and comprises the re-design, manufacture and fitting of 1,420 new bogie assemblies to the entire Central line fleet.

The manufacture of the new bogie frames began in January 2009 and the delivery schedule is currently on target. Some additional urgent maintenance works using the same train lift facilities could potentially impact the completion date. Mitigation actions are currently being implemented to minimise any potential delay.

London Underground

Victoria Station Upgrade

Spend to end Q3 2010/11 £m	EFC £m
89.9	654.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Main works contract award	28/10/2009	15/04/2010	Completed
Bring into use ticket office	13/09/2010	01/11/2010	Completed
Birse utility works planned completion date	31/03/2011	24/12/2010	Completed
Northern ticket hall - civils complete (inc removal of traffic management)	15/12/2014	16/12/2014	●
Northern ticket hall - access to Victoria line and London Fire and Emergency Planning Authority shaft, delivery into service (Annex B: 2016)	23/10/2016	29/07/2016	●
Southern ticket hall - station operations room complete	06/12/2017	27/06/2016	●
Delivery into service (Annex B: 2018)	01/02/2019	12/02/2018	●

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 and District & Circle lines.

In Quarter 3, the new ticket office was opened to the public. Advance utility works have progressed to plan, allowing Wilton Road and Terminus Place to re-open to traffic on 10 December 2010. The completion date for all utility works was achieved on 24 December 2010, three months ahead of schedule.

Value management has been concluded. The risk of adopting potential changes to the scheme as consented to by the VSU Transport and Works Act Order 2009 was too high when compared to the potential value of savings. Work on an alternative scheme has therefore been stopped.

London Underground

Channel Tunnel Rail Link at King's Cross

Spend to end Q3 2010/11 £m	EFC £m
856.3	857.5

Milestones	Current Plan Date	Actual/Forecast 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	18/09/2010	Completed
Completion of phase II works (incl post NTH works)	16/10/2010	16/10/2010	Completed

King's Cross St. Pancras is now the 62nd Tube station in London to become step free, redevelopment work has quadrupled the size of the station, easing congestion and making journeys easier for 300,000 daily passengers. It is the final part of an £800m redevelopment of King's Cross St. Pancras Tube station. The Tube station is a key interchange for customers of the Eurostar service and domestic high speed services into Kent.

Phase 1 included an expanded Tube ticket hall and new western ticket hall, creating step-free access to the Circle, Hammersmith & City and Metropolitan lines. Phase 2 includes a new northern ticket hall, with step-free access and improved links to Northern, Victoria and Piccadilly lines, and the new Channel Tunnel Rail Link Terminal. Funded by the Department for Transport and delivered by TfL's Investment Programme, it is an early legacy benefit at one of the key London 2012 gateway stations.

Works on the final Passenger with Reduced Mobility lift and ramp were completed in Quarter 3. Phase 2 works on the northern ticket hall were also formally completed. As all works are now formally complete and in public use, this project will be removed from the report next quarter.

London Underground

Green Park Step-Free Access

Spend to end Q3 2010/11 £m	EFC £m
36.5	57.7

Milestones	Current Plan Date	Actual/Forecast 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	13/09/2010	Completed
On Site Staff Training Commences	23/06/2011	09/06/2011	●
Green Park delivery into service (as agreed with ODA)	19/12/2011	21/09/2011	●

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 ahead of the targeted Games delivery date of December 2011.

Installation works for lifts 4, 5 and 6 began earlier than forecast. Changes to the construction sequence have allowed some elements of the programme to be achieved earlier than originally planned.

The Project has won the award for Best Tunnelling Project under £10M at the New Civil Engineer (NCE) International Tunnelling Awards.

London Underground

Paddington (Hammersmith & City) Congestion Relief

Spend to end Q3 2010/11 £m	EFC £m
16.3	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
LU approve Crossrail Detailed design for interim and final scheme	13/11/2010	20/10/2010	Completed
Completion (Annex B: 2014)	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.

A land agreement with Aviva - to include a deed of easement necessary for the operation of the new station upon completion - remains outstanding. The main contractor cannot commence work on the station until the agreement is completed. The project progresses according to plan while this issue is being resolved.

London Underground

Tottenham Court Road Congestion Relief

Spend to end Q3 2010/11 £m	EFC £m
160.2	501.0

Milestones	Current Plan Date	Actual/Forecast 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	03/11/2010	Completed
Delivery into service (Annex B: 2016)	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 project proceeds on or ahead of programme. The diversion of Charing Cross Road was carried out successfully on 14 December 2010. The diversion unifies three separate construction sites and will make construction more efficient.

Utility diversion works on Oxford Street were completed in the quarter, allowing Oxford Street to be reopened on 6 November 2010. Civil works to construct a new entrance on Oxford Street commenced on 3 November 2010, ahead of schedule. The first piles have now been completed.

At Goslett Yard, work has commenced on the diaphragm walling.

London Underground

Bond Street Congestion Relief

Spend to end Q3 2010/11 £m	EFC £m
55.6	315.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Main works contract award	18/09/2010	04/08/2010	Completed
Take Possession of 354-358 Oxford Street	08/01/2011	22/11/2010	Completed
Start of main tunnelling operations (Annex B: 2013)	15/07/2013	22/05/2013	●
Early hand back Jubilee line platforms, Escalators 3 to 8, into public use	02/05/2015	12/10/2014	●
Completion (Annex B: 2017)	28/04/2017	07/03/2017	●

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 2018. The scheme provides:

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

The project took full possession of the buildings at 354-358 Oxford Street on 22 November 2010. Approval has been granted for the buildings to be demolished. The hoarding around the site has now been erected.

London Underground

Bank Walbrook Square

Spend to end Q3 2010/11 £m	EFC £m
4.7	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Detail Design Compliance Submission	13/11/2010	13/12/2010	Completed
Complete Design of Box Fit out	30/08/2010	11/02/2011	■
Delivery into service (Annex B: 2015)#	10/07/2015	10/07/2015	●

The original Annex B milestone stated 2014 in error, this has now been replaced by a 2015 plan date)

The Bank Walbrook Square project will provide easier 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.

A joint design review funded by the developer Legal & General was completed in the quarter. The review process has recommended that the station box should be relocated and the internal configuration revised. LU has now endorsed this recommendation to optimise the station layout and to realise significant cost savings on the project. Drafting of a deed of variation is now underway to reflect the changes to the scheme.

This change has meant a delay to the design completion and the project schedule will be revised to set new milestones with completion for 2015.

London Underground

Bank Congestion Relief and Step-Free Access

Spend to end Q3 2010/11 £m	EFC £m
7.1	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
RIBA C Design Accepted / Phase Complete	05/02/2011	15/01/2011	●
RIBA D Design Accepted Phase Complete PAM (Target Date 31/08/12)	31/08/2012	30/05/2012	●
Delivery into service (Annex B: 2021)	23/01/2021	23/01/2021	●

The Bank Northern line congestion relief project will relieve current and expected congestion in Bank station. By mitigating increasingly frequent congestion of the Northern line/DLR area station closures will be reduced.

Funding was authorised for the project to proceed to RIBA stage D (scheme design) in December 2010.

Post quarter, the RIBA C milestone is now forecast to be completed in February 2010 after all documentation has been completed.

London Underground

Other Station Upgrades

Spend to end Q3 2010/11 £m	EFC £m
500.9	867.9

Budgeted funding for Finsbury Park, Highbury & Islington, Vauxhall and a general provision for Congestion Relief schemes are now included in this programme.

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Notting Hill Gate station modernisation - practical completion	16/10/2010	15/10/2010	Completed
Notting Hill Gate station modernisation - delivery into service	18/11/2010	18/11/2010	Completed
Marble Arch station modernisation - practical completion	08/01/2011	07/01/2011	●
Marble Arch Station modernisation - delivery into service	31/01/2011	31/01/2011	●
Former Silverlink Stations Upgrade - Deliver Into Service Last Station (Approved by LU)	23/12/2010	31/03/2011	■

The programmes are generally on target. At Notting Hill Gate, works on the station modernisation were completed on 15 October 2010. The station was formally delivered into service on 18 November 2010.

At the former Silverlink stations, six customer information screens have now been completed. Cabling works have been delayed by subcontractor resource shortages and works by Network Rail on their civil assets (bridge replacement and subway strengthening) which have disrupted LU works. Delivery into service of the final station is subsequently delayed to 31 March 2011.

The Marble Arch station modernisation was completed to schedule post quarter.

Milestones for the stations transferred into the programme will be added to the report when the scope of refurbishment works at each site has been determined.

London Underground

Cooling the Tube

Spend to end Q3 2010/11 £m	EFC £m
151.4	263.9

Reduction in the EFC this quarter is due to the transfer of budget to the Deep Tube Programme.

Milestones	Current Plan Date	Actual/Forecast Date	RAG
MTV Tranche 1 and 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	14/08/2010	Completed
Victoria line: mid tunnel vents tranche 3 - first start on site	11/12/2010	21/10/2010	Completed
Out of service fans, phase 3 & 4 - approved detailed design	19/12/2011	25/07/2011	●
Out of service fans phase 4 – all fans available for beneficial use	04/09/2012	19/09/2012	●

This is a long term programme to control ambient temperatures on the Underground. Without intervention, temperatures will 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-based tunnel cooling systems.

Works to support the Victoria line upgrade and restoration of a small number of long-defunct fans on the Northern Line are being progressed. Victoria line station-based tunnel cooling (SBTC) system designs are complete; the SBTC at Victoria Station will be delivered as part of the station upgrade works.

All mid-tunnel vent works on the Victoria line are progressing to schedule. All Tranche 1 and 2 mid-tunnel ventilation shafts are now in operation. Works at King's Cross and Palace Street were completed in the quarter. Tranche 3 works commenced ahead of schedule on 21 October 2010. Redundant equipment has been removed and installation of new plant has commenced.

London Underground

Crossrail Services and Safeguarding

Spend to end Q3 2010/11 £m	EFC £m
86.4	243.2

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Provided all LU input and support to facilitate MPRG (Major Project Review Group) Review Point 4	05/02/2011	15/12/2010	Completed
Finish on site works – Whitechapel	10/04/2011	07/03/2011	●
Barbican interlocking machine room - deliver into service	22/05/2011	23/03/2011	●
Communications Equipment Room - complete at Liverpool Street	21/12/2011	18/11/2011	●

A target date for baselining the revised scheme design at LU stations has been set for the end of January 2011 following a change in scope issued by Crossrail to their design contractors.

The LU Crossrail Team has actively supported CRL in preparation for submission of its Review Point 4, which was submitted to Sponsors at the end of December 2010. A Major Projects Review Group review will be undertaken in February and March 2011.

London Underground

Connect

Spend to end Q3 2010/11 £m	EFC £m
264.0	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Connect VN422 13 Video SDPs Northern and Piccadilly (RAC/ENG/PRG/0028 VI.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 Tube Lines video cut-in - practical completion	16/10/2010	12/11/2010	Completed

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 have progressed. Software development on the new Customer Information System is now complete, static testing on the Victoria line is complete and dynamic testing is in the final sign off stage.

The Tube Lines video cut-in works were completed on 12 November 2010. The milestone was completed later than planned due to delays in appointing key subcontractors.

The Connect Airwave project enhances the emergency services' communication system on the Underground by expanding coverage and capacity. Airwave Phase 2 has now been agreed with the National Police Information Authority (NPIA), including an extension of coverage to Stratford. The enabling works for the programme are complete and main implementation commenced in the quarter.

London Underground

BCV/SSR Station Upgrades and Lift and Escalator Works

Spend to end Q3 2010/11	EFC to 2017/18 £m
1,375.6	2,803.1

Stations	Current Plan Date	Actual/Forecast Date	RAG
Mile End station modernisation - LUL accept delivery into service	31/03/2010	30/06/2010	Completed
King's Cross station modernisation - delivery into service	16/10/2010	16/10/2010	Completed
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	Completed
BCV Asset Stabilisation (09-10 workbank) - replacement of obsolete fire control system	24/07/2010	24/07/2010	Completed
King's Cross station modernisation - Gate 6 completion	06/05/2011	23/03/2011	●
Lifts and Escalators	Current Plan Date	Actual/Forecast Date	RAG
Piccadilly Circus escalators 1 to 11 refurbishment - returned to service (escalator 1)	10/07/2010	01/07/2010	Completed
Bank escalators 1,2,3 refurbishment - approval of practical completion submission (escalator 2)	26/11/2010	22/11/2010	Completed
Victoria escalators 1,2,3 refurbishment - approval of practical completion submission (escalator 1)	06/01/2012	15/09/2011	●

At Warren Street, delays that had occurred in obtaining certification of fire compliance for Fibre Reinforced Polymer panels were mitigated this quarter. The modernised station was delivered into service on 13 November 2010. With the exception of final snagging works, the King's Cross modernisation project completed in the quarter. The station was delivered into service on 16 October 2010.

In the Lifts and Escalators programme, refurbishment of all 11 escalators at Piccadilly Circus over a 4 year period has now been completed after the final machine (escalator 7) was returned to service on 8 December 2010, one week ahead of schedule. At Bank, refurbishment of escalators 1, 2 and 3 achieved practical completion on 22 November 2010. Escalator 11 was returned to service early on 8 November 2010, 10 weeks ahead of schedule.

London Underground

Track Renewal BCV/SSR

Spend to end Q3 2010/11	EFC to 2017/18 £m
511.5	1,904.9

SSR Milestones	Current Plan Date	Actual/Forecast 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	21/08/2010	Completed
Track drainage – 5,950m replaced (year to date)	18/09/2010	21/08/2010	Completed
SSL Ballasted Track Replacement and Reballast - 13,250 metres achieved (year to date)	31/03/2011	07/02/2011	●
Track drainage – 8,250m replaced (year to date)	31/03/2011	29/11/2010	Completed
BCV Milestones	Current Plan Date	Actual/Forecast 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	21/03/2011	●
BCV Class 1 (expected trackform life of 40 years) - 2,400m achieved year to date	31/03/2011	31/03/2011	●

During Quarter 3, production across the programme was broadly on target. The target to replace the planned track drainage scope on the Sub-Surface Railway was completed ahead of schedule in November 2010.

The forecast completion date for point replacements has slipped this quarter due to the site for the 6th and final set of points for replacement unit being reselected.

In the quarter, LU awarded a new major, five year contract to carry out track renewal work to Balfour Beatty. The works will include the replacement of ballasted track, points and crossings including all ancillary signalling and drainage. Mobilisation work for the new contract is underway.

London Underground

Civils BCV/SSR

Spend to end Q3 2010/11	EFC to 2017/18 £m
122.7	410.8

BCV Milestones	Current Plan Date	Actual/Forecast Date	RAG
C156 EM3, 4, 7, 8 and 9 - Perivale to Greenford C156 - practical completion	26/06/2010	19/02/2010	Completed
C172 CTS1C and 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/Forecast Date	RAG
M072 EM2 - Pinner to North Harrow M072 - Practical Completion	16/10/2010	23/07/2010	Completed
EM12 and 13 Rickmansworth to Moor Park - practical completion	11/12/2010	08/09/2010	Completed
M020 EM10, EM11 and EM12 Chalfont & Latimer to Amersham embankment stabilisation - start on site	16/10/2010	17/09/2010	Completed
D164-EM1,2,4,5 East Putney to Southfields D164 practical completion	20/09/2010	20/08/2010	Completed
M020 EM1,2,3 Amersham to Chalfont & Latimer Practical Completion	28/11/2011	28/11/2011	●

The programme is progressing to plan. The District line under bridge D83A between Hammersmith and Ravenscourt Park was successfully replaced in the quarter as programmed. This work, to remove the existing bridge deck and replace it with a new 85 tonne steel one, was undertaken in a single weekend.

Eight earth structure (cuttings and embankments) stabilisation projects have been completed so far against the year end target of nine with a number of other projects on site. Two new earth structures framework contracts with a duration of five years have been tendered and will be let in early 2011.

Smaller projects on deep tube tunnel assets and drainage pumps are also progressing as programmed.

Tube Lines

Tube Lines Station Upgrades

Spend to end Q3 2010/11 £m	2010/11 EFC £m
14.7	19.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Kingsbury - delivery into service	30/10/2010	09/09/2010	Completed
Stratford ODA Platform 3A - delivery into service	16/11/2010	05/09/2010	Completed
Stratford ODA - delivery into service	24/11/2010	28/02/2011	▲
Finsbury Park – delivery into service	08/02/2011	08/02/2011	●
Heathrow T 1, 2 and 3 – delivery into service	30/09/2011	30/09/2011	●

The Stations programme consists of five stations: Kingsbury, Finsbury Park, Stratford, Heathrow Terminals 1, 2 and 3 and Green Park SFA (of which the cost and progress are reported separately by LU). In addition, the Stations programme will deliver the Northern line Signal Equipment Rooms (SERs) that are part of the Northern line upgrade enabling works.

In Quarter 3, Finsbury Park and Heathrow both progressed to plan and confidence remains high of achieving delivery into service dates. Stratford ODA works are now substantially complete with commissioning of a station wide communication system being the remaining item. However, the final commissioning can not be completed until Westfield Development complete their communications works that are behind schedule, thus preventing Tube Lines from declaring delivery into service. Forecast completion is currently February 2011.

Tube Lines

Tube Lines Lifts and Escalators (L&E)

Spend to end Q3 2010/11 £m	2010/11 EFC £m
3.6	10.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Canary Wharf E 10 module 2 refurbishment – return to service	14/08/2010	14/08/2010	Completed
North Greenwich E4 module 2 refurbishment - return to service	14/08/2010	13/08/2010	Completed
Waterloo E 19 module 2 refurbishment - return to service	14/08/2010	13/08/2010	Completed
Waterloo E12 module 1 refurbishment - return to service	06/09/2010	04/09/2010	Completed
Waterloo E1 and 2 DC-AC PLUS Conversion - return to service	04/10/2010	04/10/2010	Completed
Canary Wharf E12 module 2 refurbishment - return to service	08/11/2010	14/12/2010	Completed
Southwark E1 module 2 refurbishment - return to service	08/11/2010	05/11/2010	Completed
North Greenwich E6 module 3 refurbishment - return to service	21/12/2010	21/12/2010	Completed
West Ham E2: module 3 - return to service	18/01/2011	18/01/2011	●
Southwark E5: module 3 - return to service	22/03/2011	22/03/2011	●

In Quarter 3, escalators Waterloo E1, Canary Wharf E12, Southwark E1 and North Greenwich E6 were all refurbished and returned to service. The Canary Wharf E12 project was extended following a condition assessment that recommended the head shaft (major component) be replaced. A full condition assessment can only be undertaken once certain areas of an escalator are exposed. The project completed post quarter on 14 December 2010. The remaining two milestones for 2010/11 are both on schedule.

The Lift sourcing strategy has progressed to where BAFO updates have been issued to all four tenderers.

Resources are all in place for escalators works to commence on Leicester Square E3, Bounds Green E3, North Greenwich E2 and West Ham E1 in January 2011.

Tube Lines

Tube Lines Track

Spend to end Q3 2010/11 £m	2010/11 EFC £m
6.9	16.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Track replacement, install 8,800m of rail	31/03/2011	31/03/2011	●
Spot re-sleepering, complete 2,770m	31/03/2011	31/03/2011	●

In quarter 3, a total of 2,170m of rail was installed and 965m of spot re-sleepering was completed. For 2010/11, productivity levels were broadly on target for both track and sleeper works with a total of 7,162m of rail installed and 1,736m of spot re-sleepering completed.

In addition, the joint (London Underground and Tube Lines) track benchmarking exercise was initiated with terms of reference being agreed.

Tube Lines Civils

Spend to end Q3 2010/11 £m	2010/11 EFC £m
1.1	3.1

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Drainage renewal, complete 1,200m	31/03/2011	31/03/2011	●
Earth structure renewal, complete 350m	31/03/2011	11/12/2010	Completed

In Quarter 3, earth structure renewals works between Queensbury to Kingsbury (350m) were completed to plan. The next site being mobilised is between Cannons Park and Queensbury, which is significantly larger at 1,300m with a planned duration of 18 months.

Drainage works continued to plan with good progress being achieved on undertaking surveys and design work. Physical site works will commence in January 2011 and confidence remains high for achieving the yearly target of 1,200m.

Tube Lines

Tube Lines Jubilee and Northern Line Upgrade Works

Spend to end Q3 2010/11 £m	2010/11 EFC £m
91.7	*

This project will provide a significant increase in passenger capacity, faster journey times and reduced waiting time at platforms for the Jubilee and Northern lines.

Jubilee Line Upgrade

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Jubilee line - J5 system commissioning – ready for revenue service (Annex B: 2011)	15/04/2010	30/04/2011	■

Organisation

The transition of staff continues with the remaining Bechtel secondees leaving Tube Lines this quarter. The “one team” approach is becoming more embedded with greater integration between Tube Lines, London Underground and Thales.

J234

During the quarter, there were a number of Transmission Based Train Control (TBTC) trial and revenue operation weekends that further tested and stressed the system in J234 (Stratford Market Depot to Dollis Hill). The weekend 11/12 of December 2010 was the most successful to date with 40 trains in revenue operation on Saturday and 34 on Sunday. The performance from this weekend was encouraging with much improved performance during the build up to revenue operation and long periods of unperturbed operation.

TBTC revenue service was run between Stratford and Stanmore from 29 December 2010 to 3 January 2011. In addition, Automatic Train Operation (ATO) was available during this period with very positive feedback from LU train drivers. Over the five days of TBTC running, confidence in the system was high and its operation was strong. Reliability was generally good and issues were managed with increasing confidence.

Based upon the results, the decision was made to run the full revenue service in ATO from 4 January 2011.

J5

Work to address the particular complexities in the section of the line, north of Dollis Hill (referred to as J5) including the interface with Neasden depot, will continue into 2011 with the full upgrade expected to be completed in April 2011.

Tube Lines

Northern Line Upgrade

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Northern line – Due to the change of delivery strategy, scope and functionality all reporting milestones are suspended pending resolution. New milestones will be set upon agreement of a cost estimate and programme.	tbd	tbd	-

The final Northern line train was converted in preparation for the new signalling system. Reaching this key project milestone has involved a huge amount of work over the last 22 months, during which new equipment has been installed and over 4,000 changes made to the wiring on each of the 106 trains.

London Rail

East London Line Extension

Spend to end Q3 2010/11 £m	EFC £m
978.9	1,012.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
East London Line (Phase I) complete	30/06/2010	23/05/2010	Completed
Contractual completion of works	27/07/2010	27/07/2010	Completed
Croydon crossover operational	31/01/2011	31/01/2011	●

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 (LOROL). The line was opened on 23 May 2010. All stations have now been handed over to LOROL for operation.

In Quarter 3, work to complete minor snagging items continued; the focus remains on completing as-built drawings and finishing outstanding works, including minor defects. The current forecast is to complete all snagging issues by January 2011.

London Rail

East London Line Phase 2

Spend to end Q3 2010/11 £m	EFC £m
5.6	55.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
TfL South London Line Link GRIP 5 design complete	31/05/2010	02/07/2010	Completed
Award GRIP 6 South London Line Link contract	31/10/2010	31/03/2011	■
Commence passenger services	14/05/2012	09/12/2012	●

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).

The proposed Implementation Agreement is being drafted with Network Rail by Overground senior management and finalisation of this agreement is expected in the first quarter of 2011/12. The programme has been re-baselined in the quarter, passenger services are now scheduled to commence in December 2012.

Tenders for the civils and permanent way works have now been received, and are currently being evaluated. The contract is expected to be awarded in March 2011.

The London Borough of Lewisham will continue to fund the design of the Surrey Canal Road station and support design evaluation for its developer's proposals through to the preliminary design stage.

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/Forecast Date	RAG
Delivery of NLR fleet	30/04/2010	31/08/2010	Completed
Completion of 24 NLR three car units to four car units	31/12/2010	31/01/2011	▲
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).

Five North London Railway units have been fitted with 3rd rail de-icing equipment this quarter and are operational on the railway. Work to convert three car units to four car units continues; 16 units have now been converted, with the remainder now being forecast to be completed by the end of January 2011.

Modifications to NLR trains were implemented in the quarter, to prevent power supply interference occurring in the Euston area. The new software has now solved the problem of trains shutting down.

London Rail

North London Railway Infrastructure Project

Spend to end Q3 2010/11 £m	EFC £m
224.8	252.2

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete all lines blockade	01/06/2010	01/06/2010	Completed
Core signalling and infrastructure practical completion	31/01/2011	27/02/2011	▲
Project completion	31/01/2011	26/04/2011	▲

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.

Signalling infrastructure continues to be laid out across the route, all of the cable required to commission stages 1 to 4 has now been laid. The test and commissioning plan for the entire signalling system has now been issued by the core contractor.

The turnback at Willesden was completed in December 2010.

Stages 1 and 2 commissioning (of four stages) were planned to be carried out during a blockade over the Christmas period and this was completed successfully on schedule. Stages 3 and 4 of the commissioning are forecast to be completed in February 2011.

The overall project completion date in the report has been adjusted to show the completion of the Latchmere Curve improvement works. The improvement works are additional scope not originally included in the core infrastructure works (which are still on schedule to complete in February 2011). The works after February 2011 do not have an impact on the implementation of the planned service pattern.

London Rail

DLR Three-Car Infrastructure

Spend to end Q3 2010/11 £m	EFC £m
290.4	293.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
North route – three-car service operational	30/06/2010	27/05/2010	Completed
Poplar to Woolwich Arsenal – three-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	01/12/2010	Completed
East route - service operational for Olympic test	30/05/2011	30/05/2011	●
East route – three-car operational capacity available	31/05/2011	31/05/2011	●

This project delivers the structural works necessary for three-car operation on the Docklands Light Railway (DLR). This includes platform extensions, track realignment and viaduct strengthening. The project includes three-car works on the Bank to Lewisham section, Delta Junction, the Poplar to Stratford Route, Poplar to Woolwich, Tower Gateway, Games station capacity (East route) and West route resilience.

Construction is complete on all packages of work for the North route and Poplar to Woolwich Arsenal. Sectional completion has been withheld on package on package 7 (Canning Town Junction) due to outstanding minor snagging items. These items are due for completion in January 2011. The concourse works at Crossharbour have now been completed.

On the East route works, construction and station finishes are now complete at all stations, three months ahead of the original schedule. The final enabling work required to allow 3-car operation is to upgrade the signalling software; this is planned for completion in April 2011.

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.

London Rail

DLR Stratford International Extension

Spend to end Q3 2010/11 £m	EFC £m
171.3	182.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete conversion of North London line to DLR	20/09/2010	04/03/2011	■
Service operational	20/09/2010	31/03/2011	■

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.

DLR works associated with Package 8 (Network Rail platforms at Stratford) are substantially complete. All critical operational assets have been handed back to Network Rail and adopted into its maintenance regime. The final snagging item at the Stratford power sub-station was completed in the quarter and close out paperwork has been submitted to Network Rail.

On Package 6 (conversion of NLL to DLR), sub-stations at Star Lane and Stratford have been energised and test train running commenced on 6 December 2010. Delays in the installation of communications and power system have resulted in the contractor issuing a revised programme showing the completion date as the end of March 2011. At this stage, DLR is unable to comment on the credibility of this programme, and further slippage is possible.

Surface Transport

Congestion Charging Re-Let

Spend to end Q3 2010/11 £m	EFC £m
94.0	99.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
IBM functionality complete	31/08/2010	06/11/2010	Completed
Release 2 - go live of automated payment account charging	31/12/2010	29/12/2010	●
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.

Public consultation to introduce Auto Pay, increase the daily charge and make changes on some discounts and exemptions finished on 2 August 2010. A decision was announced by the Mayor on 20 October to remove the Western Extension Zone on 24 December 2010 and introduce Auto Pay. Changes to the Congestion Charge fee and to some discounts and exemptions came into effect on 4 January 2011.

All functionality contracted to IBM for delivery was completed on 6 November 2010. Final performance testing of the full Auto Pay functionality was completed in December 2010. The training of contact centre staff was also completed in the quarter. Auto Pay pre-registration was enabled on 22 November 2010, allowing users to register their details before the go-live date.

The 'Release 2 – go live of automated payment account charging' milestone was achieved on 29 December 2010 when the system was activated fully for the first time.

Surface Transport

TLRN Capital Renewals Programme

The annual budget for the Transport for London Road Network (TLRN) Capital Renewals Programme is based on long-term asset investment modelling and an objective, risk-based assessment of the maintenance required to deliver a safe and serviceable network.

Spend to end Q3 2010/11 £m	2010/11 EFC £m
36.2	45.4

Description of works	Units	2010/11 annual target	2010/11 achieved to date	2010/11 target to date
Area of carriageway resurfaced	m ²	468,000	270,902	339,204
Area of footways resurfaced	m ²	58,500	36,810	35,980
Number of lighting units replaced	No.	1,080	303	303

Capital Renewals is an annualised programme of schemes that maintain the physical infrastructure of the TLRN, including carriageways, footways, structures, tunnels, lighting, drainage, green estate and street furniture. 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 identified, prioritised and programmed (assigned to an appropriate year) using a risk-based approach. Typically an additional ten percent of schemes are identified to act as reserves. The reserves creates flexibility that caters for unplanned scheme deferrals, caused by factors such as severe winter weather, refusal of permits on congestion grounds and other events.

Carriageway resurfacing

By the end of Quarter 3, 270,902m² of carriageway was resurfaced against a forecast output of 339,204m² for the year to date. The variance is due to the later delivery/reprogramming of nine schemes. The reasons for the scheme deferrals include:

- Three schemes deferred because site investigations revealed previously unknown carriageway construction issues, including voids below the road surface, so additional design work was required
- Three schemes deferred due to unfavourable weather conditions
- Two schemes deferred to allow coordination with other works, eg signalling modernisation
- One scheme deferred due to over-running utility works

The nine schemes have been reprogrammed for Q4 and reserve schemes are on stand-by should additional delays occur. The programme remains on target to deliver 468,000m² for 2010/11.

Surface Transport

Footways resurfacing

By the end of Quarter 3, 36,810m² of footway was resurfaced against a forecast output of 35,980m² for the year to date. The variance was due to the early delivery of two schemes.

The programme remains on target to deliver 58,500m² for 2010/11.

Lighting column replacements

By the end of Quarter 3, 303 lighting columns were replaced against a forecast output of 303 for the year to date. The programme remains on target to deliver 1,080 units for 2010/11.

Surface Transport

A406 Bounds Green

Spend to end Q3 2010/11 £m	EFC £m
25.7	56.1

Milestones	Current Plan Date	Actual/Forecast 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.

The issues with the Thames Water water main that had threatened progress on Telford Road offline widening works have been resolved this quarter. Thames Water has now given approval for the construction of a new 24" water main. The main span of the new footbridge structure was erected on 21 November 2010; works to install the ramps on either side have now commenced. Offline widening work continues and the diversion of utilities at Wilmer Way is scheduled for completion in December 2010.

The project is still expecting to be completed by 14 May 2012. The next major milestone is the completion of the protection structure for the LU bridge on 10 May 2011.

Surface Transport

Blackwall Tunnel Northbound Refurbishment

Spend to end Q3 2010/11 £m	EFC £m
45.4	73.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Mobilisation Period complete	03/05/2010	03/05/2010	Completed
Shaft 2 complete	18/03/2011	23/02/2011	●
Construction complete	02/12/2012	01/06/2012	●

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 timeline for the project has been accelerated by six months to complete ahead of the London 2012 Games. Spend has been accelerated into 2010/11 but the overall cost is expected to be the same.

The second phase of the project has now commenced, and new fans in ventilations shafts 2 and 3 have been brought into operation. Construction works continue to progress well; demolition of the internal structure of shafts 1 and 4 was completed in the quarter. Following demolition works, new internal steelwork has been fitted to shafts 1 and 4. Shafts 2 and 3 have now had new roof structures added.

Work has commenced to install communications equipment inside the tunnel safety niches. Night time and weekend possessions have continued; a possession over the weekend of 15-18 October 2010 allowed the old fans and floor to be removed from ventilation shaft 1.

The next major milestone of the completion of shaft 2 on 23 February 2011.

Surface Transport

Cycle Hire

Spend to end Q3 2010/11 £m	EFC £m
56.3	109.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Go live #1 - website	Summer 2010	30/07/2010	Completed
On street construction completed	06/07/2010	31/03/2011	■
Systems integration end to end testing	28/07/2010	31/12/2010	Completed
Go live #2 – on street	Summer 2010	30/07/2010	Completed

The Barclays Cycle Hire scheme launched successfully on 29 July 2010 to registered members. 54 per cent of registered users have opted for annual membership, which means they get access for 12 pence per day, and as the vast majority of trips are under 30 minutes, this is a low cost as well as convenient alternative for many travellers.

Barclays Cycle Hire scheme went live to casual users on 3 December 2010, allowing everyone instant access to thousands of hire bikes throughout central London. Anyone with a Visa or MasterCard credit or debit card is now able to go to their nearest docking station and follow the simple on screen instructions at the terminal to release a bike.

Commuters using Waterloo are now able to pick up Barclays Cycle Hire bikes from a 'super' docking station outside the station, opened on 14 December 2010. The new docking station has 126 spaces, helping rail commuters make usage of the scheme.

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 3 December 2010, an additional 19 docking stations had been opened, taking the total to 336. Construction of the remainder of the docking stations is now being forecast to be completed by the end of March 2011. The project team is working with the principal contractor to ensure sufficient equipment will be available when it is required to meet the revised schedule. System integration testing has now been completed post quarter end.

Barclays Cycle Hire will expand to the east of the city in time for the 2012 Games. When complete, the expanded scheme will cover 65km² of the Capital and around 8,000 hire bikes will be available from 14,400 docking points at hundreds of locations across central and eastern London.

Surface Transport

Two Cycle Superhighways

Spend to end Q3 2010/11 £m	EFC £m
15.1	22.4

Milestones	Current Plan Date	Actual/Forecast 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. 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 have been 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 2010. The project is now in the close out stage, with infrastructure sign off in process with the relevant Boroughs. Post-launch monitoring has commenced, with early indications suggesting that the routes are performing well. Long term plans for benefits realisation are currently being produced. The project will no longer be included in this report after the quarter.

Surface Transport

Ten Cycle Superhighways

Spend to end Q3 2010/11 £m	EFC £m
4.6	136.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1 invitation to tender Issued	09/04/2010	09/06/2010	Completed
Phase 1 preliminary design completed	30/09/2010	20/12/2010	Completed
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. 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.

On phase one (Route 2 – Ilford to Aldgate, Route 8 – Wandsworth to Westminster), preliminary design is now complete and detailed design is continuing, with construction of the first part of the both routes underway.

On Phase 2 (Route 5 and Route 12), the feasibility stage is continuing, and initial drafts of the preliminary designs are now under review by TfL and the relevant Boroughs. Construction has been rescheduled to commence after the 2012 Games, but overall the schedule remains on target.

Outline costs for Phase 3 have been identified, the feasibility has started and design stages will commence in 2011.

Surface Transport

Split Cycle Offset Optimisation Technique (SCOOT)

Spend to end Q3 2010/11 £m	EFC £m
4.8	28.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
634 sites installed	31/03/2011	31/03/2011	●
885 sites installed	31/03/2012	31/03/2012	●
1,000 sites installed (Annex B: 2015)	31/03/2013	31/03/2013	●

The SCOOT programme will upgrade traffic signal technology to help meet the Mayoral objective of smoothing traffic flow. The programme has been added to this report to ensure that all milestones listed in Annex B of the Spending Review 2010 settlement letter are monitored on an ongoing basis. Costs shown are for the New SCOOT Investment project, which will deliver 528 sites of a planned 1,000 sites. The remaining sites are funded and delivered by business-as-usual activities across Surface Transport.

Under the New SCOOT Investment project, 113 sites are planned to be installed in the 2010/11 financial year. All design briefs for the 113 sites were completed in the quarter. Civil works are now complete at 79 sites and in progress at 16 sites. Installation at the remaining 18 sites will commence at the end of January 2011.

Future Ticketing

Spend to end Q3 2010/11 £m	EFC £m
0.5	*

Milestones	Current Plan Date	Actual/Forecast 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 (Annex B: 2012)	31/12/2012	31/12/2012	●
Phase 2b – 7 day capping to be implemented	31/12/2013	31/12/2013	●

The Future Ticketing Programme 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.

Project authority for all of phases 1, 2a and 2b was granted by the Finance and Policy Committee at its meeting in September 2010. During the quarter, a variation to the Future Ticketing Agreement for phase 1 (the initial bus launch) was issued to Cubic, and recruitment for additional technical support and other positions for delivery of the project commenced, with several positions filled or job offers made.

Corporate

ITSO

Spend to end Q3 2010/11 £m	EFC £m
26.4	58.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Head office processing system operational	19/06/2012	12/06/2012	●
3G communications software development complete	15/08/2011	9/09/2011	▲
Completion of changes to back-office systems	10/08/2011	5/12/2011	▲
Completion of project	31/12/2012	24/12/2012	●

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, 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.

The DfT have issued change requests to implement a newer version (2.1.4) of the ITSO specification, and to implement new security modules allowing faster transaction speeds. Together with the later delivery of the ITSO business rules by the DfT, this has caused project delivery to slip to December 2012. The Finance and Policy Committee approved an increase of the project authority from £56m to £59.1m at the September meeting to implement the DfT sponsored requests, subject to confirmation of additional funding being received from the DfT. As a result of the change in project scope, it was agreed with the DfT that the project dates should be re-baselined. The new baseline dates are shown in the table above.

In Quarter 3, the first download of software 'over the air' direct to bus readers took place. The thirty buses operating on services in East London that are equipped with readers with this remote loading capability continue in service.