

TRANSPORT FOR LONDON

BOARD

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

DATE: 23 JUNE 2010

1 PURPOSE AND DECISION REQUIRED

- 1.1 The following performance monitoring reports are attached for the Fourth Quarter of 2009/10 (13 December 2009 – 31 March 2010):
- (a) Appendix 1 - Operational and Financial Performance report; and
 - (b) Appendix 2 - Investment Programme report.
- 1.2 These were considered by the Finance and Policy Committee at its meeting on 9 June 2010.

2 RECOMMENDATION

- 2.1 The Board is asked to NOTE the reports.

3 CONTACT

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Operational and Financial Report

Fourth Quarter, 2009/10

The operating year 2009/10 comprises four quarters. Quarters 1 to 3 each cover three operating periods of four weeks. Quarter 4 covers four operating periods of four weeks. The dates are as follows:

Quarter 1:	1 April 2009 - 27 June 2009	(Operating periods 1-3)
Quarter 2:	28 June 2009 - 19 September 2009	(Operating periods 4-6)
Quarter 3:	20 September 2009 - 12 December 2009	(Operating periods 7-9)
Quarter 4:	13 December 2009 - 31 March 2010	(Operating periods 10-13)

Q4 2009/10 109 days (75 working days plus 34 weekend/bank holidays)

Q4 2008/09 115 days (79 working days plus 36 weekend/bank holidays)

Some quarter 4 measures compared to last year will be affected by 4 fewer working days and 2 fewer non-working days than quarter 4 2008/09.

On the front cover: S-stock train and new Victoria line train.

Please note: This report details the operational and financial performance for quarter four, 13 December 2009 – 31 March 2010, and covers operating periods ten to thirteen. Performance data shows a sharp seasonal profile in quarter four. This is because quarter four comprises four operating periods, whereas quarters one to three each comprise three working periods.

Operational and Financial Performance Report

Fourth Quarter, 2009/10 (13 December 2009 – 31 March 2010)

Performance summary

During quarter 4 2009/10, passenger demand continued to show signs of recovery from the decline in passenger numbers seen in early 2009/10. Transport for London (TfL) passengers made 996.1 million journeys on the (TfL) network in the quarter, 4.8 per cent fewer than last year.

London Underground: During quarter 4 London Underground passengers made 317.9 million journeys. Using data which has been adjusted for the timing of public and school holidays and other seasonal variations, there was an average growth in passenger demand of 1.1 per cent in the quarter. The Customer Satisfaction Survey (CSS) result for quarter 4 was 78, giving a score of 79 for the full year, which was in line with target.

London Buses: Bus passengers made 649.5 million journeys in the fourth quarter, continuing the improving trend in passenger demand which was evident in quarter three. The customer satisfaction score for London Buses was 81 points in quarter 4, an improvement of two points compared to last quarter.

Docklands Light Railway (DLR): In quarter 4, DLR passengers made 19.8 million journeys, which was fewer journeys compared to target and last year. Despite closures for engineering works during the year, passenger demand was driven by the opening of the Woolwich Arsenal extension, the reopening of Tower Gateway station in March 2009 and improved economic conditions in the latter part of the year. The DLR overall satisfaction score was 92.9 points in quarter 4, which was 0.9 points higher than target.

Financial performance: In the full year, compared to budget there was lower operating expenditure in the operational modes, and lower group item and Crossrail expenditure. These were partly offset by lower London Underground fares income. Capital expenditure in the full year was lower than budget. Variances are discussed in detail in the report.

Efficiencies: Gross savings of £265 million have been delivered in 2009/10 against a target of £237 million, £28 million above target. In addition, London Underground delivered savings of £42 million from Project Efficiencies, against a target of £15 million.

Contextual economic indicators

- Year-on-year inflation, as measured by the Retail Price Index, was 5.3 per cent in April 2010, up from 4.4 per cent in March.
- The Consumer Price Index measure was 3.7 per cent in April 2010, compared to 3.4 per cent in March.
- The volume of UK retail sales in April increased by 1.5 per cent higher year-on-year, compared with a revised increase of 1.9 per cent in March.
- Overseas tourist visitor nights in London, which often display monthly volatility, fell by 7.4 per cent in March, compared to a revised increase of 2.1 per cent in February.
- Employment in central London was down 3.0 per cent year-on-year in the quarter to December 2009 compared with a revised 6.4 per cent drop in the previous quarter.
- The proportion of working age London residents unemployed in the quarter to March 2010 was 9.3 per cent, compared with 9.3 per cent in the quarter to December 2009 and 8.4 per cent in the same quarter last year.
- Journeys on National Rail in London and the South East were virtually unchanged year-on-year in the quarter to Period 1 2010/11

Performance indicators

2009/10 Key Performance Indicator	Unit	Quarter 4				Full Year			
		Actual	Target	Var	PY	Actual	Target	Var	PY
Supporting Economic Development									
Excess Journey Time (Weighted) - LU	Mins	6.0	6.8	(0.7)	6.6	6.4	6.8	(0.4)	6.6
Excess Wait Time, High Freq Routes - Buses	Mins	1.05	1.09	(0.04)	1.12	1.12	1.13	(0.01)	1.13
On Time Performance (PPM Moving Annual Average) - LO	%	93.2	93.4	(0.2)	92.2	93.2	93.4	(0.2)	92.2
On Time Performance - DLR	%	96.0	96.0	-	94.1	94.8	96.0	(1.2)	94.6
Person Journey Time									
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	171.2	190.4	(19.2)	166.0	217.5	219.0	(1.5)	207.2
% Scheduled Services Operated - LU	%	96.8	96.3	0.5	96.3	96.6	96.3	0.3	96.4
% Scheduled Services Operated - Buses	%	97.2	97.8	(0.5)	96.7	97.1	97.5	(0.4)	97.0
% Scheduled Services Operated - DLR	'000s	97.0	98.5	(1.6)	98.1	97.2	98.5	(1.3)	98.4
% Scheduled Services Operated - Trams	%	98.6	98.0	0.6	97.0	98.6	98.0	0.6	98.4
% Scheduled Services Operated - River Services	%	98.8	98.5	0.3	73.2	98.7	98.5	0.2	98.3
Quality of Life									
Overall Customer Satisfaction - TfL Group (excl London Overground)	Score	80.3	80.0	0.3	79.6	79.3	80.0	(0.6)	80.0
Overall Customer Satisfaction - LU	Score	78	79	(1)	80	79	79	-	79
Overall Customer Satisfaction - Buses	Score	81	80	1	79	79	80	(1.0)	80
Overall Customer Satisfaction - DLR	Score	92.9	92.0	0.9	90.8	91.9	92.0	(0.1)	91.9
Overall Customer Satisfaction - Trams	Score	86.0	86.0	-	85.0	86.3	85.3	0.9	86.0
National Passenger Survey - London Overground	Score	82.0	73.0	9.0	77.0	78.5	73.0	5.5	71.0
Ensuring Safety and Security									
Number of killed or seriously injured people (Londonwide) *	#	1,084	1,142	(58)	1,171	3,178	3,434	(256)	3,526
Number of killed or seriously injured people (TLRN) *	#	308	310	(2)	337	908	947	(39)	1,011
Customer Major Injuries & Fatalities - LU (per m journeys)	#	0.13	0.13	-	0.12	0.10	0.13	(0.03)	0.12
Customer & Public Major Injuries & Fatalities - Buses (per m journeys)	#	0.32	No Target	n/a	0.43	0.45	No Target	n/a	0.55
Recorded Crime (per million journeys) - LU/DLR ***	#	12.9	13.3	(0.4)	13.6	12.8	13.3	(0.5)	13.2
Recorded Crime (per million journeys) - Buses ***	#	11.5	12.0	(0.5)	11.8	11.1	12.0	(0.9)	12.0
Providing Better Transport Options for all Londoners									
Overall Customer Satisfaction - Dial-a-Ride	Score	91.0	92.0	(1.0)	92.0	92.0	92.0	-	90
People									
Number of Staff - TfL Group (excl Crossrail) **	FTE	Q4=Full Year				25,998	28,001	(2,004)	21,435
No of Temporary Contractors - TfL Group (excl Crossrail) **	FTE					1,812	1,668	145	1,284
No of Temporary Contractors - TfL Group over 12 months service (excl Crossrail) **	FTE					964	872	92	527
No of days sickness absence per employee: TfL Group (excl Crossrail) **	Days	2.8	3.1	(0.2)	2.9	9.9	9.5	0.4	9.7
No of days sickness absence per employee: TfL Group Operational (excl Crossrail) **	Days	3.6	3.8	(0.2)	3.6	12.5	11.7	0.8	12.1
No of days sickness absence per employee: TfL Group Non-Operational (excl Crossrail)	Days	1.7	1.9	(0.3)	1.8	6.0	6.0	-	6.2
Contextual Indicators									
Service Demand									
Passenger Journeys - TfL Group (excl London Overground)	m	996.1	1,027.1	(31.0)	1,042.5	3,423.5	3,471.2	(47.8)	3,434.2
Passenger Journeys - LU	m	317.9	328.7	(10.8)	332.7	1,064.7	1,094.0	(29.3)	1,089.5
Passenger Journeys - Buses	m	649.5	665.8	(16.3)	680.6	2,257.4	2,274.0	(16.6)	2,246.6
Passenger Journeys - DLR	m	19.8	22.8	(3.0)	20.3	69.4	71.0	(1.6)	66.0
Passenger Journeys - Trams	m	7.8	8.7	(1.0)	7.8	26.5	27.5	(1.0)	27.0
Passenger Journeys (total)- River Services	'000s	749.5	563.0	186.5	823.9	4,169.2	3,000.0	1,169.2	3,887.4
Total Trips - Dial a Ride	'000s	366.5	416.5	(50.1)	354.4	1,254.8	1,400.0	(145.2)	1,178.3
<p>GREEN: better than or equal to target; AMBER: within 5% of target; RED: 5% or more worse than target</p> <p>Notes: Tables may be subject to rounding errors. FTE = Full Time Equivalents</p> <p>* Due to the reporting process and nature of road traffic accident data the latest data available and included in the Q4 section above is for September-December 2009. ** Prior year numbers exclude nominee companies and Crossrail *** The latest data available for recorded crime is for January - March 2010. vs full year target</p>									

Service demand

- I.0 Following feedback from members, this section was augmented to show both revenue and passenger journey comparisons between the current and previous financial year. Note, that in some cases, variances are due to reporting periods, such as the different number of days in periods one and thirteen this year compared to 2008/09. However, where possible these have been explained in the commentary.
- I.1 During the fourth quarter and in the full year, TfL passengers made fewer journeys than both last year and target.

London Underground

Passenger Journeys and Fare Income vs last year by period



Full year Passenger Journeys and Fare Income vs target and last year

	2009/10		
	Actual	Vs Target	Vs LY %
Passenger Journeys m	1,064.7	(29.3)	-2.3%
Fares Income £m	1,634.5	(57.5)	1.3%

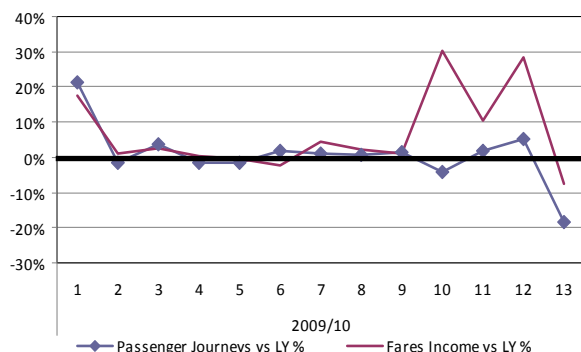
Note: Income is shown as negative in the chart of accounts, although is presented as positive for ease of comparison with related journey trends. Therefore, variances in brackets or with a '-' sign indicate lower income or passenger journeys.

- I.2 During the fourth quarter, passengers made 317.9 million journeys on the Underground. This was 14.8 million fewer journeys than in the fourth quarter of 2008/09 and fewer journeys than target. In period 13, there was an adjustment of 8.2 million more passenger journeys, due to the inclusion of revised allocation factors from the Travelcard Diary Survey, and this adjustment was allocated across the appropriate prior periods. As a result, passenger journeys for the year totalled 1,064.7 million. This was 2.7 per cent below the budget and reflects a reduction of 2.3 per cent in demand compared with 2008/09. The comparison to period 13 last year, as shown in the table above, is impacted by 4 fewer working days and 2 fewer non-working days compared to period 13 2008/09. This data has not been adjusted for period length or seasonal variations.
- I.3 Using data which has been adjusted for the timing of public and school holidays, Travelcard apportionment adjustments and other seasonal variations, patronage compared to last year on London Underground declined by 2.1 per cent in period 10, but increased by an average of 2.2

per cent in the remaining periods of the quarter. This is an improvement on the previous quarter which showed an average decline of 1.6 per cent.

London Buses

Passenger Journeys and Fare Income vs last year by period



Full year Passenger Journeys and Fare Income vs target and last year

	2009/10		
	Actual	Vs Target	Vs LY %
Passenger Journeys m	2,257.4	(16.6)	0.5%
	Actual	Vs Budget	Vs LY %
Fares Income £m	1,137.6	13.6	5.9%

Note: Income is shown as negative in the chart of accounts, although is presented as positive for ease of comparison with related journey trends. Therefore, variances in brackets or with a '-' sign indicate lower income or passenger journeys.

- 1.4 Bus passengers made 649.5 million journeys in the fourth quarter. This was 16.3 million below target because of fewer journeys than expected by the under-16s. Journeys reported in earlier periods have also been reduced because of technical adjustments based on recent survey results, reducing the full year total to 2,257.4 million. This was 0.7 per cent below the target, but reflects an increase in demand of 0.5 per cent compared with 2008/09. The comparison to period 13 last year, as shown in the table above, is impacted by 4 fewer working days and 2 fewer non-working days compared to period 13 2008/09. This data has not been adjusted for period length or seasonal variations.
- 1.5 Using data which has been adjusted for the timing of public and school holidays, Travelcard apportionment adjustments and other seasonal variations, patronage on London Buses, compared to last year, declined by 0.9 per cent in period 10, but increased by an average of 1.2 per cent in the remaining periods of the quarter. There was an average increase of 1.1 per cent in the previous quarter.
- 1.6 In quarter 4, Docklands Light Rail (DLR) passengers made 19.8 million journeys, reflecting fewer journeys compared to target and last year. This was attributable to the effect of the closures for engineering works at Bank and quarter 4 2009/10 being 6 days shorter than last year. In the full year, DLR passengers made 2.3 per cent fewer journeys than target, but more journeys than last year. Despite closures for engineering works during the year, passenger demand was driven by the opening of the Woolwich Arsenal extension, the reopening of Tower Gateway station in March 2009 and improved economic conditions in the latter part of the year.
- 1.7 Tram passengers made 7.8 million journeys in quarter 4. This was 11.2 per cent fewer journeys than target and 1.2 per cent fewer journeys than last year. This is partly attributable to quarter 4 2009/10 being 6 days shorter than last year. In the full year, passengers made fewer journeys compared to target and last year, mostly due to engineering work in Croydon in quarter 2. Underlying demand growth (adjusting for one off items affecting period 12 last year) is estimated at up to 2 per cent.

- 1.8 Passengers made 749,500 journeys on London's River Services during the quarter, exceeding target but representing a decline of 9.0 per cent compared to last year. This was due to fewer big events at the O2 and the effect of the economic downturn in Canary Wharf. In the full year, passengers made 4,169,200 journeys on London's River Services. This was 7.2 per cent more than last year and 39.0 per cent higher than target. The target has proved overly pessimistic in respect of the impact of the economic downturn.
- 1.9 In quarter 4, Dial-a-Ride operated 366,500 trips, which is more than last year but 12.0 per cent fewer than target. This reduction in trips is partly the result of over 20,000 trips being cancelled by passengers due to the adverse weather conditions. Also, in the quarter, revised arrangements were introduced to better manage the response to the one in nine trips that are cancelled by passengers on the day or eve of travel. All requests which can't initially be scheduled at the time of the booking are now "wait-listed" and the scheduling team work on the eve of travel to match these "wait-listed" requests with space released through passenger cancellations. This, along with a range of initiatives that Dial a Ride were able to introduce during the latter half of the year has further increased the number of completed trips per driver shift. In the full year, Dial-a-Ride operated 1,254,800 trips, 6.5 per cent more than last year but 10.4 per cent fewer than target.
- 1.10 London Overground Passenger journey data is not reported at present. Journeys are calculated by the revenue settlement systems, but not recorded directly from the trains or the stations. This data is not considered to be robust due to the wide confidence limits that apply to the results of the Travelcard Diary Survey for this operator.
- 1.11 In quarter 4, the average index of cycle flows on the TLRN (TfL Road Network) was 171.2 points, 10.1 per cent lower than target. This was due to the extreme weather conditions in the period. However, this represents an increase of 5.2 points compared to the same quarter last year, reflecting the upward trend seen over the last eight years. In the full year, the average index of cycle flows on the TLRN was 217.5, which was in line with target.
- 1.12 Traffic levels in Central and Inner London (average weekday flow over 24 hours) continued to follow a long term falling trend. In quarter 4:
- The average 24 hour weekday traffic flow entering central London was 1.4 index points (1.6 per cent) lower than quarter 4 in 2008/09
 - The average 24 hour weekday traffic flow in inner London was 0.4 index points (0.4 per cent) lower than quarter 3 in 2008/09.
 - The average 24 hour weekday traffic flow in outer London was 1.8 index points (1.9 per cent) lower than quarter 3 in 2008/09.

Service provision

Service Provision	unit	Q4			2009/10		
		Actual	Vs Target	Vs Last Year	Full Year	Vs Target	Vs Last Year
LU: Scheduled Service Operated	%	96.8	0.5	0.4	96.6	0.3	0.2
LU: Train kilometres operated	m	20.5	(0.3)	(1.2)	69.4	(0.2)	(1.2)
Buses: Scheduled Service Operated	%	97.2	(0.5)	0.6	97.1	(0.4)	-
Buses: Kilometres Operated	m	144.2	(2.1)	(6.3)	482.9	(4.8)	5.1
DLR: Scheduled Service Operated	%	97.0	(1.6)	(1.2)	97.2	(1.3)	(1.2)
DLR: Kilometres Operated	'000s	1,353	222	121	4,575	834	724

- 2.0 London Underground operated 96.8 per cent of scheduled services in quarter 4, which was better than target and last year. The percentage of schedule in the full year, at 96.6 per cent, was the highest achieved for 15 years. If the impact of industrial action earlier in the year is removed, the network percentage rises to 97.1 per cent.
- 2.1 London Underground operated 20.5 million train kilometres in quarter 4, slightly less than target and last year, reflecting the need for more engineering possessions than were budgeted. In the full year, LU operated 69.4 million kilometres, 1.2 million less than in 2008/09. This reflects a much higher level of weekend engineering possessions, notably on the Jubilee and Sub-Surface lines, which reduced the network schedule by some 4.5 million kilometres this year compared with 3.1 million in the previous year. On the Jubilee line alone, engineering possessions demanded by Tube Lines reduced the schedule by almost 1.4 million kilometres or 17.5 per cent of the line's timetabled service. However, strong operating performance offset losses earlier in the year due to industrial action, and London Underground coped well with the extreme weather conditions experienced in December and January.
- 2.2 During the fourth quarter, 97.2 per cent of scheduled bus services were operated, which was lower than target but an improvement compared to last year. Bus services in the quarter were affected by extreme weather conditions, burst water mains in Tottenham and Fulham, and roadworks in Kilburn, Dalston and on the North Circular Road. Particular problems were caused by multiple roadworks in the Putney and Fulham areas, especially when these coincided with sporting events and the closure of Hammersmith Bridge at weekends. Serious delays occurred on 31 March due to a large number of traffic signals in the central area losing computer control. In the full year, 97.1 per cent of scheduled services were operated by London Buses, which was in line with last year but 0.4 percentage points lower than target. This was largely due to industrial action by drivers in November 2009 and an increased level of roadworks.
- 2.3 In quarter 4, London Buses operated 144.2 million kilometres, which was 4.2 per cent less than last year and 1.4 per cent less than target. This was due to the adverse weather in period 10 and delays caused by roadworks. In the full year, Buses operated 482.9 million kilometres, which was less than target but more than last year. Factors which affected performance included traffic conditions, mostly as a result of roadworks, severe weather conditions during period 10 and industrial action in late 2009.
- 2.4 During the fourth quarter, DLR operated 97.0 per cent of its scheduled services, which was lower than target and last year. This was due to the operation of a reduced timetable due to the

3 car facilitation work at Bank. In the full year, the DLR operated 97.2 per cent of its scheduled services, 1.3 percentage points less than target and 1.2 percentage points less than last year.

- 2.5 In quarter 4 and in the full year, DLR operated more kilometres than target and more than last year. This was due to changes in assumptions on the service plan and possessions since the target was set.
- 2.6 London Overground operated 3.4 million kilometres in the full year, which was in line with target.
- 2.7 At year end, there were 24,914 licensed taxi drivers, 120 more than last year, and 59,191 private hire drivers, 3,439 more than last year.

Service reliability

Reilability	unit	Q4			2009/10		
		Actual	Vs Target	Vs Last Year	Full Year	Vs Target	Vs Last Year
LU: Excess Journey Time	mins	6.0	(0.7)	(0.6)	6.4	(0.3)	(0.2)
Buses: Excess Wait Time	mins	1.05	(0.04)	(0.08)	1.12	(0.01)	(0.01)
DLR: On Time Performance	%	96.0	-	1.9	94.8	(1.2)	0.3
London Rail: Passenger Performance Measure (MAA)	%	93.2	(0.2)	1.0	93.2	(0.2)	1.0

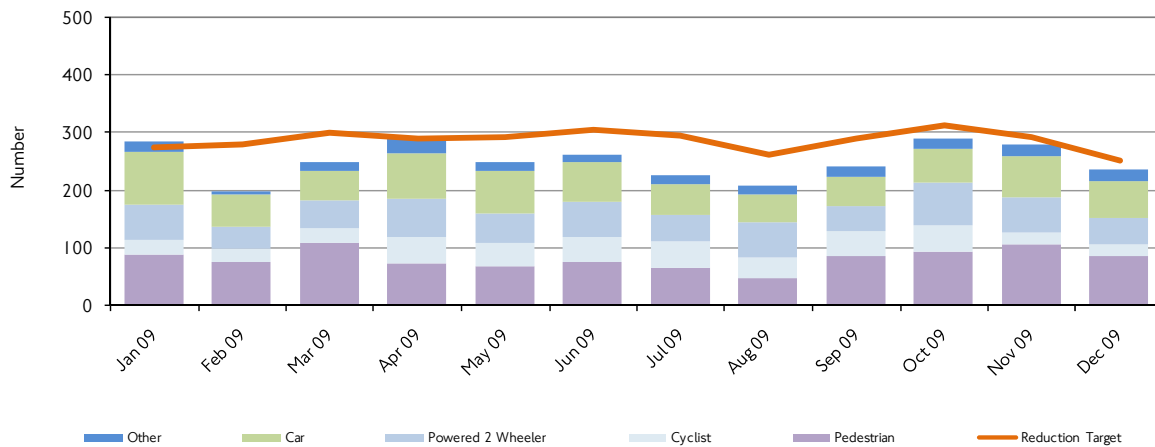
- 3.0 Excess journey time on the Underground averaged 6.0 minutes during the quarter. This was 0.7 minutes better than target and an improvement of 0.6 minutes compared to last year. Excess journey time on the Underground ended the year averaging 6.4 minutes, which was 0.3 minutes inside the target. Excess journey time allocated to stations and trains was within target, but excess due to closures fell 0.1 minutes short of its target. Closures excess averaged 0.8 minutes for the full year, of which 0.1 minutes was as a result of the industrial action by the RMT in period 3.
- 3.1 During the fourth quarter, excess wait time on London Buses averaged 1.05 minutes, which was better than target and last year. In the full year, excess wait time averaged at 1.12 minutes, marginally better than target and last year.
- 3.2 In the fourth quarter, 96.0 per cent of DLR trains were on time, which was in line with target and better than last year. In the full year, 94.8 per cent of DLR trains were on time, which was worse than target, but an improvement compared to last year.
- 3.3 The London Overground Public Performance Measure (PPM) is the percentage of trains arriving at their destination within five minutes of the arrival time stated in the timetable. The PPM Moving Annual Average of 93.2 per cent was lower than target, but better than last year. Of the PPM failures on the London Overground in the full year, Network Rail was responsible for 47 per cent, London Overground Rail Operations Limited (LOROL) was responsible for 32 per cent, London Underground for 8 per cent and other operators for 13 per cent.

Customer satisfaction

- 4.0 Customer Satisfaction Survey: The weighted average TfL Group customer satisfaction for quarter 4, was 80.3 points, 0.3 points higher than target and 0.7 points higher than last year. This was mainly driven by higher scores for London Buses, DLR and London Trams. In the full year the weighted average TfL Group customer satisfaction score was 79.3 points. This was 0.6 points below target and last year.
- 4.1 The Customer Satisfaction Survey (CSS) for London Underground result for quarter 4 was 78. This gives a score of 79 for the full year, which was in line with the target and last year. At network level, there were three significant changes compared to the last quarter. Station staff availability dropped one point from 74 to 73. Train crowding fell by two points to 69, the lowest achieved since quarter 3 2007/08. Personal safety fell by one point to 84. It is possible that the slight drop in the safety score is related to the perceived increase in crowding.
- 4.2 The customer satisfaction score for London Buses was 81 points in quarter 4, an improvement of two points compared to last quarter. This was in line with target and one point higher than last year. The score improved due to higher ratings for information, reliability, crowding and personal safety and security. In the full year, London Buses achieved 79 points, which was one point lower than target.
- 4.3 The overall satisfaction score for London Trams was 86 in quarter 4, which was an improvement of one point compared to last year. This was driven by improved cleanliness of stops, shelters and tram interiors, following the implementation of an enhanced cleaning regime, increased comfort during tram journeys (including crowding levels), following implementation of additional peak services operating on lines one and two, improved smoothness of ride, following delivery of significant track works, including grinding and re-laying of key track sections.
- 4.4 The DLR overall satisfaction score was 92.9 points in quarter 4, which was 0.9 points higher than target. This was 1.6 points higher than last quarter. In the full year, the DLR scored an average score of 91.9 points which was in line with last year, but marginally lower than target.
- 4.5 The score from the National Passenger Survey for London Overground was 82 points, this was 9 points higher than target and 5 points higher than last year.

Safety and security

Road Traffic Accident Data (January 2009 - December 2009)



Road traffic accident data

- 5.0 Due to reporting processes and the nature of road traffic accident data, results are reported several months in arrears and results are subject to retrospective adjustments. The most recent data is for September to December 2009.
- 5.1 In September to December 2009, 1,084 people were killed or seriously injured on London's roads. This was 58 fewer incidents than the reduction target of 1,142. Of these, 388 were pedestrians, 240 were motorcyclists, 248 were motorists, 131 were cyclists and 77 were other road users. Compared with the same period last year, when there were 1,171 fatalities or serious injuries, there has been a reduction of 7.4 per cent.

Major injuries and fatalities

- 5.2 On London Underground, there were 42 accidental major injuries and no accidental customer fatalities in quarter 4, giving a rate of 0.13 major injuries per million journeys. In the full year, there were 111 customer major injuries and one accidental fatality. This represents 0.10 major injuries per million passenger journeys, which is better than both target and last year.
- 5.3 On the bus network, there were 210 major injuries and one fatality to customers or members of the public in the fourth quarter. This was equivalent to 0.32 injuries or fatalities per million passenger journeys. Since last year, this has improved by 0.10 injuries or fatalities per million passenger journeys. In the full year, there were 1,025 major injuries, and five fatalities to customers or members of the public. This represents 0.45 major injuries or fatalities to customers or members of the public per million passenger journeys, 0.10 major injuries or fatalities fewer than last year.

Crime

- 5.4 Based on official crime figures from the British Transport Police for January 2010 to March 2010, there were 12.91 crimes per million passenger journeys on London Underground and DLR. This was 0.4 crimes per million passenger journeys lower than the full year target and 0.7 lower than

the same period last year. From official Metropolitan Police crime data, there were 11.54 crimes per million passenger journeys on the bus network over the same period. This was 0.46 crimes per million passenger journeys lower than the full year target and 0.26 lower than last year. In the full year there were 11.1 crimes per million passenger journeys on London Buses, a reduction of 7.4 per cent compared to last year. In the full year, there were 12.8 crimes per million passenger journeys on London Underground/DLR, a reduction of 3.3 per cent compared to last year.

Financial performance

Operating income

2008/09 * Actual	Operating Income £m	Actual	Budget	2009/10 Full Year		
				Variance	Forecast at Q3	Variance
(1,740)	London Underground	(1,769)	(1,825)	55	(1,743)	(26)
(1,521)	Surface Transport	(1,549)	(1,559)	10	(1,533)	(16)
(118)	London Rail	(131)	(136)	4	(129)	(3)
(27)	Group Directorates	(36)	(23)	(12)	(30)	(6)
(3,406)	Total Operating Income	(3,486)	(3,543)	57	(3,434)	(52)

Table subject to rounding

- 6.0 London Underground operating income was £55 million below budget. Fares income was £58 million (3.4 per cent) less than the budget, which was set before the full impact of the recession became apparent. However, fares income was £21 million (1.3 per cent) higher than in 2008/09.
- 6.1 London Underground fares income was £26 million (1.6 per cent) higher than the quarter 3 forecast, as passenger demand recovered more quickly than expected, particularly in periods 11-13.
- 6.2 Surface Transport operating income was £10 million lower than budget in the full year.
- Bus fares income was £14 million (1.2 per cent) higher than budget due to both fare increases and more journeys made by fare paying passengers.
 - Traffic Enforcement income was £18 million lower than budget because of a 38 per cent fall in penalty charge notice (PCN) volume. This was due to initial issues with the new Digital Traffic Enforcement System (DTES), reviewed working practices and resource prioritisation following a lengthy Organisational Change Process within Traffic Enforcement, all has since been resolved but was not originally anticipated when the budget was set. Congestion charging income was £7 million lower than budget, partly driven by implementation issues following the re-let of the Congestion Charging and LEZ service provider contract.
- 6.3 Surface Transport income was £16 million higher than forecast at quarter 3. Bus fare income was £27 million (2.4 per cent) higher than forecast due to more journeys made by fare paying passengers. This was partially offset by Congestion Charging enforcement income of £14 million lower than forecast due to lower charge volumes and the impact of implementing of the service provider contract.
- 6.4 London Rail's operating income was £4 million lower than budget in the full year, reflecting a payment to Rail Settlement Plan (RSP), for the balance of the full year Oyster mitigation settlement relating to 2008.
- 6.5 Operating income was £3 million higher than the quarter 3 forecast. This was primarily due to London Overground fares, where increased income of £2 million was due to higher commission

receivable and higher travelcard income. There was also a favourable variance of £1 million in DLR fares income due to passenger journeys of 0.7 million (1.1 per cent) higher than forecast.

- 6.6 Group Directorates operating income was £12 million higher than budget in the year. Income of £8 million was received from Crossrail, for the recovery of building costs and the Enterprise Resource Planner project (SAP). There was also income of £3 million from the Train Operating Companies (TOCs) for the Pay-As-You-Go Phase 2 programme which extended Oyster cards to main line stations in London.
- 6.7 The variance of £6 million above the quarter 3 forecast was primarily due to the recovery of costs from Crossrail relating to buildings and the Enterprise Resource Planner project.

Operating expenditure

2008/09* YTD Actual	Operating Expenditure** £m	Actual	Budget	2009/10 Full Year		
				Variance	Forecast at Q3	Variance
2,545	London Underground	2,458	2,502	(44)	2,487	(29)
2,596	Surface Transport ***	2,611	2,731	(120)	2,623	(11)
265	London Rail	281	323	(42)	286	(5)
378	Group Directorates ***	374	319	55	329	45
5,784	Total Operating Expenditure	5,725	5,874	(150)	5,725	(1)

* The result for 2009/10 includes the operating costs of the former Metronet, whereas 2008/09 includes the Infrastructure Service Charge payable to the former Metronet Infraco

** Net of third party contributions

*** Budgets and forecasts have been adjusted to reflect the transfer of Borough Partnerships from Group Directorates to Surface Transport

Table subject to rounding

- 6.8 London Underground's operating expenditure for the year was £44 million (1.8 per cent) lower than budget. Expenditure was below budget in all areas apart from Risk, which was £13 million higher. This reflects provisions against various remaining Tube Lines claims. Savings of £27 million in Maintenance were due to reduced and rephased work, as well as tight control of recruitment. A favourable variance in PFI costs was due to the Connect claim settlement which was offset by higher pension costs for the Power contract. Remaining variances were mainly lower consultancy, staff and other costs in Central Services.
- 6.9 Operating expenditure was also lower than the quarter 3 forecast by £29 million. Central Services had savings of £21 million, the main factors included external consultancy and legal costs, lower staff and associated costs such as training, and lower spend on revenue projects. Continued control of recruitment in Operations and Maintenance contributed to a saving of £10 million. In Projects, there was a reduction of £10 million due to small favourable variances in PPP and PFI costs and savings in staff costs. Partly offsetting these variances was an increase in Risk, due to provisions against various remaining Tube Lines claims.

- 6.10 Surface Transport spent £120 million less than budget in the year. Lower Bus Network costs of £45 million included savings from lower Contract Price Adjustments (CPA) and contract retendering combined with the cancellation of further QICs (Quality Incentive Contracts) scheme development. An underspend of £18 million in Road Network was mainly due to reduced expenditure on A13 DBFO (as a result of a lower usage charges and contractual adjustments), operational maintenance review savings and project reprofiling. New Better Routes and Places spend was £16 million less than budget, with project reprofiling of £10 million (including Cycling/Walking, Legible London, Bus Priority and Smarter Travel schemes) and programme reductions of £6 million. Further underspends included slippage and savings in Congestion Charging and Traffic Enforcement of £15 million.
- 6.11 The favourable variance of £11 million compared with the quarter 3 forecast was mainly due to lower usage charges and contractual adjustments on A13 DBFO, totalling £6 million, and reduced variable costs on the lower volumes and credits from the new CC and LEZ service provider following slippage against implementation delivery targets (£5 million).
- 6.12 London Rail's operating expenditure was £42 million lower than budget for the year. An underspend of £21 million on London Overground operations was largely due to rolling stock delivery delays and lower fixed track access costs. Delays on the NLR station upgrades resulted in an underspend of £15 million. East London Line infrastructure maintenance (IM) was underspent by £4 million, due to delayed setup of the IM facility and £1 million of asset management system costs that have now been capitalised.
- 6.13 London Rail's operating expenditure was £5 million lower than the quarter 3 forecast. Lower spend of £2 million on the East London Line infrastructure maintenance was due to delays in the purchase of spares and mobilisation of the team. There were also delays on the NLR station upgrade which resulted in an underspend of £2 million.
- 6.14 Group Directorates operating expenditure for the year was £55 million higher than budget and £45m million higher than the quarter 3 forecast. This was primarily due to £57 million for the early termination of the Ticketing Services Contract (Prestige), which was not approved at the time the quarter 3 forecast was adopted. This was partially offset by £7 million of lower base contract costs in the year. The termination of the Ticketing Services Contract will result in savings made over the Business Plan.

Group items

2008/09 Actual	Group Items £m	2009/10 Full Year				
		Actual	Budget	Variance	Forecast at Q3	Variance
(98)	Interest Income	(13)	(20)	7	(13)	-
185	Debt Servicing	164	166	(2)	170	(6)
(4)	Contingency/Other Group Items	(48)	59	(107)	5	(53)
84	Total Group Items	103	205	(102)	162	(59)

Table subject to rounding

- 6.15 Interest income for the year was £7 million lower than budget but in line with the quarter 3 forecast. The variance to budget was due to the decision to adopt a more conservative investment strategy, together with market interest rates being lower than anticipated.
- 6.16 Debt servicing expenditure for the year was £2 million lower than budget, this was due to the benefit of securing long term, fixed-rate funding at a favourable rate. A favourable variance of £6 million compared to the quarter 3 forecast arose as financing was secured at rates lower than those anticipated at the time of the forecast.
- 6.17 Contingency and other group items expenditure was £107 million below budget in the full year. The variance includes a recovery of £45 million from the Metronet administrators. The remaining variance includes Group Contingency, Climate Change Fund and OCR implementation costs spent in the modes but budgeted under Group items.
- 6.18 TfL sets aside budgeted contingency to cover unforeseen cost requirements and known risks. These risks, including those in relation to the achievement of planned savings, were successfully mitigated and therefore expenditure in Group items was £53 million less than forecasted at quarter 3.

Capital expenditure

2008/09* Actual	Capital Expenditure £m	2009/10 Full Year				
		Actual	Budget	Variance	Forecast at Q3	Variance
426	London Underground**	1,105	1,211	(107)	1,137	(33)
211	Surface Transport**	166	228	(62)	176	(10)
550	London Rail**	536	464	72	531	5
65	Group Directorates***	113	77	37	68	45
-	Overprogramming (TfL Group)	-	(51)	51	-	-
1,251	Net Capital Expenditure (excl Crossrail)	1,920	1,930	(9)	1,913	7
(32)	Capital Income	(115)	(20)	(95)	(60)	(55)
1,218	Net Capital (excl Crossrail)	1,805	1,909	(104)	1,853	(48)
144	Capital Expenditure - Crossrail	989	1,038	(49)	1,100	(110)
1,362	Net Capital (TfL)	2,795	2,947	(153)	2,953	(158)

* The result for 2009/10 includes the capital expenditure of the former Metronet business, whereas in 2008/09 it formed part of the Infrastructure Service Charge payable to the former Metronet Infracore.

** Net of delegated overprogramming and third party reimbursements.

*** Net of third party reimbursements.

Table subject to rounding

- 6.19 London Underground net capital expenditure was £107 million lower than budget for the year. Delays to Network Rail works at Stratford has delayed the commencement of LU works resulting in a reduction of expenditure of £17 million. Delayed progress on the Bombardier trains contract has led to a variance of £35 million on the Victoria Line Upgrade. Rephasing and reducing the volume of work on Thameslink has resulted in a reduction of £17 million on Track and Civil works. Savings have been made of £11 million across the Capital Connect for PPP portfolio, along with a variance of £9 million following the deferral of some of the packages of the major power works for the SSL upgrade.
- 6.20 The reduction of £33 million from the quarter 3 forecast was mainly due to slippage in the Victoria Line Upgrade programme, rephasing of and savings in Track and Civil works, and release of unused risk provision.
- 6.21 Net capital expenditure in Surface Transport was £62 million lower than budget. Road Network was £43 million underspent due to delays and slippages on various projects, including the Blackwall Tunnel refurbishment, Hanger Lane and Bounds Green. Delays in the Cycle Hire Scheme, due to slow delivery of Borough planning permission for docking stations, resulted in an underspend of £36 million. These were partly offset by overprogramming.
- 6.22 The variance of £10 million below the quarter 3 forecast was primarily due to further slippage in planning permission for docking stations on the Cycle Hire Scheme (£9 million).
- 6.23 Net capital expenditure in London Rail was £72 million higher than budget. The North London Rail Infrastructure Project (NLRIP) was £56 million higher than budget, this was due to phasing variances as a result of project reprofiling and £11 million for the East London Line Phase 2

rolling stock which was assumed to be leased in the budget. There was also an overspend of £15 million on the East London Line extension due to increased cost of activities.

- 6.24 The East London Line Extension was £8 million above the quarter 3 forecast due to increased costs in the main works contract, reflecting delays in completion. The NLRIP project was £3 million above forecast due to increased spend on signalling. These were partly offset by slippage of £5 million on the Stratford International extension.
- 6.25 Net capital expenditure in the Group Directorates was £37 million higher than budget. Expenditure of £63 million was due to the early loan repayment of the Ticketing Services Contract (Prestige). The assets constructed under the PFI contract were transferred from Transys to TTL on 26 February 2010, which was earlier than had been budgeted. The contract termination includes the transfer of ownership of the ticket gates, machines and other property that forms part of the Ticketing Services Contract to TfL. This was partially offset by £17 million of slippage on the Integrated Transport Smartcard Organisation (ITSO) project and delays to the upgrade of systems towards the Payment Card Industry Data Security Standard (PCI DSS) (£5 million).
- 6.26 Early termination of the Ticketing Services Contract (Prestige) partly offset by slippage on the ITSO project, were also the primary reasons for expenditure of £45 million higher than the quarter 3 forecast.
- 6.27 Capital income was £95 million higher than budget in the year. This was mainly due to the early recognition of the sale of Bounds Green properties (£45 million), the sale of future rental income from the Westfield site at Shepherd's Bush for £36 million and proceeds of £5 million from the sale of East Thames Buses assets.
- 6.28 A favourable variance of £55 million compared to the quarter 3 forecast was largely due to the early recognition of the sale of properties at Bounds Green.
- 6.29 Crossrail expenditure was £49 million lower than budget for the year. Delays on third party works, enabling advance works and logistics have resulted in £141 million being deferred into the next financial year. This was partly offset by higher spend of £100 million due to the rephasing of property acquisitions.
- 6.30 Delays on third party works, enabling advance works and logistics also resulted in expenditure being £110 million below the quarter 3 forecast.

Savings programme

Savings £m	Actual YTD	Target	Variance
Corporate and Group Wide	84	71	13
London Rail	3	3	0
London Underground	81	69	12
Surface Transport	96	93	3
Total Gross Saving	265	237	28
Implementation cost	(93)	(114)	21
Total Net Savings	171	122	49
LU Project Efficiencies	42	15	26
Prestige Early Debt Repayment	(120)	-	(120)

- 7.0 On a gross basis, £306 million of actual savings (including London Underground project efficiencies) were delivered in the financial year, £54 million above target.
- 7.1 By the year end, net savings of £171 million had been delivered from the Operating Cost Review (OCR) and other savings initiatives, £49 million above target. In addition, London Underground delivered savings of £42 million from Project Efficiencies (against a target of £15 million).
- 7.2 Implementation costs are £21 million less than anticipated, mainly due to improved redeployment and a consequential reduction in Voluntary Severance payments. The early debt repayment relating to the Prestige contract was made during 09/10 resulting in £120 million being brought forward from implementation costs planned in 2010/11.

London Underground

- 7.3 Total gross savings (including project efficiencies) for 2009/10 were £123 million against a target of £85 million, a favourable variance of £38 million. The key projects that completed in 2009/10 are the integration of Metronet and Total Purchased Services.
- 7.4 The integration of Metronet has delivered:
- A single organisation with integrated systems across Finance, Human Resources and Procurement;
 - Role reductions of over 1,000 versus a target of 933; and
 - Financial savings of £31 million in line with the 2009/10 target.
- 7.5 Total Purchased Services rationalised the procurement of third party goods and services across Maintenance, delivering economies of scale and standardisation. This programme has been successfully completed with:
- The last contract awarded on 18 January 2010; and
 - The 2009/10 savings target of £3 million fully achieved.

- 7.6 The favourable variance in 2009/10 has been achieved through additional savings by Maintenance (£11 million), support functions (£7 million) and the stations capacity element of the Capital Programme (£26 million), offset by shortfalls against targets relating to Non Permanent Labour (£5 million) and the Access project (£1 million). The Access project involves new approaches to maintenance to make best use of the limited engineering hours available.
- 7.7 The LU efficiency target for the 9 years to 2017/18 is £3.2 billion. To manage the delivery of savings throughout 2010/11 and beyond, three efficiency programmes have been established:
- Operations Strategic Plan – this programme addresses the re-organisation of the ticket office and ticket hall services, and rationalisation of stations and trains management roles. Plans to potentially reduce the number of roles by between 750 and 800 have been developed. These plans are currently subject to consultation with the Trade Unions;
 - Maintenance Capability Programme – this programme consists of over ninety proposals to challenge maintenance regimes and standardise maintenance activities. Implementation of these plans will involve comprehensive consultation with affected staff and the Trade Unions during the course of 2010/11; and
 - Corporate Efficiencies Programme - this programme plans further savings in corporate overheads and monitors the delivery of committed savings targets in the Capital Programme.

Surface Transport

- 7.8 Surface Transport delivered gross savings of £96 million in 2009/10, £3 million above target. Savings have been realised across the mode by headcount reductions, such as in the Congestion Charging and Traffic Enforcement (CC&TE) Organisational Change Programme (OCP), not recruiting to vacant posts and the renegotiation of key contracts. Surface Transport's cost reduction programme comprises over 100 initiatives ranging from minor projects to larger organisational change and commercial opportunities. Material savings have been made in year as a result of the cancellation of Quality Incentive Contracts 2, re-let of the Congestion Charging and LEZ service provider contract, and the East Thames Bus disposal.
- 7.9 Key activities in quarter 4 included:
- The reorganisation of the Integrated Programme Delivery unit has been completed and the new structure has gone live as of 1 April 2010. The directorate has been renamed Better Routes and Places.
 - The Finance OCP went live on 1 March 2010, resulting in a 14 per cent reduction in headcount, primarily through de-layering management structures.
 - Tighter controls around the utilisation of non-permanent labour have been put in place within Surface Transport. Surface Transport have made significant reductions in levels of temporary staff, with a year end position of 261 representing a reduction of 39 per cent compared to the previous year end.

London Rail

- 7.10 London Rail achieved its gross savings target of £2.9 million in 2009/10 through a reduction of 25 roles. The majority of its planned savings for 2010/11 have already been embedded into directorial cost centres for better control.
- 7.11 The OCP within London Rail relating to all departments was successfully completed in January 2010. The associated savings will be realised throughout 2010/11.

Corporate and Group Wide

- 7.12 Corporate and Group wide gross savings of £84 million have been achieved against a target of £71 million. Savings in 2009/10 have been achieved through a number of initiatives including:

Fares & Ticketing

- 7.13 The Future Ticketing Agreement will deliver savings through the termination of the existing Prestige PFI contract and provision of ticketing services on more favourable terms from Cubic, who are part of the existing consortium. The Prestige contract will end in August 2010 and will deliver estimated net savings of £99 million over the period to 2017/18.
- 7.14 Gross savings of £21.6 million were delivered in 2009/10 against a previous forecast of nil, owing to a variety of individual savings including the early debt repayment agreement with Prestige.

Group Marketing & Communications

- 7.15 Group Marketing and Communications delivered gross savings of £24.1 million against a target of £21.6 million, £2.5 million above target. This has been achieved through:
- Earlier than budgeted savings arising from the OCR initiative (OCP) to integrate the Planning Communications team into Public Affairs and Stakeholder Engagement;
 - Greater than planned savings arising from the Continuous Savings Exercise initiatives where delivery has been achieved ahead of schedule e.g. headcount reductions within the Press Office; and
 - Greater than budgeted procurement savings.
- 7.16 In addition, there were lower than budgeted implementation costs, both in respect of the integration of the Planning Communications team and in Phase I of the Contact Centre Transformation Programme.

Planning

- 7.17 The first phase of the Planning OCR programme has successfully delivered its savings target of £5.7 million for 2009/10. The changes required to deliver the second phase of the programme were completed by 31 March 2010 in line with plan. Rigorous controls over recruitment and extensive work by local management to secure alternative employment opportunities for displaced staff mean that implementation costs across both phases were £1.4m less than planned.

Accommodation Strategy

- 7.18 During 2009/10, the Accommodation Strategy delivered gross savings in excess of £1 million, against a nil target. Implementation costs were £2.8m, of which £1.7m related to the disposal of Empress State Building and Southside. The balance related to programme management costs and new furniture for Palestra to support desk sharing.
- 7.19 In Quarter 4, TfL disposed of serviced office space at Southside, Victoria and gave notice to vacate Bonhill Street and space at Euston House. This will save £5.9 million over the Business Plan period.
- 7.20 Desk sharing has commenced at Palestra, which will now accommodate 400 more staff. This will enable virtually all Surface Transport head office staff to be accommodated within one building by the end of 2010/11. Work continues on increased use of Windsor House, and to prepare for the disposal of further TfL and former Metronet Rail premises. Eccleston Square is being actively marketed for disposal.

Non-Permanent Labour (NPL)

- 7.21 The reduction of reliance on consultants and temporary staff is a key part of TfL's cost reduction programme. This has resulted in a strategy being developed to improve working between HR Services and Procurement to ensure the most appropriate and cost effective source of NPL is utilised. There is also work ongoing to ensure all NPL, whether sourced through agencies or consultancies, are visible on SAP. The group has developed a benefits tracking methodology to track spend, numbers and proportions of NPL.
- 7.22 In addition to the above, two tender processes have been completed. These are for Temporary Workers and Engineering and Project Management. Both of these have resulted in reduced mark-ups which will contribute towards a reduction in spend upon NPL. These will be specifically tracked in 2010/11.
- 7.23 Efforts to reduce reliance and spend on NPL across TfL have taken place as part of other savings initiatives and are reported accordingly. IM has implemented a rate reduction of 10 per cent on all temporary workers, whilst the Integration of Metronet has also reduced the volumes of NPL used in London Underground.

Commercial Strategy

- 7.24 An IT system is being procured to support eTendering and eEvaluation across the business, two tenders have been received and the system is on track to go live on 1 July 2010. This will provide more functionality to assist and control the tender process across TfL, whilst also delivering greater value for money than the previous contract.
- 7.25 Procurement have been working across the business areas to reduce the overall cost of goods and services. Notable successes include negotiating more efficient Non Permanent Labour Framework's and Information Management contracts.

Information Management Strategic Investment Programme (IMSIP)

- 7.26 The investment programme for Information Management is currently under review.

7.27 Key achievements delivered by IMSIP during Q4 included:

- The migration of eight London Underground applications from an external supplier into TfL's own Data Centre which will enable London Underground's applications to be delivered at lower cost. This will deliver savings of £1.0 million per annum to London Underground from 2011/12;
- Completing the switch to the new voice and data networks across 70 TfL building sites and services; and
- Completing the switch of over 14,800 users and more than 12,600 devices to the One London domain. This leaves only 340 remaining users to be moved. One London enables desktop users to be supported at lower cost.

7.28 Future improvements will be delivered through a number of new initiatives, which will focus on:

- Leveraging IM investments made to date;
- Delivering new return on investment initiatives (such as the transfer of externally hosted applications to an internal hosting solution and the Internet Services Environment re-design project); and
- Identifying new return on investment opportunities through feasibility studies.

HR Projects

7.29 Savings activities across HR achieved savings of £2.3 million in 2009/10, which exceeds the target of £1.6 million.

7.30 The OCP for the HR Model Review completed on 4 May 2010. A number of key vacant positions in Group HR and HR Services have been filled through the OCP preferencing process. Positions which remain vacant are being advertised internally. Group HR now reports to the Commissioner whilst HR Services continues to report to MD Finance.

Finance and Management Reporting

7.31 The programme of Finance projects achieved savings of £1.4 million in 2009/10, including a Headcount reduction of 15 per cent in Group Business Performance and Planning. This programme includes the movement of transactional services into the Finance Service Centre, rationalising management reporting and business planning processes and simplifying the complexity of cost centre structures and is planned to produce substantial savings starting in 2010/11. The Corporate Business Support Function (BSF) project has identified savings of circa £4.2 million in the plan period and work is underway to determine further savings. This key project is developing options for the organisation design and target operating model in collaboration with the Corporate business areas.

Group Customer Services (GCS)

7.32 Phase 1 of the Customer Contact Transformation Project is complete and Phase 2 has commenced. Targeted savings of £0.9 million were achieved. Implementation costs of £4.1

million were incurred as compared to the original estimate of £5 million. The residual costs of £0.9m and related deliverables have been transferred to Phase 2.

- 7.33 The integration of Surface Transport's customer service operation into Group Customer Services was completed with a block transfer of the function March 2010. Further efficiencies are targeted and will be achieved once both teams begin sharing technologies and integrating operational processes.
- 7.34 Workforce Management, which enables forecasting and scheduling of agents to align with customer demand, will be live and operational in Travel Information Call Centre in May 2010. An OCP in Group Customer Services has been initiated and will establish the appropriate management structure to support the Workforce Management technology.

Balance Sheet

Transport for London Group Balance Sheet at end of Quarter 4 £m	Variance to Budget
Fixed Assets – (higher) / lower than budget	(33)
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	(45)
Cash – (higher) / lower than budget	(390)
Creditors and Receipts in Advance-higher / (lower) than budget	(3)
Prudential Borrowings – higher / (lower) than budget	-
Deferred Capital Grant – higher / (lower) than budget	(295)
Provisions – higher / (lower) than budget	214
Total Net Assets – (higher) / lower than budget	(552)

- 8.0 The total fixed assets balance at the end of quarter 4 was £33 million higher than budget. This variance was the net of higher balances in the Corporation and London Rail, offset by lower balances in Crossrail, London Underground and Surface Transport. In the Corporation, fixed assets were £60 million higher than budget, reflecting the purchase of assets resulting from the termination of the Prestige contract (£63 million), fit-out costs at Pier Walk (£11 million) and the effect of group-wide overprogramming in the budget (£51 million). These were offset by the earlier than planned disposal of properties on the A406 at Bounds Green (£45 million) and delays to the ITSO project (£17 million) as well as other small project variances. London Rail's fixed assets balance was £109 million higher than budget due to higher spend on both NLRIP and the East London Line projects (£89 million) and for the capitalisation of leased railcars on the DLR which were budgeted for in 2009 but delivered in 2010 (£20 million). London Underground's fixed assets were £15 million lower than budget, This was due to lower spend on capital schemes of £95 million and higher net depreciation (£6 million), offset by higher PPP additions (£56 million) and unbudgeted property revaluations (£30 million). Surface Transport had lower fixed assets due to slippage on a number of road network schemes (£43 million) as well as slippage and cancellation of a number of bus garage and stations projects. Crossrail assets were £56 million below budget where slippage on the construction project of £156 million was offset by an acceleration in property acquisitions of £100 million to take advantage of the favourable property market.
- 8.1 Stock, debtors, payments in advance and accrued income were £45 million higher than budgeted levels. Of this total, some £36 million is in Corporate, £22 million is in London Underground and a further £27 million is in Surface Transport. Offsetting these are below budget variances in London Rail (£8 million) and Crossrail (£32 million). The Corporation's variance is largely due to the unbudgeted property debtor in respect of the Bounds Green disposals referred to above. London Underground's variance includes £10 million of capital accruals for the DfT in respect of the King's Cross Phase 2 project with the remainder representing normal trading variances. The Surface variance represents an accrual made in anticipation of contributions from the LDA towards the West Ham Bus Garage project. This amount was received shortly after the year end. Crossrail's variance is the net of £60 million of 2009 year end property debtor accruals being transferred into fixed assets (the budget had these remaining in accruals), being offset by prepayments on the construction project. London Rail's variance is within normal trading tolerances.

- 8.2 Cash at quarter 4 was £390 million above budget. Cash balances were increased by £435 million due to lower levels of activity and working capital improvements but this was offset by lower grant received of £45 million in respect of Dalston Slab, ITSO funding, ODA and London Overground grant, primarily arising from timing differences.
- 8.3 Cash was £142 million higher than forecast at Quarter 3. Lower activity spend and working capital improvements generated £170 million, but this was offset by lower grant of £28million from the ODA, due to timing differences. Where variances between forecast and actual cash balances at year end reflect changes in timing of the delivery of projects, cash is therefore earmarked accordingly. Cash balances which are not used due to such timing differences will be reviewed and utilised as part of the discussions with the TfL Board during the subsequent business planning process.
- 8.4 Deferred capital grants were £295 million higher than budget. This included £24 million of higher contributions for the Underground Investment Programme (UIP) projects and £13 million in relation to the developers contribution at Pier Walk, the remainder is mainly due to the non-cash effect of the grant accounting process.

Transport for London Group Balance Sheet at end of Quarter 4 £m	Variance to Q3 Forecast
Fixed Assets – (higher) / lower than forecast	68
Stocks, Debtors and Payments in Advance – (higher) / lower than forecast	(63)
Cash – (higher) / lower than forecast	(142)
Creditors and Receipts in Advance-higher / (lower) than forecast	10
Prudential Borrowings – higher / (lower) than forecast	-
Deferred Capital Grant – higher / (lower) than forecast	(59)
Provisions – higher / (lower) than forecast	(4)
Total Net Assets – (higher) / lower than forecast	(190)

- 8.5 The quarter 4 fixed assets balance was £68 million lower than the quarter 3 forecast. The Corporate Centre was £8 million below its forecast. This was due to the earlier than expected disposal of the properties at Bounds Green (£49 million) and underspends on the ITSO project (£23 million) offset by the acquisition of Prestige assets (£63 million). London Underground had fixed assets some £64 million above its quarter 3 forecast. This was due to higher additions from the PPP contractor and the UIP (£22 million), fewer disposals (£5 million) and the £30 million asset revaluations arising from the year-end process. Surface Transport's fixed assets were £15 million below the quarter 3 forecast, reflecting slippage on the roads and cycling projects referred to in Section 6. Crossrail's fixed assets were £110 million below quarter 3's expectation with slippage on the construction side (£62 million) and a £47 million reduction in property acquisitions. London Rail was just below its quarter 3 forecast as higher spend on the NLRPI and the East London Line projects of £12 million was offset by £14 million of slippage on a number of DLR schemes such as 3-car upgrade, Beckton Depot Offices and the Stratford International extension.
- 8.6 Stock, debtors and payments in advance were £63 million higher than the quarter 3 forecast. The key movements were a £45 million debtor for the Bounds Green property sale and higher

prepayments and debtors for Crossrail of £26 million. Other minor trading variances were spread across the Group.

- 8.7 Creditors were £10 million higher than the quarter 3 forecast due to minor trading changes.
- 8.8 Deferred capital grant balance is forecast to be £59 million below the Q3 forecast. This is the effect of the grant accounting process reflecting later than planned cash payments for Crossrail properties and other project expenditure
- 8.9 Provisions were £4 million lower than forecast. Crossrail's provision for compensation for properties was £20 million lower than quarter 3 reflecting the lower than forecast properties acquired. This was offset by higher provisions for voluntary severance, mainly in London Underground.

Cash summary

Performance

9.0 Details of TfL's cash management and borrowing activities for the four periods ending on 31 March 2010 (Period 13) are as follows:

Cash balances

9.1 Approved Investments at each period end date are noted below.

Period	10	11	12	13
Period end	09 Jan	06 Feb	06 Mar	31 Mar
Budget (£m)	1,553	1,396	1,214	1,119
Actual (£m)	1,836	1,745	1,545	1,509
Variance (£m)	283	349	331	390
Cash Balances Comprise (£m):				
TfL Investments	1,030	961	812	866
Cash Allocated to Crossrail	732	694	647	562
Subtotal	1,762	1,655	1,459	1,428
London Transport Insurance Guernsey	47	46	46	47
Cash & Credits in Transit	27	44	40	34
Total	1,836	1,745	1,545	1,509

Borrowing

(£m)	Cumulative	In-Year
Authorised direct borrowing limit	4,167	1,150
Operational Boundary	4,117	1,100
Budget	4,117	1,100
Drawdown	4,117	1,100

9.2 TfL borrowed £216 million in quarter 4 from the EIB (£150 million is linked to Crossrail and £66 million to the East London Line project), which brings the total borrowing for the year to £1,100 million. This is now in line with the budget and TfL's operational boundary (direct borrowing) for 2009-10.

9.3 As shown in the table above, Prudential Indicators relating to borrowing for 2009-10 have not been exceeded, and borrowings were within limit for the full year.

Interest earned

Period	11	12	13	Full Year
Interest Earned (£m)	0.4	0.4	0.4	13.2
Budget (£m)	1.2	1.2	1.1	20.0
Variance To Budget (£m)	(0.8)	(0.8)	(0.7)	(6.8)

- 9.4 Earnings to date are £6.8 million lower than budget due to a lower actual interest rate than that assumed in the budget. Since the budget was prepared, TfL's investment approach remained more conservative than budget assumptions with the majority of funds being placed with the UK Debt Management Office rather than bank deposits.

Debt Servicing

	Full Year
Interest Paid (£m)	164.3
Budget (£m)	166.1
Variance To Budget (£m)	(1.8)

- 9.5 Debt servicing expenditure for the year was £1.8 million lower than budget due to the benefit of borrowing at lower rates of interest than assumed in the budget.

People

People	Full Year 2009/10		
	YTD	Budget	Vs Budget
Number of Staff - TfL Group*	25,998	28,001	(2,004)
No of Temporary Contractors - TfL Group*	1,812	1,668	145
No of days sickness absence per employee: TfL Group*	9.9	9.5	0.4
No of days sickness absence per employee: TfL Group Operational*	12.5	11.7	0.8
No of days sickness absence per employee: TfL Group Non-Operational*	6.0	6.0	0.0

* excluding Crossrail

10.0 Staff numbers: TfL employed 25,998 full time equivalent (FTE) staff at the end of quarter 4 (excluding Crossrail). This was 2,004 fewer than target and 473 fewer than last quarter.

- London Underground: At the end of quarter 4, there were 19,465 London Underground staff, 1,343 FTE fewer than budget and 414 less than quarter 3. Permanent staff numbers have declined throughout the year resulting in a full year variance against budget of 6.6 per cent. This was achieved through tight control on recruitment in Operations and Maintenance together with greater than expected savings in the support areas covered by OCR.
- Surface Transport: At the end of quarter 4, there were 3,670 FTE staff in Surface, 752 fewer than budget. The largest variances were the transfer of 456 East Thames Buses staff to Go Ahead London and the transfer of customer services staff from Surface Transport to Group Marketing & Communications. All areas in Surface were within their headcount budget apart from Streets, who were over budget by 22 FTE due to a handover from temporary workers to permanent employees.
- London Rail: At the end of quarter 4, there were 228 FTE staff in London Rail, 24 fewer than budget and 27 less than quarter 3. This was largely due to a lower number of temporary workers than budgeted.
- Corporate Directorates: There were 2,634 FTE staff in the Corporate Directorates at the end of quarter 4, 118 more than budget and 105 more than the previous quarter. Compared to budget, there were 29 fewer staff in Finance, but these were offset by 108 more staff in Group Marketing & Communications, 12 more staff in General Counsel and 29 staff in redeployment, the numbers for which are not budgeted. Group Marketing & Communications FTE increased during the quarter due to a block transfer of Surface Transport Customer Services to Group Customer Services. They have also had an increased number of temporary workers due to greater than expected operational activity to support the Oyster Helpdesk. The variance in General Counsel is mainly due to former Metronet and GLA lawyers who have transferred to General Counsel, but who are funded by London Underground and the GLA respectively.

10.1 Temporary staff: At the end of quarter 4, there were 1,812 temporary staff in TfL (excluding Crossrail) and this was 145 more than budget, but 293 fewer than quarter 3. The variance to budget was mainly in London Underground, Group Marketing & Communications and Finance. The variance against budget in London Underground is due to a decision that the SSR upgrade will be most cost effectively delivered using agency employed direct resources. In Group

Marketing & Communications the temporary staff have been necessary to cover operational activity and project delivery mostly related to the Oyster Helpdesk and in Finance 29 temporary staff had left but had not been processed in SAP. The percentage of temporary staff, at 7.0 per cent, was 1.0 percentage point higher than budget, although this has been decreasing since the end of quarter 1. There were 964 temporary workers with over 12 months of service, 92 more than budget. Of these, 847 are in London Underground which was 182 higher than budget but 187 less than at quarter 3.

- 10.2 Sickness: In the full year, TfL staff were absent for an average of 9.9 days per employee, 4.5 per cent worse than budget. The adverse variance was due to operational staff absence. Operational staff were absent for an average of 12.5 days per employee, which was 6.6 per cent worse than budget, and non-operational staff were absent for an average of 6.0 days which was in line with budget. The increase in absence in TfL originally occurred earlier in the year following medical advice given regarding swine flu.

10.3 Workforce composition

Workforce Composition	Actual	Target	Full Year		
			Vs Target	Last Year	Vs Last Year
% of Women Staff	25.0	24.7	0.3	24.6	0.4
% of Women Staff in Senior Management	22.7	21.7	1.0	21.9	0.8
% of BAME Staff	31.6	29.0	2.6	31.7	(0.1)
% of BAME Staff in Senior Management	10.3	11.0	(0.7)	10.6	(0.3)
# of Disabled Staff	593	685	(91.6)	629	(36.0)
# of Disabled Staff in Senior Management	28	38	(9.5)	33	(5.0)

10.4 At the end of quarter 4:

- The proportion of female staff in TfL was 0.1 percentage points higher than the previous quarter at 25.0 per cent. The percentage of women in senior management was 22.7 per cent this quarter, an increase of 0.3 percentage points compared to last quarter.
- Staff from BAME communities represented 31.6 per cent of the TfL workforce at the end of quarter 4, which was 0.1 percentage points higher than quarter 3. The proportion of BAME staff in senior management was 10.3 per cent, 0.4 percentage points lower than last quarter.
- At the end of quarter 4, TfL employed 593 staff who had reported themselves as disabled, 5 fewer than last quarter. At the end of quarter 4, there were 28 disabled senior managers, one less than quarter 3. The ability to impact the number of disabled staff has been affected by the tight controls on recruitment throughout the year.

Annex one: Financial summary

£m	2009/10 Full Year					
	Actual	Budget	Variance	Actual	Forecast at Q3	Variance
Fares Income - LU, Buses and LR	(2,901)	(2,950)	48	(2,901)	(2,846)	(55)
Other Income	(584)	(593)	9	(584)	(588)	4
Total Operating Income	(3,486)	(3,543)	57	(3,486)	(3,434)	(52)
Operating Expenditure net of 3rd party contributions	5,725	5,874	(150)	5,725	5,725	(1)
Gross Operating Margin	2,239	2,332	(93)	2,239	2,291	(52)
Interest Income & Debt Payments	151	146	5	151	157	(6)
Contingency/Other Group Items	(48)	59	(107)	(48)	5	(53)
Total Group Items	103	205	(102)	103	162	(59)
Margin	2,342	2,536	(194)	2,342	2,454	(111)
Capital Income (including Property Sales)	(115)	(20)	(95)	(115)	(60)	(55)
Capital Expenditure	2,092	2,132	(40)	2,092	2,084	9
Reimbursements from third parties	(172)	(152)	(20)	(172)	(171)	(1)
Overprogramming (TfL Group)	-	(51)	51	-	-	-
Net Capital Expenditure (excl Crossrail)	1,920	1,930	(9)	1,920	1,913	7
Net Service Expenditure (excl Crossrail)	4,147	4,446	(298)	4,147	4,306	(159)
Capital Expenditure - Crossrail	989	1,038	(49)	989	1,100	(110)
Net Service Expenditure (TfL)	5,137	5,484	(347)	5,137	5,406	(269)
By Mode:						
London Underground	1,786	1,888	(102)	1,786	1,882	(96)
Surface Transport	1,223	1,400	(176)	1,223	1,261	(38)
London Rail	685	652	33	685	689	(4)
Group Directorates	350	351	(2)	350	312	37
Overprogramming (TfL Group)	-	(51)	51	-	-	-
Group Items	103	205	(102)	103	162	(59)
Net Service Expenditure (excl Crossrail)	4,147	4,446	(298)	4,147	4,306	(159)

Table subject to rounding

Annex two: Balance sheet

Balance Sheet	Full Year						
	£m	Actual	Budget	Variance	Actual	Q3 Forecast	Variance
Fixed Assets							
Tangible Assets	21,046	21,013	(33)	21,046	21,114	68	
Current Assets							
Stocks	17	17	-	17	23	6	
Debtors	248	201	(47)	248	178	(70)	
Capital Debtors	25	15	(10)	25	48	23	
Payments in Advance	225	237	12	225	203	(22)	
Cash at Bank and in Hand	1,509	1,119	(390)	1,509	1,367	(142)	
Current Liabilities							
Revenue	(958)	(1,089)	(131)	(958)	(996)	(38)	
Receipts in Advance	(275)	(267)	8	(275)	(273)	2	
Capital	(460)	(415)	45	(460)	(456)	4	
Long Term Liabilities							
Balances with Infracos	(1,863)	(1,805)	58	(1,863)	(1,823)	40	
Creditors Due after One Year	(593)	(576)	17	(593)	(591)	2	
Prudential Loans	(4,118)	(4,118)	-	(4,118)	(4,118)	-	
Capital Grants	(9,799)	(10,094)	(295)	(9,799)	(9,858)	(59)	
Other Provisions	(718)	(504)	214	(718)	(722)	(4)	
Pension Provision	(1,037)	(1,037)	-	(1,037)	(1,037)	-	
Total Net Assets	3,249	2,697	(552)	3,249	3,059	(190)	
Capital and Reserves							
Earmarked Reserves	823	303	(520)	823	708	(115)	
Pension Reserves	(1,037)	(1,037)	-	(1,037)	(1,037)	-	
General Fund	155	155	-	155	155	-	
Other Reserves	3,308	3,276	(32)	3,308	3,233	(75)	
Total Capital Employed	3,249	2,697	(552)	3,249	3,059	(190)	

Annex three: Cash summary

Cash Summary In / (Out) Flow £m	Full Year					
	Actual	Budget	Variance	Actual	Q3 Forecast	Variance
Margin (from Annex 1)	(2,342)	(2,536)	(194)	(2,342)	(2,453)	(111)
Working Capital Movements	304	252	(52)	304	426	122
Cash Spend on Operating Activities	(2,038)	(2,284)	(246)	(2,038)	(2,027)	11
Net Capital Expenditure (from Annex 1)	(2,909)	(2,968)	(59)	(2,909)	(3,013)	(104)
Capital Income (from Annex 1)	115	20	(95)	115	60	(55)
Working Capital Movements	50	15	(35)	50	28	(22)
Cash Spend on Capital Activities	(2,744)	(2,933)	(189)	(2,744)	(2,925)	(181)
Funded by:						
Transport and Other Grants	3,177	3,222	45	3,177	3,205	28
Precept Funding	12	12	-	12	12	-
Prudential Borrowing	1,100	1,100	-	1,100	1,100	-
Total Funding	4,289	4,334	45	4,289	4,317	28
Net Movement in Cash	(493)	(883)	(390)	(493)	(635)	(142)

Table subject to rounding

Annex four: Subjective analysis

Analysis of operating expenditure by cost category is provided below. For details of variances in operating income, please see paragraphs 6.1 to 6.8.

Some of the actual expenditure has been re-categorised since the budget was approved and following the integration of the Nominee Companies within London Underground. This is particularly apparent in Premises and Asset Maintenance.

The main variances are:

- Bus contract payments were £29 million below budget in the full year and slightly below the quarter 3 forecast. This was principally savings arising from lower Contract Price Adjustments due to lower than budgeted indices (RPI, Earnings and Diesel), savings on retendering and contract changes, and Quality Incentive Contracts (QICs).
- The full year expenditure for PPP payments was £85 million below budget and £88 million below the quarter 3 forecast. This was predominantly due to PPP costs included in Other income of £135 million, which will be partly offset by PPP claims funded from the London Underground risk budget within Other expenses.
- There was £308 million of expenditure in PFI payments at the end of the year, £38 million lower than budget. This predominately relates to a release of a Connect provision, lower A13 DBFO expenditure, reduced new ticket media base contract cost and lower Prestige contract cost due to early termination. This was partially offset by higher Power PFI costs of £10 million relating to EDF pensions. Expenditure was £9 million lower than the quarter 3 forecast, principally due to lower expenditure for the A13 DBFO.
- Employee expenses were £25 million below budget in the full year, following reduced expenditure due to staff vacancies and savings on training costs, partly offset by Voluntary Severance costs of £19 million in London Underground, which were not known at the time the budget was set. Expenditure was £9 million lower than the third quarter forecast, due to lower Voluntary Severance costs.
- Full year premises expenditure was £113 million below budget and was £23 million below the quarter 3 forecast. This was mainly due to reclassifications of expenditure to Asset Maintenance (£57 million) and Development Consultancy Fees (£41 million) as part of incorporating the Nominee Companies within London Underground.
- CCS and Other Road Contracted Services expenditure was £18 million below budget at the end of the year and £3 million lower than the forecast at quarter 3. This is mainly due to re-classification of expenditure from revenue to capital and rephasing of Cycle Superhighways and East London Transit phase 1a.
- Asset Maintenance expenditure was £99 million higher than budget in the full year and was £75 million above the third quarter forecast. This is due to the reclassification of expenditure from Premises (discussed above), as well as Other income of £70 million, which relates to the Nominee Companies. This was partly offset by reduced spend on Central Services Improvement project of £20 million.

- Payments to Boroughs were £13 million below budget in the full year but were £3 million higher than the quarter 3 forecast. The variance to budget relates to delays in the Integrated Programme Delivery (IPD) projects including Cycling and Walking routes for the Games, and Cycle Superhighways rephasing compared to budget assumptions.
- Professional Fees and Management Consultancy were £20 million below budget and £15 million below the anticipated expenditure at quarter 3. This is because Nominee Companies system costs of £11 million were incurred in Information and Communication Technology, delays in IPD projects and a reduction in the use of external consultants.
- Engineering, Project Management and Other Technical Consultancy expenditure associated with project development was £19 million higher than budget, predominately due to project reclassification from capital to operating expenditure of £18 million. The full year variance was £52 million higher than the quarter 3 forecast. This mainly relates to reclassification of Nominee Company costs of £41 million discussed in Premises above, partially offset by rephasing of London Overground station enhancements to future years and savings on SAP projects.
- Insurance expenditure was £12 million below budget. The variance is mainly due to income relating to liquidated damage claims received in relation to rolling stock delays which is incorrectly mapped to Insurance instead of Franchise payment. The variance to the quarter 3 forecast of £10 million mainly relates to Insurance premium expenditure which was forecast in Other expenses.
- The Bad Debt Provision was £12 million lower than budget and slightly below the quarter 3 forecast. This was mainly due to reduced Traffic Enforcement revenue and recalculation of the provision based on current enforcement volumes.
- The full year expenditure for Information and Communication Technology was £65 million higher than budget. This primarily relates to savings in the Information Management Strategic Investment Programme (IMSIP) which will be partially recovered in future years, £6 million of IM efficiency savings not met and the reclassification of £11 million of expenditure from Management Consultancy (mentioned above). Expenditure was £12 million higher than the quarter 3 forecast, mainly due to cost incurred on SAP projects, which are recovered in income.
- Other expenses in the full year were £53 million above budget. The variance mainly relates to the early termination cost of the Prestige contract. This was partially offset by reclassification of risk in PPP payments and reduced costs on the London Overground Train Service Agreement (TSA) and leasing costs. The variance to the quarter 3 forecast of £15 million was mainly due to the termination of the Prestige contract (£57 million), partially offset by risk spend reassigned to PPP payments.

Subjective analysis

Full Year

£m	Actual	Budget	Variance	Forecast at Q3	Actual vs Q3 Forecast Variance
Total Operating Income	(3,486)	(3,543)	57	(3,434)	(52)
Operating Expenditure:					
Bus Contract Payments	1,629	1,658	(29)	1,631	(2)
PPP Payments	547	632	(85)	636	(88)
PFI Payments	308	346	(38)	316	(9)
Employee Expenses	1,701	1,726	(25)	1,710	(9)
Premises	244	356	(113)	267	(23)
CCS & Other Road Contracted Services	68	85	(18)	71	(3)
Asset Maintenance	336	237	99	261	75
Payments to Boroughs	181	194	(13)	178	3
Professional Fees and Management Consultancy	73	94	(20)	88	(15)
Engineering, Project Management and Other Technical Consultancy	110	91	19	58	52
Ticket Commissions	43	49	(6)	37	6
Customer Information	41	55	(14)	45	(3)
Insurance	31	43	(12)	41	(10)
Bad Debt Provisions	74	86	(12)	75	(1)
Information and Communication Technology	129	64	65	117	12
Traction Current	72	71	1	74	(1)
National Rail Payments	10	11	(1)	9	0
Franchise Payment	193	194	(1)	193	1
Other expenses (including Intercompany)	(66)	(119)	53	(81)	15
Total Operating Expenditure	5,725	5,874	(150)	5,725	(1)
Net Operating Expenditure	2,239	2,332	(93)	2,291	(52)



Investment Programme **Report**

Fourth Quarter 2009/10

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Transport for London

Investment Programme Report

Fourth Quarter, 2009/10 (13 December 2009 – 31 March 2010)

I. Programme Highlights

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

- Tottenham Court Road Underground station – main works contract awarded
- Southwark station refurbishment completed
- Blackwall Tunnel northbound – main works commenced
- DLR Three Car Infrastructure – snagging works at Tower Gateway completed
- A406 Bounds Green – main works contract awarded

Post Quarter events include:

- East London Line – preview service commenced running between Dalston Junction and New Cross Gate
- North London Line – final delivery of new Electrostar trains
- Cycle Hire – contract signed to supply bicycles and docking systems
- Victoria station upgrade – main works contract awarded
- Hatton Cross station – enhanced refurbishment completed

Cover picture:

Two of the new East London Line trains are pictured in the care depot at New Cross Gate. A new fleet of 20 walk-through and air-conditioned Class 378 Electrostar trains with a capacity of 494 passengers has now commenced operation on the East London Line. The new trains feature driver-monitored CCTV, wider doors and gangways and wheelchair spaces. A further 13 trains will join the fleet by 2012.

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 our partners in the London Boroughs, or through long-term partnerships with the private sector such as the PPP on London Underground and Private Finance Initiatives (PFI).

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

Key to RAG status:

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

This report focuses on the delivery of investment projects. For discussion on financial performance, see the Quarter 4 Operational and Financial Report.

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

London Underground

LU line upgrade – Victoria Line

Spend to end Q4 2009/10	EFC to 2017/18 £m
694.9	1,071.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Start trialling the new service control centre (signalling control) in passenger hours	23/03/2009	13/09/2009	Completed
Power supply upgrade complete	16/06/2009	16/06/2009	Completed
Start trialling T2 in traffic hours with passengers	14/10/2009	21/07/2009	Completed
Full approval to operate production trains on the Victoria line	27/11/2009	27/11/2009	Completed
All track works complete	14/01/2010	14/01/2010	Completed
Decommission first 1967 Tube stock	30/01/2010	30/01/2010	Completed
Start to control Victoria Line operations from the new service control centre	15/08/2011	15/08/2011	●
Demonstration of Line Upgrade Capability (V5.0 - JTC2)	26/04/2012	26/04/2012	●

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

The programme remains on target and budget to complete ahead of the contractual completion date of August 2013. Signalling reliability has continued to mature and the critical milestone to decommission the first of the old trains (67 Stock) was successfully achieved on 30 January 2010.

Despite a range of build quality issues, train deliveries and testing have continued during the quarter. On 25 March 2010, the first train successfully entered into the morning peak passenger service. On the weekend of 10/11 April 2010, five trains simultaneously operated in passenger service. Since then, two trains have been operating during peak hours.

The new line management system has now been installed and is undergoing testing. Control from the new service control centre remains on target for the formal demonstration of operation by 15 August 2010.

London Underground

LU line upgrade – PPP JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Jubilee Line - TBTC Contract - J2/3 Ready for revenue service - Seltrac PM Mode	06/09/2009	TBA	■
Jubilee Line - Power Upgrade - power on	28/09/2009	10/09/2009	Completed
Jubilee line - J5 - ready for revenue service	15/04/2010	TBA	■
Northern Line – 50 per cent of trains converted	31/01/2010	05/05/2010	■
Northern Line - full journey time capability	26/10/2011	30/04/2012	■
Piccadilly line upgrade - select rolling stock supplier	31/12/2009	TBA	■
Piccadilly line upgrade - contract award	02/08/2010	TBA	●

Jubilee Line:

Tube Lines Limited (TLL) had full line closures of the Jubilee line during the Easter and May Day bank holidays. During these closures, TLL undertook final system testing in the section between Stratford and Waterloo and also handed this area over to LU for trial operations. The trial demonstrated that the system remains immature with a high incidence of software and hardware faults.

TLL's proposed commissioning strategy is for passenger services to commence on the J23 section of the line during weekends to establish operator confidence and the reliability of the system. As the system has proven unreliable the introduction of a weekend TBTC service east of Waterloo has been deferred until July subject to seeing improved performance in the closure now planned for 3/4 July. Much work remains to be done to deliver the TBTC system in the J5 area at the northern end of the line, with little prospect of this being achieved before the end of August.

Northern Line:

TLL have provided a revised programme for the Northern Line (which takes account of the delay that has been experienced on the Jubilee line) and forecasts completion in April 2012. This programme is based on over 60 weekend closures and early closing of parts of the line Monday to Thursday starting in July with closure at 10pm (with last trains at around 9:30 pm) on the Bank branch and on the Barnet branch north of East Finchley.

TLL's series of weekend closures has commenced, these are initially at the south end of the line. TLL plan to complete the first section between Highgate and High Barnet for LU to use for driver training during engineering hours in March 2011. In line with this, the rolling stock programme has been rephased, which is now to complete by early 2011. As a result, the

London Underground

conversion of the train fleet has continued but the target to achieve conversion of 50 per cent of the fleet slipped further by two weeks to 5 May 2010 since Quarter 3.

Piccadilly Line:

Following the agreement reached to buy Tube Lines, TfL will be reviewing the programme to minimise disruption and take into account the opportunities for synergies with the rest of the LU upgrade programme.

LU line upgrade – Sub-Surface Railway

Spend to end Q4 2009/10 £m	EFC to 2017/18 £m
1,040.2	4,220.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Old Dalby Test Track - All items in place to enable test track to receive and first test train	13/04/2009	23/03/2009	Completed
First pre-production S Stock delivered to Old Dalby	30/04/2009	26/02/2009	Completed
Issue ATC invitation to tender	31/08/2009	16/07/2009	Completed
Train Delivery - first train delivered to London Depot	01/11/2009	21/10/2009	Completed
Signalling - Phase 1a immunisation works - operational segment 1	26/11/2009	13/09/2009	Completed
First S8 train in Passenger Service	30/09/2010	31/07/2010	●
Start of full infrastructure integration testing	31/07/2011	31/07/2011	●
S Stock migration complete	31/07/2015	31/07/2015	●

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

Testing of the first new train is underway. The programme for the introduction of the first S8 train into service has slipped by four weeks due to adverse weather. The programme remains on target to achieve the introduction of the new train (S Stock) into service on 31 July 2010. Refurbishment work at the Neasden Depot has begun with the construction of the new train cleaning shed.

London Underground

The procurement of the new signalling contract is underway. Evaluation of the received tenders is underway and contract award is on target for January 2011. Subject to risks around an early contract award being mitigated and a successful Gate D (contract award) approval, it is planned to accelerate the contract award.

The S Stock migration complete milestone is now forecast to be achieved on plan due to a commercial agreement being reached with Network Rail on the upgrade of the traction power for the Wimbledon Branch. The traction power upgrade is required for both S7 District line and upgraded mainline service. The upgrade includes a new bulk supply point at Staines that is being jointly funded by LU and Network Rail. Until recently, Network Rail had been forecasting a completion date after the S7 requirement. A commercial and technical agreement has now been reached that matches the S7 programmes.

Channel Tunnel Rail Link at King's Cross

Spend to end Q4 2009/10 £m	EFC £m
864.6	876.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Completion of escalator installation and commissioning	14/09/2009	31/07/2009	Completed
Northern Ticket Hall (NTH) - open to public	31/12/2009	29/11/2009	Completed
Completion of Phase II Works (excl post NTH works)	30/04/2010	30/04/2010	Completed
Completion of Phase II works (incl post NTH works)	01/10/2010	01/09/2010	●

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

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

The northern ticket hall was completed on time and formally opened on 29 November 2009.

The remaining work includes a lift for mobility impaired persons and site installation works have begun. The completion of all works milestone remains on target to be delivered before 1 October 2010.

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Bond Street Congestion Relief

Spend to end Q4 2009/10 £m	EFC £m
13.6	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Stage D design complete	30/01/2009	31/10/2008	Completed
ITT issued detailed design and construction	03/08/2009	11/01/2009	Completed
Main works contract award	18/09/2010	26/07/2010	●
Completion	28/04/2017	03/03/2017	●

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

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

Tender documents for detailed design and construction were issued on 11 January 2010. All three invited tenderers submitted a tender return on 23 April 2010. A bid assessment team has been assembled. Notices have been prepared for the extinguishment of leases for the three tenancies within the ticket hall. Contract award is now planned for 26 July 2010. The main works contract tender was consciously held back to assess affordability which is why the contract award, and the completion date, are nearly six months later than the original plan.

A review meeting has been held on the integration of the Crossrail and LU works for the Station Operations Room to avoid having to integrate the control rooms at a later date and increased cost.

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Paddington (Hammersmith & City) Congestion Relief

Spend to end Q4 2009/10 £m	EFC £m
10.4	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Stage D (Final Report) sign off	14/12/2009	12/06/2009	Completed
LU approve Crossrail Detailed design for Interim & Final Scheme	13/11/2010	18/10/2010	●
Completion	25/11/2013	26/03/2013	●

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

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

The management agreement with Crossrail for implementation of LU works has now been finalised and signed by both parties. Details of what Crossrail will deliver on LU's behalf have also been agreed.

Crossrail's contractor, Carillion, has mobilised and commenced ground works on the taxi ramp and on the triangle site, one period behind plan. Main demolition activity is to take place during the three week Hammersmith & City blockade from 24 July to 16 August 2010.

City of Westminster has approved the planning application for the escape stair but arrangements for land to position the exit have not yet been finalised with landowner Aviva (Crossrail led negotiations are encompassing wider ranging access issues).

LU's enabling works to the platform are substantially complete and the contractor has been instructed to proceed with 7th car enabling works.

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Victoria Station Upgrade

Spend to end Q4 2009/10 £m	EFC £m
76.5	713.4

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Financial approval (main works)	21/10/2009	21/10/2009	Completed
Main works contract award	28/10/2009	15/04/2010	Completed
Asbestos removal and finishes – all works on site complete	15/10/2010	31/10/2010	●
Take possession of LandSec land for NTH worksites	27/05/2011	28/04/2011	●
Delivery into service	01/02/2019	12/10/2018	●

This project will provide a significant increase in passenger circulation space in key congested areas of the station and step-free access from street to platform for the Victoria line.

The Finance and Policy Committee granted procurement authority for the VSU main works contract on 9 March 2010. The standstill period ended on 22 March 2010 and the contract was awarded to the Vinci BAM Nuttall joint venture on 15 April 2010.

Installations for the advanced ground/structures monitoring have progressed well, both inside the LU station and on adjacent buildings. Thames Water has commenced the sewer diversions in Wilton Road following its closure to general traffic.

London Underground

Tottenham Court Road Congestion Relief

Spend to end Q4 2009/10 £m	EFC £m
129.9	520.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Detailed Design RIBA Stage F complete	30/01/2009	26/01/2009	Completed
Start on site demolition	30/06/2009	19/01/2009	Completed
Funding approval for full project	16/02/2010	21/10/2009	Completed
Main Construction - tender award	19/02/2010	06/01/2010	Completed
Start on Site - main construction	21/02/2010	18/01/2010	Completed
Completion of demolition of Goslett Yard	21/08/2010	28/06/2010	●

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 has been presented to the City of Westminster Policy and Scrutiny Committee where works on Oxford Street were positively received with feedback from Councillors that the diversion route was working well.

Goslett Yard demolition is complete to ground level across the southern half of the site, the northern area is progressing to plan. Specifications for the measured survey, structural survey and internal monitoring of the House of St Barnabas have been issued to Crossrail.

The piling platform for the Northern line escalator box has been prepared. Pile caps for the service bridges are complete and steelwork has been installed as planned.

Thames Water has now completed the excavation under Oxford Street for the sewer diversion and is continuing to install sections of the sewer liner for the subsidiary main. The trunk water main is complete according to plan.

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Bank Congestion Relief and Step-Free Access

Spend to end Q4 2009/10 £m	EFC £m
5.7	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Bank Northern LUL review of stage B feasibility Report	21/06/2009	18/05/2009	Completed
Bank Northern FGM Financial approval stage C design	18/08/2009	30/06/2009	Completed
Bank Northern Contract award RIBA C design	31/03/2010	14/12/2009	Completed
RIBA C Design Accepted / Phase Complete	05/02/2011	03/12/2010	●

Bank Northern line congestion relief aims to relieve current and expected congestion in Bank station, which would lead to increasingly frequent congestion of the Northern line/DLR area and station closures. Design work to RIBA stage C has continued on the preferred option to schedule. A joint working group between the Corporation of London and LU is set for the end of April 2010 to promote effective project development and funding strategies.

Bank Walbrook Square

Spend to end Q4 2009/10 £m	EFC £m
3.8	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete Design of Tunnel Breakthrough	28/02/2009	13/02/2009	Completed
Complete Design of Box Fit out (Design)	30/08/2010	03/01/2011	■
Detail Design Compliance Submission	13/11/2010	16/09/2010	●

Bank Walbrook Square aims to provide more convenient access to streets south and south-west of the station, reduce congestion on the Waterloo & City line platforms, and provide step-free access to the Waterloo & City line. LU will fund 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. Significant delays to the project have been caused by the withdrawal of the developer's contractor. RIBA Stage E design has commenced on the station box fit out work. Tenders for the heavy duty escalators have been returned and are under review.

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Green Park Step-Free Access

Spend to end Q4 2009/10 £m	EFC £m
23.7	96.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Green Park Start on site	25/07/2009	15/04/2009	Completed
Lifts 5 and 6 installation start	31/03/2011	11/02/2011	●
Green Park Delivery into service (as agreed with ODA)	19/12/2011	24/10/2011	●

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

In Quarter 4, work on site included the sinking of a new lift shaft to the ticket hall area and the excavation of the mid-lobby areas. Delivery into service remains ahead of the agreed delivery date, with a forecast of 24 October 2011.

Cooling the Tube

Spend to end Q4 2009/10 £m	EFC £m
134.5	790.5

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Out of service fans – Phase 1 fans available for use	18/08/2009	22/07/2009	Completed
Mid Tunnel Vents Tranche 1 – Drayton Park brought into beneficial use	07/09/2009	02/08/2009	Completed
Mid Tunnel Vents Tranche 1 – Tynemouth Road brought into beneficial use	30/10/2009	30/10/2009	Completed
Victoria line: mid tunnel vents tranche 2 - first site brought into beneficial use	16/10/2010	16/08/2010	●
Victoria line: mid tunnel vents tranche 3 - first start on site	11/12/2010	09/11/2010	●

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This is a long term programme to control ambient temperatures, which are already high. Without intervention, temperatures could rise as more energy is dissipated within the tunnels due to increased train service capability delivered by the line upgrades. Planned mitigation measures include improved energy efficiency, increased ventilation and selected station cooling systems.

Due to budgetary pressures, only the works to support the Victoria line upgrade are being progressed. Victoria line station-based cooling system designs are complete and the implementation of cooling at Victoria Station is being integrated with station upgrade works.

Work is on site for the first two of the three planned tranches of the mid-tunnel ventilation upgrades. The upgrades require the removal of the old fans and structural work to the shafts before higher capacity fans are installed. All four of the tranche 1 vent shafts are now complete and in use, two are operating at reduced capacity until sound level control measures are completed. All four tranche 2 sites are now in construction and the tranche 3 designs are complete and under review.

Operational Accommodation

Spend to end Q4 2009/10 £m	EFC £m
57.5	64.2

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Brixton Operations Centre - practical completion	30/06/2009	30/06/2009	Completed
Leytonstone TOM - contract award	15/09/2009	21/07/2009	Completed
High Barnet: new depot - practical completion	25/09/2009	16/09/2009	Completed
Griffith House - Construction contract award	22/11/2009	02/11/2009	Completed
Harrow on the Hill TCA - 1st year occupation	22/01/2010	11/12/2009	Completed
Hammersmith TCA - Fit-Out Complete	16/02/2010	21/02/2010	Completed

This programme is to improve the condition, ambience, and capacity of staff train crew accommodation (TCA).

- Griffith House/Edgware Road – the critical bridge link between Griffith House and Edgware Rd Station was installed on 21 February 2010 on programme and is now delivered into service. The project is currently on schedule.

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- Hammersmith TCA – the fit out was completed on 21 February 2010 and the building was brought into use on 11 April 2010, on target.

Connect and Connect Airwave

Spend to end Q4 2009/10 £m	EFC £m
260.4	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Metronet Video Cut-in - installation complete 26-50 (of 100)	17/08/2009	22/05/2009	Completed
Tube Lines Video Cut-in - installation complete 21-40 (of 80)	28/10/2009	22/09/2009	Completed
Rationalisation of LUL video circuits - complete	05/10/2009	12/02/2010	Completed
Additional Connect Resilience - 2nd Stage 'Quick Wins' (Equipment and Process)	28/10/2009	06/10/2009	Completed
Metronet Video Cut-in - installation Complete 76-100 (of 100)	29/10/2010	21/06/2010	●
Survey and implementation for Tubelines video cut-in - practical completion	16/10/2010	30/07/2010	●

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

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

The Connect Airwave project enhances the emergency services' communication system on the Underground by expanding coverage and capacity. Airwave Phase 2, including an extension of coverage to Stratford, has now been agreed with the National Police Information Authority (NPIA). Two of the three contract packages are progressing to plan but the frequency planning package is delayed by two months. This delay is not affecting any other part of the programme.

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Major Power Works

Spend to end Q4 2009/10 £m	EFC £m
232.4	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Jubilee line - power on	28/09/2009	10/09/2009	Completed
Piccadilly line - award contract scoping and development	31/10/2010	29/10/2010	●
Victoria Line - overall completion and power audit	08/12/2009	23/11/2009	Completed
SSR - Approval of baseline contractor programme for package 1	03/07/2009	02/07/2009	Completed
SSR – Package 1a. Finchley Road substation – start on site	24/12/2009	09/11/2009	Completed
SSR - Package 2 contract award	01/05/10	01/04/10	Completed
SSR - Package 4 completion of Edgware Road bulk supply point boundary wall piling	18/09/10	19/07/10	●

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

The Victoria line power upgrade was completed in November and additional resilience, to ensure security of supply once the full line upgrade service is implemented, is to be completed by mid June 2010.

The Sub-Surface power upgrade is progressing. Package 1 (Metropolitan line north of Baker Street) is on plan. Package 2 (District/Circle/Metropolitan Acton Town and Baker Street group) was awarded to EDF on 1 April 2010 and mobilisation has begun and is on plan. On package 4 (Bulk Supply Point at Griffith House), intrusive surveys are being carried out. Package 6 (132Kv feed to Griffith House Bulk Supply Point and Neasden) works will commence in mid 2010/11.

For the Piccadilly line power upgrade, options are being developed to maximise the efficiency of the existing infrastructure prior to the development of the new line upgrade programme and all milestones will be revised.

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Central Line Bogie Modifications

Spend to end Q4 2009/10 £m	EFC £m
40.0	64.4

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Commence manufacture	28/02/2009	05/01/2009	Completed
48 frames delivered to fleet	02/06/2009	29/04/2009	Completed
960 frames delivered to fleet	13/07/2010	11/06/2010	●
1,420 frames delivered to fleet (manufacture complete)	31/01/2011	03/01/2011	●

Following the Chancery Lane incident, this project was instigated to address the issues identified in the Aylward Inquiry. The project comprises the re-design, manufacture and fitting of 1,420 new bogie assemblies to the entire Central line fleet, known as 1992 Stock.

The manufacture of the new bogie frames began in January 2009 and the delivery schedule is on target with approximately 832 frames delivered to fleet and 561 overhauled bogies returned to service by the end of the quarter. The programme sustained the planned rate of one train (four units) per week.

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Track Renewal BCV/SSR

Spend to end Q4 2009/10	EFC to 2017/18 £m
420.2	1,218.6

SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
Ballasted Track Replacement and reballast – 18,680m achieved	31/03/2010	08/02/2010	Completed
Points and crossings - 11 units achieved	31/03/2010	06/07/2009	Completed
BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
Ballasted Track Replacement and reballast - 1,415m achieved	31/03/2010	01/03/2010	Completed
Points and Crossings - five units achieved	31/03/2010	31/05/2010	▲
Class 1 (Expected trackform life of 40 years) - 2,429m achieved	31/03/2010	17/05/2010	▲

During Quarter 4, production was broadly on target but two points and crossings improvements have been deferred, resulting in a slip of the target to 31 May 2010. Asbestos found on the Central line has caused a delay to the delivery of the Class 1 trackform life target to 17 May 2010. Encapsulation techniques are being trialled.

Track Renewal JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Tube reconditioning 1,270m	26/05/2009	26/05/2009	Completed
Track replacement 1,000m	07/09/2009	31/03/2010	Completed
Workbank 5 - project close out	16/10/2010	28/09/2010	●

JNP track is split into enhanced track replacement and deep Tube reconditioning. This work is devised, planned and managed by TLL and agreed with LU through the Annual Asset Management Plan (AAMP).

All enhanced track replacement works are completed for Review Period 1 (RP1), with no further work envisaged.

Re-railing works are programmed at 18 sites, of which 15 are complete and the remainder are on site. The installation of check rails at Kennington loop and South Kensington to Knightsbridge are complete.

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Conductor rail replacement increased from 1,000m to 2,350m during the quarter at the northern end of the Piccadilly Line.

The work package plan for track drainage (up to RPI) has been agreed and works, although delayed, are due to be completed by the RPI deadline.

Civils BCV/SSR

Spend to end Q4 2009/10	EFC to 2017/18 £m
94.4	646.6

BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
C164-EM2 Northolt to South Ruislip C164 practical completion	08/10/2009	05/06/2009	Completed
C156 EM3, 4, 7, 8 and 9 - Perivale to Greenford C156 practical completion	23/05/2010	19/02/2010	Completed
SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
D164-EMI,2,4,5 East Putney to Southfields D164 start on site	10/07/2009	21/07/2009	Completed
D164-EMI,2,4,5 East Putney to Southfields D164 practical completion	20/09/2010	20/08/2010	●

Following the integration of Metronet, BCV and SSR structures are jointly managed. The programme comprises a range of improvement and monitoring works to the civils assets on the BCV and SSR networks.

The current two year programme comprises approximately 40 separate remediation projects across the four asset groups. The condition of the assets in the programme is generally well known, but the Civils team is working to complete the asset condition database and a whole-life cost model for each of the four asset classes.

On bridge projects, the tenders for the deck replacement for Bridge D83A at Hammersmith were received on 15 March 2010 and replacement is due in October 2010.

Earth structure projects are generally on programme. Four live projects are on site and running to programme. Two projects are due to commence in Quarter 1 2010/1, at Upminster Bridge and Chiswick Park.

On track drainage, 6,605m was achieved by year end, 40 per cent above the target of 4,577m and at 27 per cent below the planned unit cost. This productivity improvement results from a revised working methodology, including dedicated planned possessions.

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Civils JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Earth Structures – complete environmental surveys for remediation sites	05/06/2009	26/05/2009	Completed
P273 Drainage discharge – complete drainage discharge final scope	20/12/2009	14/03/2010	Completed

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

Strapping works for seven rings on tunnel segments between Baker Street and Bond Street, southbound on the Jubilee line have been completed. A further three rings have deteriorated and straps will be installed imminently.

LU has instructed TLL to start the design work for the trial tunnel lining works in the disused Charing Cross tunnel, this should be completed in Autumn of this year.

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Station Upgrades – BCV/SSR

Spend to end Q4 2009/10	EFC to 2017/18 £m
1,071.8	1,989.8

BCV Milestones	Current Plan Date	Actual/F'cast Date	RAG
Oxford Circus station modernisation - delivery into service agreed by LUL	25/05/2009	25/01/2010	Completed
Hainault station modernisation - delivery into service date agreed by LUL	30/05/2009	19/05/2009	Completed
Wanstead station refurbishment - start on site	30/06/2009	14/06/2009	Completed
Brixton Station modernisation - delivery into service date agreed by LUL	31/01/2010	16/04/2010	Completed
SSR Milestones	Current Plan Date	Actual/F'cast Date	RAG
Aldgate station modernisation - start on site	16/10/2009	14/10/2009	Completed
Earl's Court station modernisation - LUL agree delivery into service	31/12/2009	17/07/2009	Completed

54 stations have now been accepted into maintenance since the start of Review Period 1. A further eight stations are on site. At Brixton, delivery into service (DIS) was delayed by two months as a result of restricted access to the platforms during extended testing of the new Victoria line trains. The work was completed on 16 April 2010. Hainault station accessibility was delivered into service early on 16 April 2010.

At Oxford Circus, DIS was achieved on 21 January 2010, seven months late following the conclusion of remedial works. This arose from failures in the original Metronet works prior to transfer that have had to be rectified.

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

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Station Upgrades – JNP

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Waterloo modernisation	30/05/2009	30/05/2009	Completed
Stanmore enhanced refurbishment	30/05/2009	01/04/2009	Completed
Edgware Station enhanced refurbishment	03/08/2009	15/06/2009	Completed
Bermondsey station refurbishment	06/12/2009	15/12/2009	Completed
Covent Garden station modernisation	09/09/2009	06/05/2009	Completed
Oval station refurbishment	27/09/2009	31/07/2009	Completed
Clapham Common station refurbishment	07/10/2009	31/07/2009	Completed
Southwark station refurbishment	20/10/2009	25/11/2009	Completed
Green Park station modernisation	23/10/2009	23/10/2009	Completed
Hatton Cross station enhanced refurbishment	29/05/2010	22/04/2010	Completed

The JNP stations programme was devised as part of the PPP contract. The station works are planned in tranches, with tranche 5 stations due to be completed by 30 May 2010. All of these stations have now been declared as completed by Tube Lines. Of the 97 stations planned for the first PPP contact Review Period, 85 were declared as delivered into service by the end of Quarter 4 and the programme is generally on target. Completions in the quarter included Canada Water, Canary Wharf and Clapham North.

London Rail

East London Line Extension

Spend to end Q4 2009/10 £m	EFC £m
970.9	986.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete Crossrail enabling works at Whitechapel	30/06/2009	30/06/2009	Completed
Submit planning application to LBH and TH to discharge conditions 14/17/19 (noise demonstration)	10/04/2009	03/05/2010	■
Complete Dalston podium slab	31/07/2009	31/07/2009	Completed
Establish infrastructure maintenance depot	31/10/2009	31/10/2009	Completed
SCADA temporary master station and system commissioned for the 3 TSS sites (A lines only)	01/05/2009	13/09/2009	Completed
Commission all TSSs including Hoxton, Shadwell and Canal Junction (for 33kv only)	04/06/2009	20/09/2009	Completed
Test running commences	31/01/2010	05/10/2009	Completed
East London Line (Phase I) complete	30/06/2010	30/06/2010	●

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.

Test running was completed this Quarter allowing transfer of infrastructure management responsibilities to London Overground, trial operation commenced on 4 February 2010. All stations have now been handed over to LOROL. The traction power capacity proving and headway capacity testing were successfully completed during the Quarter. Prestige contractors (Cubic) have completed the installation and commissioning for all gate lines and ticket vending machines.

A 'preview' service commenced on 27 April 2010, running from Dalston Junction to New Cross Gate. Full opening of the line is forecast ahead of the June plan date on 23 May 2010, subject to acceptable performance of the preview services.

Tender returns for the station enhancement works at Crystal Palace have been reviewed and presentations were given by each of the tenderers. The contract was due to be awarded on

London Rail

16 December 2009 but is delayed due to the non-availability of the approved for construction drawings. The design is substantially complete but awaiting formal signoff from Network Rail. The contract has yet to be awarded and a revised construction programme is being discussed.

East London Line Phase 2

Spend to end Q4 2009/10 £m	EFC £m
1.8	55.3

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Technical advisor phase 2 award contract	15/05/2009	15/05/2009	Completed
Commence GRIP 5 design	05/10/2009	01/02/2010	Completed
Commence passenger services	14/05/2012	14/05/2012	●

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

While Surrey Canal Road station remains outside of the project scope, future provision has been included in the design. The expected decision from DfT for partial funding has been deferred until further notice. However, due to a strong business case, the London Borough of Lewisham has agreed to fund station design works up to design selection.

Overall delivery of the scheme with completion of works in early 2012 is compromised by the Network Rail works at Clapham Junction and crossover at Latchmere Curve. Discussions with Network Rail are ongoing regarding the scope, cost and programme.

Work package 1 (TfL works at the Silwood Lines) remains on target for completion by May 2012.

London Rail

London Rail Concession Rolling Stock

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

Milestones	Current Plan Date	Actual/F'cast Date	RAG
First NLR unit accepted	30/04/2009	07/07/2009	Completed
First train in service NLR	31/05/2009	27/07/2009	Completed
First ELR units delivered for Network Rail track test	31/07/2009	21/09/2009	Completed
Delivery of NLR fleet	31/12/2009	23/06/2010	■
Delivery of ELR fleet	31/03/2010	31/03/2010	Completed
First train in service ELR	30/06/2010	30/06/2010	●

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

The date for delivery of the final NLR units has moved from March 2010 to May 2010 during this quarter due to a Bombardier experiencing a delay in obtaining the required parts to complete final units. This date is likely to be delayed further because the last two units will be delivered as 4-car units and not 3-car units as planned. This is to avoid delays in the programme to upgrade all units to 4-cars planned from June onwards.

Passenger service certification has been awarded to the ELR units to enable operations to commence on the core line between Dalston Junction and New Cross / New Cross Gate. Interim certification has been issued by Network Rail for the routes south of New Cross Gate (to West Croydon and Crystal Palace) enabling operation of units without passengers for driver training only. Passenger service certification on these routes will be received when LOROL have completed their platform/train interface safety checks, expected during May 2010.

London Rail

North London Railway Infrastructure Project

Spend to end Q4 2009/10 £m	EFC £m
143.3	252.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Commence No.1 lines blockade	30/04/2009	30/04/2009	Completed
Commence all lines blockade	31/12/2009	20/02/2010	Completed
Project completion	31/01/2011	31/01/2011	●

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

The 14 week blockade between Gospel Oak and Stratford which commenced on 20 February 2010 is progressing well. Infrastructure works including routeway, sewers and overhead lines have been substantially completed in the period and signalling works remain on schedule for completion by the end of the blockade.

Good progress was made on site in the quarter for Phase 1a civils works which are on target to meet the planned handover of 2 August 2010 to the systems and power contractors. Overall, good progress continues on detailed design of both systems and power works.

DLR 3-Car Infrastructure

Spend to end Q4 2009/10 £m	EFC £m
290.9	303.2

Milestones	Current Plan Date	Actual/F'cast Date	RAG
P7 Complete installation of new LUL compound and road	30/06/2009	25/09/2009	Completed
Complete Westferry station (Three Car Package I Works)	31/07/2009	06/01/2010	Completed
Complete New South Quay Station (Three Car Package I Works)	30/09/2009	26/10/2009	Completed
Bank Lewisham: construction complete	31/01/2010	30/01/2010	Completed
Bank Lewisham: service available	28/02/2010	30/01/2010	Completed

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

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

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

Three-car running commenced on the Bank-Lewisham route in February 2010.

London Rail

DLR Stratford International Extension

Spend to end Q4 2009/10 £m	EFC £m
166.5	188.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Complete decommissioning at Abbey Road	25/04/2009	24/07/2009	Completed
Network Rail infrastructure decommissioned (SIE Package 8 Works)	30/06/2009	19/07/2009	Completed
Star Lane station construction work complete (SIE Package 6 Works)	31/10/2009	08/12/2009	Completed
Canning Town station construction work complete (SIE Package 6 Works)	30/11/2009	08/12/2009	Completed
Complete Works Package 6 - conversion of NLL to DLR	30/06/2010	20/09/2010	▲
Service operational	31/07/2010	20/09/2010	▲

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

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

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

Permanent way works from Abbey Road to Stratford High Street are complete, including trackwork and troughing work which have been handed over for signalling and power cable installation. Troughing work from Abbey Road to Stratford International is complete and has been handed over for cabling. Trackwork has been completed in both directions, with the exception of the final welding of the scissors crossing which is scheduled for early next quarter. All troughing work from Canning Town to Abbey Road is complete and has been handed over for cabling.

London Rail

DLR Railcars

Spend to end Q4 2009/10 £m	EFC £m
52.4	58.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
3-Car Woolwich Arsenal: All (24) Railcars accepted into service	31/10/2009	10/07/2009	Completed
Games additional capacity: first railcar delivered	14/12/2009	16/09/2009	Completed
Stratford International Extension: final railcar delivered	30/11/2009	02/09/2009	Completed
Stratford International Extension: All (9) Railcars accepted into service	31/12/2009	20/10/2009	Completed
Games additional capacity: final railcar delivered	31/08/2010	31/08/2010	●
Games additional capacity: all cars in service	31/10/2010	31/10/2010	●

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

Delivery and commissioning of new vehicles continued in accordance with the agreed programme. Fifty one vehicles out of a total of fifty five have been delivered to Beckton and Taking over Certificates (ToCs) have been issued on a total of forty seven. The remaining four vehicles are in various stages of production in Bautzen.

Surface Transport

Congestion Charging Re-Let

Spend to end Q4 2009/10 £m	EFC £m
86.8	95.2

Milestones	Current Plan Date	Actual/F'cast Date	RAG
e-pay rebranding decision made	03/04/2009	03/04/2009	Completed
System integration testing starts	01/06/2009	26/05/2009	Completed
Public information campaign for retail starts	01/09/2009	01/09/2009	Completed
Ready for service testing starts	21/09/2009	07/09/2009	Completed
Readiness review	30/09/2009	02/10/2009	Completed
Release 1 - go live of new system for Congestion Charging and Low Emission Zone	30/11/2009	01/11/2009	Completed
Release 2 - go live of account-based charging (AutoPay)	01/11/2010	31/12/2010	▲

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.

A number of elements of non-essential functionality, particularly relating to enforcement, were not delivered at the go-live of the new system for Congestion Charging and Low Emission Zone. During this quarter these elements have now largely been delivered, with the final functionality scheduled to be provided in the next three months.

The service provider is now developing the functionality and business processes required for account-based charging on Congestion Charging. Subject to the outcome of the current consultation, account-based charging or CC Auto-Pay is expected to be available for customers from January 2011.

Surface Transport

TLRN Capital Renewal

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

TLRN Capital Renewal	£ 000's
Year-to-date actuals	41,342
Full-year budget	38,176
Full-year variance to budget	3,166

Description of works	Units	2009/10 Target	2009/10 Achieved
Area of carriageway resurfaced	m ²	255,000	337,719
Area of footways resurfaced	m ²	60,000	63,217
Number of lighting units replaced	No.	608	734
Number of schemes to achieve a reduction in the total number of structures with special measures	No.	32	21
Removal of pedestrian guard railing	km	35	41

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

The programme is showing the gross forecast cost. When contributions from developers collected through Section 278 are considered, the spend for the year remains within budget.

Carriageway resurfacing:

In Quarter 4 an additional 218,743m² of carriageway was resurfaced, taking the year to date total to 337,719m². 132 per cent of the annual target has been achieved.

In Quarter 4 the programme team opted to replace areas of carriageway where large numbers of potholes had been caused by the cold weather and work was needed to avoid further deterioration. Although these areas did not form part of the original carriageway programme, they were lower cost than the full-depth resurfacing costs carried out within the original programme. Advantage was taken from the implementation of value management and value engineering to improve the efficiency of the programme.

Footways resurfacing:

In Quarter 4, an additional 20,022m² of footway was resurfaced, taking the year to date total to 63,217m². 105 per cent of the annual target has been achieved.

Surface Transport

Lighting units replacement:

In Quarter 4, an additional 351 lighting units were replaced, taking the year to date total to 734. 121 per cent of the annual target has been achieved.

Removal of pedestrian guardrail:

In Quarter 4, an additional 10.9km of pedestrian guardrail was removed, taking the year to date total to 41.3km. 118 per cent of the annual target has been achieved. It is policy to remove as much as possible of this, the latest forecast is 60km cumulative by end of June 2010.

Structures:

In Quarter 4, an additional 11 schemes were achieved, taking the year to date total to 21. 66 per cent of the annual target has been achieved. Fewer structures have been delivered than planned following a re-prioritisation exercise. By improving the quality of design briefings, resources have been focused on structures that will provide maximum value for money in the future.

A406 Bounds Green

Spend to end Q4 2009/10 £m	EFC £m
15.4	56.1

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Commence advance statutory utilities work	05/01/2009	05/01/2009	Completed
Commence contract procurement	01/06/2009	15/05/2009	Completed
Award contract	28/02/2010	19/02/2010	Completed
Commence main works	29/03/2010	31/05/2010	▲
Completion of main works	03/05/2012	03/05/2012	●

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.

During this Quarter, tender assessment took place and the contract was awarded on 19 February to Skanska Construction UK Ltd, nine days ahead of plan. As part of this process, costs were reviewed and this has resulted in a reduction in the expected final cost.

Surface Transport

The start of the main works is now expected on 31 May 2010 in order to give the contractor a longer mobilisation period. The project completion date of 3 May 2012 has not changed.

Completion of advanced utility works was delayed by three weeks to 19 April as a result of the extended mobilisation period for Skanska and has now been completed post quarter.

Blackwall Tunnel Northbound Refurbishment

Spend to end Q4 2009/10 £m	EFC £m
9.8	73.3

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Revised procurement strategy approved	30/06/2009	30/06/2009	Completed
Award contract	29/05/2009	22/12/2009	Completed
Start of main works	30/06/2009	07/02/2010	Completed
Mobilisation period complete	03/05/2010	03/05/2010	Completed
Shaft 2 complete	18/03/2011	18/03/2011	●
Construction complete	21/06/2011	02/12/2012	■

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

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

During this quarter, the start of main works occurred on 7 February, with initial works being to carry out surveys and investigations within the tunnel. The majority of surveys have now been completed and traffic management for the night time closures has been implemented as planned. Design works have continued, with the submission of the temporary lighting and fire main packages. The temporary lighting installation has begun. Concrete works have commenced for Shaft 2 and shaft fans have been procured. Extensive works planning for weekend working has been undertaken showing clear benefits and programme time risk mitigation.

The next milestones are the completion of shaft 2 on 18 March 2011 and the completion of construction, now forecast as December 2012.

Surface Transport

Cycle Hire

Spend to end Q4 2009/10 £m	EFC £m
17.8	81.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
ITT published	31/03/2009	04/03/2009	Completed
Contract award	30/06/2009	11/08/2009	Completed
Planning applications submitted	20/11/2009	20/11/2009	Completed
Go live #1 - website	31/03/2010	12/07/2010	■
Go live #2 – on street	Summer 2010	30/07/2010	●

Once complete, people using London's Cycle Hire scheme will be able to pick up and drop off one of the 6,000 hire cycles at around 400 locations across the nine London boroughs and several Royal Parks.

Over 400 planning applications for docking stations have been lodged, with a further 52 approvals this Quarter taking the total to 386 sites with approval in place. Serco have now signed a contract with the Public Bike System Company to supply the bicycles and docking systems.

45 cycle hire roadshows have been planned in central London from the end of May 2010 onwards, providing registration details and how to pick up and drop off hire bicycles. The on street and website go live dates have now been confirmed as 12 July and 30 July 2010.

Surface Transport

Two Cycle Superhighways

Spend to end Q4 2009/10 £m	EFC £m
4.3	23.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Route 3 - completion of definition of route and measures	16/07/2009	31/07/2009	Completed
Route 3 - completion of preliminary design and NAT scheme approval	02/10/2009	13/01/2010	Completed
Route 7 - completion of preliminary design and NAT scheme approval	19/10/2009	22/01/2010	Completed
Commence construction of 2 Cycle Highways to be delivered in May 2010	30/10/2009	30/10/2009	Completed
Route 7 - construction complete	Summer 2010	19/07/2010	▲
Route 3 - construction complete	Summer 2010	19/07/2010	▲

Two Cycle Superhighways is a pilot project to deliver the first two cycle superhighway routes – Route 3 (Barking to Tower Hill) and Route 7 (South Wimbledon to the City) by summer 2010. The remaining ten routes will be delivered in a separate project by 2015. Extensive monitoring is in place to assess the effectiveness of some of the interventions proposed. The project objective is to encourage modal shift to cycles and to enhance the cycling experience for current users by creating wider lanes, improved surfacing and further segregation.

These two routes are being delivered using the Highways and Maintenance Works Contractors (HMWC) framework agreement that provides resources to deliver streets schemes in Surface Transport.

On Route 3 & 7, the completion of preliminary design and Network Assurance Team (NAT) scheme approval was achieved on 22 January 2010. The launch date for the first two routes has been confirmed as 19 July 2010, launch events are being planned for mid July.

Surface Transport

Ten Cycle Superhighways

Spend to end Q4 2009/10 £m	EFC £m
0.5	*

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Phase 1 invitation to tender Issued	28/02/2010	28/05/2010	■
Phase 1 preliminary design completed	31/05/2010	30/09/2010	■
Phase 1 contract award	31/08/2010	31/08/2010	●
Phase 1 detailed design completed	31/08/2010	28/02/2011	■
Phase 1 complete (two routes total)	31/05/2011	31/05/2011	●
Phase 2 complete (four routes total)	31/10/2012	31/10/2012	●
Phase 3 complete (six routes total)	31/07/2013	31/07/2013	●
Phase 4 complete (eight routes total)	30/04/2014	30/04/2014	●
Phase 5 complete (ten routes total)	30/01/2015	30/01/2015	●

The Ten Cycle Superhighways scheme will deliver a further ten radial routes into central London following the pilot project. Planning and development are occurring in parallel with the delivery of the first two pilot routes. The ten routes are 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), design consultants were told to prepare for the site inspection meetings with the stakeholders starting from January 2010.

For Route 2, site inspection meetings took place 25 January 2010 and for Route 8 in the following week. The Route 2 and 8 feasibility studies have now been signed off. The Phase 1 Invitation to Tender is forecast for 28 May 2010, in line with the revised procurement strategy. Contract award is still expected at the end of August 2010.

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

Surface Transport

West Ham Bus Garage

Spend to end Q4 2009/10 £m	EFC £m
46.9	51.7

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Access and commence permanent bus parking area (phase 3)	01/04/2009	31/03/2009	Complete
Access to phase 2 building	01/09/2009	01/09/2009	Complete
Completion of main garage building (phase 2)	30/11/2009	05/11/2009	Complete
Completion of fuel and wash building	01/12/2009	19/02/2010	Complete
Completion of wind turbine	31/01/2010	28/05/2010	■
Completion of permanent bus parking area	26/02/2010	04/05/2010	Complete
Opening of bus garage	31/03/2010	31/05/2010	▲

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

The fuel and wash building was completed on 19 February 2010, in line with the revised programme. The wind turbine mast has been partially completed, installation of the rotor and blades has been delayed until the end of May as a result of the previous supplier going into administration and issues with the fixing methodology.

The external parking area was completed on 4 May 2010, it is still planned to open the garage by the end of May 2010.

Corporate

IM Strategic Investment Programme

Spend to end Q4 2009/10 £m	EFC £m
68.6	69.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
End User Computing – completion of thin client swap out	30/11/2009	TBA	■
Voice and Data Network – core migration from LAN to MAN completed	31/10/2009	02/06/2010	■
Data Centre A – operational readiness	14/09/2009	14/09/2009	Completed
Data Centre A – completion of enterprise platform	30/04/2010	15/05/2010	▲
Application Portfolio Management – Database delivered	30/09/2009	30/09/2009	Completed

Key achievements are the migration of eight London Underground applications from an external hosting solution (Fujitsu Services) into TfL's Woking data centre and the completion of the programme of network migrations across 70 TfL sites and services. Three key activities that will be carried forward into the new financial year are the completion of the enterprise platform in data centre A, the replacement of legacy desktops with Neoware thin client units, and implementation of asset management software.

Data Centre A

Delivery of the network zones in the Data Centre are progressing to schedule against the re-baselined plan. Additional responsibilities have transitioned into IM Service and Operations including site control, management and installations and the delivery of key tools and equipment to site.

Enterprise Platform

The Enterprise Platform is split into six releases which will deliver functionality to support migrations into the Data Centre. Releases 1, 2 and 3 are complete. Releases 4, 5 and 6 which will deliver internal hosting capabilities for Your IM were delivered in April 2010. A delay of four weeks from the original schedule is due to stability issues in the standard software build and an increased time required to transition the technology.

Hosting

This project has migrated eight LU business services of the originally scoped ten from Fujitsu hosted data centre into the Woking data centre. One service has been de-scoped due to the excessive effort required to make it compatible for hosting on the new enterprise platform. Computerised Track Access Control, a service used by the maintenance engineers on the Underground, was delivered in the last period.

Voice and Data Networks

The Metropolitan Area Network project team has now delivered 69 migrations. 13 core sites, 34 non-core sites and 22 services are migrated to date. In addition, 240 LUL stations and approximately 12,000 users interface directly with the new network.

Application Portfolio Management

Work has commenced to identify and agree data formats within the software asset management application. Data sources from different TfL departments and applications have been identified and preparation for testing the application is underway.

End User Computing

EUC has completed the migration of more than 14,800 users and 12,500 devices to the One London domain (only 334 users are outstanding due to complex application issues). Work on the replacement of legacy desktops with Neoware thin client units is currently on hold due to print issues identified at Windsor House, resolution of this issue will complete the migration to One London.

Future Ticketing

Spend to end Q4 2009/10 £m	EFC £m
0.4	70.9

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Phase 1 – initial bus launch to be implemented, payment of the bus single fare by contactless bank card	31/07/2011	31/07/2011	●
Phase 2a – multi-modal daily travel and daily capping with contactless bank card to be implemented	31/03/2012	31/03/2012	●
Phase 2b – 7 day capping to be implemented	31/03/2013	31/03/2013	●

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

During this quarter, work has been progressing on the business case and cost estimation and negotiations with suppliers. Phase 1 is more advanced and the next step is to enter into a variation to the Future Ticketing Agreement for implementation. Work on Phase 2 has included indicative cost estimates and early stage supplier engagement.

Corporate

ITSO

Spend to end Q4 2009/10 £m	EFC £m
8.7	56.0

Milestones	Current Plan Date	Actual/F'cast Date	RAG
Agree scope and funding with DfT	31/01/2009	28/05/2009	Completed
System architecture sign off	18/09/2009	18/09/2009	Completed
System requirements sign off	12/10/2009	10/12/2009	Completed
Head office processing system operational	31/07/2010	16/08/2010	●
3G communications software development complete	15/10/2010	30/03/2011	■
Completion of changes to back-office systems	30/04/2011	06/06/2011	▲
Completion of project	31/07/2011	19/06/2012	■

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

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

Further delays this quarter in receiving the business rules from the DfT have caused a slippage in the forecast completion date from Aug 2011 to June 2012. The DfT have issued a change request to implement a newer version (2.1.4) of the ITSO specification. This is currently estimated to have a 4-6 month impact on the date for completion; further detailed planning is required and any potential impact on the end date of the project has yet to be incorporated into the project plan.

During this quarter, a further milestone payment was made by the DfT as formal system witness testing was completed in March.