

TRANSPORT FOR LONDON

STAFF SUMMARY

BOARD

SUBJECT: TfL 5-YEAR INVESTMENT PROGRAMME REPORT – 2nd QUARTER

MEETING DATE: 7 DECEMBER 2005

1. PURPOSE

- 1.1 To inform the Board on the performance of the Investment Programme in the second quarter of 2005/06 (26 June 2005 to 17 September 2005). This first TfL 5 year Investment Programme will continue until 2009/10 and this report will be published quarterly.

2 KEY HIGHLIGHTS

- 2.1 Principal highlights and issues of the Investment Programme arising over the second quarter of 2005/06 are as follows:
- On 30 September the Mayor approved plans for the Western Extension to the Congestion Charging Zone.
 - Enabling works and detailed design continued on the East London Line Extension. The ITT 'Part A' for the main works was issued on the 28th September.
 - Testing and commissioning are underway on the DLR London City Airport Extension and construction work on the Woolwich Arsenal Extension is progressing ahead of schedule.
 - On the Wembley Park Station project the Supervisors' Office became operational on 16 September 2005. Capacity enhancement works remain on schedule for completion by end of December 2005, while station modernisation elements are ahead of programme with a forecast completion of May 2006.
 - The core London Underground Tunnel Cooling project team is now in place. Eighteen stations have been surveyed and some important "quick-win" solutions have been identified.
 - As reported in the previous quarter, obtaining the required planning consent remains a significant issue on a number of key projects including A406 Bounds Green, A406 Hanger Lane Bridges and the Hanworth Road and North Acton Bus Garages. This represents a systemic risk to all 'new asset' type projects within the Investment Programme and possible mitigations are being explored through the Oversight function.

- The interim Oversight Group has now completed the first 'Design the Function' stage and is now entering a period that sees them fulfilling the operational demands of the Group as a precursor to hiring and transitioning over to a permanent TfL-staffed team.

3 DELIVERY

3.1 The interim Oversight Group has made significant progress over the last quarter. Key outcomes of this included:

- The introduction of an Investment Programme focused (modal level) Investment Management Review (IMR) session in parallel with the Business Management Review (BMR) process
- Decision to introduce a Chief Officer level Investment Programme focused executive forum
- Following a risk categorisation exercise, a list of key projects (top 12 and top 50) has been formulated which will form the focus of the IMR reviews.

3.2 During the second quarter, a programme of Independent Engineer reviews of Oversight projects began. A report reviewing Channel Tunnel Rail Link (CTRL) works at Kings Cross was received and discussed at the period 6 London Underground BMR.

PROJECTS OVER £100m

3.3 Major projects which have a total budget within the Investment Programme of more than £100m are listed in the table below. Refer to **Annex 1** for further detail.

| Code | Project | Total Budget | IP | Status |
|----------|---|------------------|------------------|--------|
| LU-PJ03 | Sub-Surface Train Capacity | N/A ¹ | N/A ¹ | ● |
| LU-PJ26 | Camden Town Congestion Relief | £318m | £135m | ■ |
| LU-PJ110 | Channel Tunnel Rail Link at Kings Cross | £757m | £101m | ● |
| ST-PF38 | Congestion Charging Western Extension | N/A ¹ | N/A ¹ | ● |
| LR-PJ01 | East London Line Extension | £896m | £896m | ● |
| LR-PJ06 | DLR Capacity Enhancements 3 Car | £102m | £102m | ● |
| LR-PJ08 | London City Airport DLR Extension | £150m | £80m | ● |
| LR-PJ09 | Woolwich Arsenal DLR Extension | £150m | £150m | ● |

Notes:

¹ Information is commercially sensitive

Total Budget = Budget for the duration of the project

IP = Total project spend budgeted in the 5 year Investment Programme

- = Will be delivered according to authorised plan
- ▲ = Variance exists but either the impact is not deemed significant or recovery plans are in place or no current variance but requires close management attention
- = Variance will have significant impact on project delivery schedule and cost

Delivery highlights and key issues over the quarter are as follows:

- 3.4 **Camden Town Congestion Relief** – Following the unsuccessful TWA application for upgrade of the station which was reported in the first quarter report, discussions have commenced with the London Borough of Camden and GLA to establish an acceptable basis for re-submitting the scheme. Overall delay to the project is expected to be in the order of 2 years and until a way forward is agreed it has been removed from the Investment Programme.
- 3.5 **Channel Tunnel Rail Link (CTRL) at Kings Cross** – Phase 1 handover dates remain unchanged and on target to complete in 2006 with the New Western Ticket Office due to open in February 2006 and the enlarged Tube Ticket Hall to open in August 2006. Phase 2 of the programme (Northern Ticket Hall, deep level tunnels and MIP access) remains delayed. However resolution of remaining issues is progressing and is expected to be concluded early in the third quarter. On conclusion of these DfT are expected to release phase 2 and enable progression of works.
- 3.6 **Congestion Charging Western Extension** – On 30 September, the Mayor approved plans to extend the central London Congestion Charging Zone westwards into Westminster and parts of Kensington and Chelsea. Contracts for core services, Enforcement Infrastructure and for telecoms were awarded at the beginning of October. The programme is currently running in line with the schedule to deliver as planned early in 2007.
- 3.7 **East London Line Extension** – Project is currently running to schedule. During the quarter London Underground were appointed as the Infrastructure Controller of the project. Phase 2 enabling works are now underway and Invitations to Tender (ITT) were issued for the main works on 28 September and rolling stock on 31 October.
- 3.8 **DLR Capacity Enhancements 3 Car** - Project is currently running to schedule. TWA powers were confirmed on 17 October 2005.
- 3.9 **London City Airport DLR Extension** - Testing and commissioning works continue towards the planned opening date in December 2005. Work to complete outstanding glazing on stations is underway with final completion expected in early November.
- 3.10 **Woolwich Arsenal DLR Extension** – Construction work for the Tunnel Boring Machine (TBM) launch chamber continued to progress some 3 months ahead of schedule. Work is also continuing on land issues and detailed design.

PROJECTS UNDER £100m

These projects are defined as those whose expenditure is less than £100m over the 5 year investment programme. It should be noted that some projects will have significant expenditure after the Investment Programme period which will lead to total project values above this level.

Delivery highlights and other key issues during the second quarter of 2005/06 for other projects under £100m include:

- 3.11 **Jubilee Line 7th car project** - The first test train ran on 24 August 2005, and full integration testing has now begun. Progress is still on target to introduce 7 Car

services on the Jubilee Line in January 2006. Rolling stock production remains on schedule, and the second train has now been delivered.

- 3.12 **A406 Bounds Green** – The timescale for this project is under review. This reflects the local authority's decision that a planning application is required and the need to re-phase the project to ensure there is no conflict with the Highway Agency's planned work on the M25 Holmesdale Tunnel.
- 3.13 **A406 Hanger Lane Bridges/A40 Western Avenue Bridges** – As at the end of quarter 2, both bridge replacement projects suffered delays as a result of planning approval issues. However on 20 October Ealing Council gave approval to the A406 Hanger Lane Bridges project allowing this project to proceed in line with the current Business Plan forecast. A40 Western Avenue has recovered some slippage which arose from delays in obtaining necessary Network Rail approvals.
- 3.14 **Tunnel Refurbishment** – Re-phasing of works on Rotherhithe and Blackwall northbound tunnels has occurred to ensure that the two projects do not conflict. Both projects are proceeding in accordance with their respective current authorised plans.
- 3.15 **DLR Railcar Refurbishment** – An additional 15 vehicles were delivered during the second quarter, bringing the total number of refurbished vehicles in service to 53. It is anticipated that all 94 refurbished vehicles will be in service by November 2006.
- 3.16 **Stratford Regional Station Modernisation** – Preliminary works by the contractor commenced on the site during the second quarter. Necessary approvals have also been gained ahead of commencement of construction of new platforms and structures.
- 3.17 **Stratford International DLR Extension** – The TWA submission was made in August 2005. The consultation period will continue into the next quarter.
- 3.18 **Stratford Interchange Development** – A comprehensive station upgrade scheme has been developed which incorporates demand from property development, planned growth within London and anticipated 2012 Olympics demand.
- 3.19 **Thames Gateway Bridge** - The second phase of the public inquiry commenced on 13 September and is now expected to continue into fourth quarter of 2005/06.
- 3.20 **Ticketing** – As reported in the previous report Train Operating Companies have not yet identified a business case for the installation of Oyster Card validators on National Rail stations serving the London area. TfL remains ready to engage with train operators to start integration in the event that this situation changes.

4 INVESTMENT PROGRAMME EXPENDITURE

- 4.1 The Investment Programme comprises both directly managed capital programmes by TfL and indirectly managed programmes where delivery is the responsibility of a third party under a PPP/PFI type contract or other arrangement.

DIRECTLY MANAGED

- 4.2 Net Value of Work Done (VOWD) on projects directly managed by TfL at the end of the second quarter was in line with budget, after overprogramming. The full year forecast is anticipated to be £45m under budget, after overprogramming, capital receipts and reimbursements.

| VOWD (Directly Managed) £'millions | Year to Date | | Full Year | |
|---------------------------------------|--------------|--------------------|------------|--------------------|
| | Actual | Variance to Budget | Forecast | Variance to Budget |
| London Underground | 141 | (44) | 339 | (36) |
| Surface Transport | 97 | (30) | 324 | (115) |
| London Rail | 35 | (5) | 86 | (8) |
| Group Directorates | 3 | (22) | 43 | (67) |
| Gross Capital Expenditure | 277 | (102) | 792 | (225) |
| Capital receipts/reimbursements | (55) | 27 | (157) | 45 |
| Property sales | (6) | 3 | (13) | - |
| Overprogramming (capital) | - | 72 | (5) | 135 |
| Net Capital Expenditure | 216 | - | 618 | (45) |

- 4.3 A detailed modal breakdown of capital expenditure is provided in **Annex 2**.

London Underground

- 4.4 Expenditure for the year to date within London Underground's own managed works was below budget by £44m. Principal variances continue to be from cost savings and delays in Connect enabling works of £22m and Phase 2 CTRL works at Kings Cross of £10m, which is matched by lower reimbursements from DfT. Phase 2 works are likely to receive full DfT release early in the third quarter. Budget costs will then be finalised as scope is agreed with the DfT. In addition, delays to station upgrade works at Camden (following rejection of TWA application) and Tottenham Court Road resulted in further reduction in expenditure of £6m to date.
- 4.5 Underground full year forecast is £36m below budget, mainly consisting of CTRL works at Kings Cross (£18m) and Connect enabling works (£15m).

Surface Transport

- 4.6 Expenditure for the year to date of £97m is £30m below budget. This result reflects lower than budgeted expenditure of £19m on capital renewal on the Transport for London Road Network, an increase from the £8m at the end of the last quarter. This is largely due to the later than expected awarding of the contracts for Hanger Lane/Western Bridges and a change to the spend profile on Fore Street tunnel.
- 4.7 The current full year capital expenditure forecast shows that spend within Surface Transport will be some £115m below budget. Congestion Charging Western Extension expenditure has been reduced following both the successful negotiation with service providers and a re-phasing of traffic management and enforcement infrastructure works. This has resulted in lower than budgeted spend for 2005/06 of £41m. Lower than budgeted expenditure is also forecast on the capital renewal on

the Transport for London Road Network (TLRN) of £34m, on the Bus Priority schemes of £11m as the programme has been rephased to take account of resource constraints, and iBus of £20m. Lower spend on iBus follows later than planned award of the contract and the subsequent revised payment profile which now aligns to achievement of project milestones, and the removal of a number of related projects now not needed.

London Rail

- 4.8 The year to date variance of £5m is mainly due to minor delays to the commencement of construction on the Stratford Station (£2.2m) and Beckton Depot (£1.7m). In addition £2.6m of direct costs is due to slower than anticipated activity on the Railcar Refurbishment project. This is partially offset by accelerated spend on the East London Line Enabling Works (Phase 2), additional expenditure in resolving the Bishopsgate Goodsynd claim and design costs for Dalston Commercial Development.
- 4.9 The current full year capital expenditure forecast is that London Rail will spend £7m below its budget, which is broadly in line with the year to date variance.

Group

- 4.10 As reported in the previous quarter, the actual and forecast reduction in spend is mainly as a result of the delay to Oystercard National Rail Validator Installation project (£35m) as the Train Operating Companies have not yet identified a business case for the installation of Oyster Card validators on National Rail stations serving the London area. Additionally property related expenditure is forecast to be £20m lower than budget.

INDIRECTLY MANAGED

- 4.11 These are projects where delivery is the responsibility of a third party under a PPP/PFI type contract and other arrangements. Reportable values represent the assessed capital value of assets delivered.

London Underground

- 4.12 Work has continued with the Infracos to populate London Underground's Major Projects Database (MPD) with information regarding indirectly managed capital expenditure. Tube Lines reporting structure is closely aligned with the MPD structure. As a result, Tube Lines has managed to provide almost 100% of the required data. However, Metronet's reporting structure is considerably different to that of MPD. London Underground has seen some improvements in the quality of data presented by Metronet, but it is as yet not fully complete. The Programme Offices of both organisations continue to work closely together to improve the situation. Further refinements are expected over the next few reporting periods, with a permanent solution being sought to enable Metronet's use of MPD to supply complete and accurate data by the end of quarter 3.
- 4.13 The VOWD as at the end of the second quarter, at £141m was £28m below budget. Expenditure by Tube Lines is in line with plan. Expenditure under the PFI contracts is behind schedule due to phasing and revised allocation between directly managed

and PFI funded expenditure. The Tube Lines budget numbers have been revised to reflect the latest Annual Asset Management Plans (AAMPs).

- 4.14 The amounts included in the Investment Programme represent capital payments the Infracos plan to make to their subcontractors, which in some cases run ahead of the actual delivery of the capital work. London Underground has yet to formally approve the plans and the quality and validity of the data contained in those plans is yet to be proven.
- 4.15 Tube Lines expects to deliver the ten station enhancements due this year ahead of the contracted dates. There has been significant work with the Infracos in the production of their AAMPs in order to develop more robust and clear programmes of work, which means that the approval of their plans has been delayed.

Surface Transport

- 4.16 Indirectly Managed capital expenditure in Surface Transport relates to Improvements to the bus fleet, A13 DBFO and Borough Road renewal. The full year forecast variance of £10m is the result of lower expenditure Bus Network fleet improvements of £6m resulting from a reduction in expected contract price increases from re-tendering and on A13 DBFO of £3.6m.

London Rail

- 4.17 Indirectly Managed capital expenditure in London Rail relates to the assessed capital value of assets delivered on the London City Airport, Woolwich Arsenal DLR Extension and DLR Capacity Enhancement 3 car. These costs are now included for reporting purposes and therefore budgets have been revised to reflect this approach.

5 BASELINE

- 5.1 As discussed in the last quarterly report, the Baseline Plan is the Investment Programme published in 2004 against which TfL will continue to compare and monitor performance. TfL will also monitor against the updated programme which will be published following approval of the 2006/07 Business Plan.
- 5.2 The Baseline consists of a separate directly managed capital plan for investment on transport infrastructure and a capital plan for further capital investment that is delivered indirectly through payments made to Boroughs, PPP, PFI and Bus contracts. It represents gross value of VOWD to deliver the Investment Programme.
- 5.3 The table below sets out the Baseline VOWD included in last year's Business Plan set against the revised Investment Programme included in the 2006/07 business plan approved by the Board.

| Baseline Plan Value of Work Done VOWD (£m) | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | Total |
|---|----------------|----------------|----------------|----------------|----------------|---------------|
| London Underground | 1,063 | 1,051 | 1,124 | 1,076 | 1,139 | 5,453 |
| Surface Transport | 558 | 520 | 545 | 486 | 448 | 2,556 |
| London Rail | 101 | 198 | 337 | 437 | 237 | 1,309 |
| Group Services | 26 | 11 | 6 | 4 | 3 | 50 |
| Finance and Planning | 87 | 40 | 60 | 27 | 31 | 246 |
| Boroughs | 108 | 104 | 105 | 101 | 99 | 517 |
| TfL Group | 1,943 | 1,924 | 2,178 | 2,130 | 1,957 | 10,132 |
| 2006/07 Investment Programme | 2,198 | 2,490 | 2,638 | 2,790 | 2,566 | 12,682 |
| Variance | 255 | 566 | 460 | 660 | 609 | 2,550 |

- 5.4 The £2,550m Investment Programme increase includes an additional £1,348m from London Underground. The original Investment Plan baseline set in 2004 incorporated an accounting estimate of the likely value of capital works that would be provided by the Infracos under the PPP contracts. London Underground has now started to receive more information from the Infracos on their investment plans. The revised plan has been recast to reflect the capital expenditure proposed in the most recent Annual Asset Management Plan (AAMP), provided directly by the Infracos. A further £241m relates to the expenditure generated by the London Rail PFI schemes which were not previously included in the Investment Programme.
- 5.5 The awarding of the 2012 Olympics to London has resulted in the inclusion of new initiatives totalling £137m over the 5 year Investment Programme. Additional amounts have been included for existing commitments on directly managed TfL projects in respect of increased scope and costs for TLRN improvements and other Streets projects of £121m, increased costs on existing accessibility schemes of £79m, change in financing on the London Underground power upgrade resulting in a further £74m cost and the increased cost of the enforcement equipment for the Low Emission Zone (LEZ) of £65m.

6 PROCUREMENT AND EFFICIENCY

- 6.1 The procurement of Investment Programme contracts, goods and services are an area which provides an opportunity to find savings. This allows procurement to demonstrate their contribution to the efficient delivery of major projects.
- 6.2 Savings this quarter have been secured against professional consultancy fees on Cross River Tram, Thames Gateway Bridge and West London Tram totalling approximately £3m.
- 6.3 Opportunities are being sought where ever possible to further the Equality & Inclusion (E&I) agenda through major procurement contracts as part of the Investment Programme. An example of this is the robust supplier diversity clauses in the Main Works contract for the East London Line ITT issued during the last quarter.


Annex 1: Projects over £100m


The following Annex provides progress details of projects in excess of £100 million which are being implemented and are in the Investment Programme.


The overall project status reflects the Modes latest view of schedule and cost performance over the total life of the project (inclusive of and beyond the length of the Investment Programme).


Total Budget = Budget for the duration of the project


IP = Total project spend budgeted in the 5 year Investment Programme


| LU-PJ03 | Sub-Surface Train Capacity | Total Budget = N/A IP = N/A |  |
|------------------|--|--------------------------------|---|
| Baseline: | <p>The aim of this project is to provide additional train capacity (above that already to be provided through PPP upgrades). The initial phase of the project is focused on the central area of the sub-surface network and the Wimbledon branch.</p> <p>Phase 2 feasibility and design study which primarily concentrated on the platform extensions required to allow an extra car to be added to C Stock Trains has now completed. The study also looked into the signalling implications, the requirement for cable diversions and also refined the depot strategy, plus delivering a revised cost estimate for the project. Negotiations with MRSSL to enact the Specified Right for this project are expected to be concluded shortly.</p> | | |
| Schedule: | <p>The decision to enact the Specified Right is expected soon. No further work is being accrued until the decision is made.</p> | | |
| Forecast: | <p>No material spend to date with the whole year forecast on budget at around £1m.</p> | | |
| Approval: | <p>Full authority was approved on 9 February 2005. The figures are confidential.</p> | | |


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|------------------|---|--|---|
| LU-PJ26 | Camden Town Congestion Relief | Total Budget = £318m IP = £135m |  |
| Baseline: | <p>The objectives of the station redevelopment are to develop a scheme that maximises the capacity of the station (expanded ticket hall and additional escalators) and provide step free access to platform level.</p> <p>The Secretary of State has refused the TWA application.</p> | | |
| Schedule: | <p>Discussions are ongoing with London Borough of Camden and GLA to establish an acceptable basis for re-submitting the scheme. Overall delay is expected to be at least 2 years. Further discussions are needed in order to decide which strategic direction London Underground should follow.</p> | | |
| Forecast: | <p>Year to date expenditure is £0.9m against a budget of £1.2m. The project whole year forecast and lifecycle costs are uncertain as discussions continue.</p> | | |
| Approval: | <p>Authority for preliminary design and supporting costs for securing formal planning application/TWA powers of £18.5m approved on 4 February 2004 by Managing Director Finance & Planning. No further authority will be sought until a solution to the planning issues has been found.</p> | | |


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|------------------|---|---|---|
| LU-PJ110 | Channel Tunnel Rail Link (CTRL) at Kings Cross | Total Budget = £927m IP = £101m (DfT funded) |  |
| Baseline: | <p>King's Cross Congestion Relief (Channel Tunnel Rail Link) covers increased capacity at King's Cross St Pancras in the form of an expanded Tube ticket hall, step-free access to Metropolitan & Circle lines and links to the new Channel Tunnel Rail Link Terminal.</p> <p>The King's Cross project is funded by the DfT and contracted by London Underground to Metronet. London Underground is currently negotiating a revised contract with Metronet to deliver the remainder of Phase 1 and Phase 2.</p> | | |
| Schedule: | <p>Phase 1 handover dates remain unchanged and on target to complete in 2006 with the New Western Ticket Office due to open in February 2006 and the enlarged Tube Ticket Hall to open in August 2006. Phase 2 programme (Northern Ticket Hall, deep level tunnels and MIP access) agreement with DfT is expected shortly.</p> | | |
| Forecast: | <p>Year to date expenditure totalled £41m against a budget of £51m with the full year forecast £96m against a budget of £110m, reflecting delays in DfT approval of additional funds for Phase 2.</p> | | |
| Approval: | <p>Authority of £462m approved at London Transport Board on 6 February 2003. Additional authority of £465m was approved at IRMC 20 September 2005 for onward submission to PRG. TfL Board approval was received on 26 October 2006 with DfT approval to follow.</p> | | |

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|------------------|--|--|---|
| ST-PF38 | Congestion Charging Western Extension | Total Budget = N/A IP = N/A |  |
| Baseline: | Overall, the 3 Programmes (WEZ Traffic & Technology, WEZ Setup Costs and Trials) remain on schedule. In respect of WEZ, the Mayor confirmed the variation order on 30 September and contracts for core services, New technology Enforcement Infrastructure (EI) and telecoms were given the go ahead on 3 October. | | |
| Schedule: | Award of the EI Contract and Mayors confirmation of scheme completed. Completion of monitoring cameras installation due 31 March 2006, ahead of target. | | |
| Forecast: | Year to date expenditure totalled £8.8m against a budget of £14.6m with the full year forecast £32m against a budget of £75m reflecting the timing of the scheme confirmation. | | |
| Approval: | The February 2005 TfL Board approved in principle the entering into of contracts required to implement the Western Extension. | | |

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|------------------|--|--|---|
| LR-PJ01 | East London Line Extension | Total Budget = £896m IP = £896m |  |
| Baseline: | This project scope covers the rail link between Dalston Junction, Crystal Palace and New Cross Gate. This includes 4 new stations, 6 refurbished stations and 3 major bridges. | | |
| Schedule: | The project continues to make good progress with the tender issued for the Main Works package and Rolling Stock tender issue due during the 3rd Quarter. Stage 2 Enabling Works are in progress. | | |
| Forecast: | Accrued expenditure for the year to period 6 amounts to £15.3m against a budget of £13.0m and whole year forecast £44.4m against a budget of £37.2m. | | |
| Approval: | April 2005 - Approval of budgeted funds | | |

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|------------------|---|--|---|
| LR-PJ06 | DLR Capacity Enhancement 3 Car | Total Budget = £102m IP = £102m |  |
| Baseline: | This scope of this project covers the structural works (platform extensions, track realignment, viaduct strengthening) necessary for 3 car operations between Bank/Tower Gateway & Lewisham. Design development work is progressing pending the receipt of TWA powers to enable procurement of the scheme. The procurement stage is expected to start in early 2006. | | |
| Schedule: | TWA powers were confirmed in October 2005. Tender documents are scheduled to be returned in October 2006. | | |
| Forecast: | Accrued expenditure for the year to period 6 amounts to £0.5m against a budget of £1.9m with the whole year forecast £4.5m against a budget of £4.6m. | | |
| Approval: | October 2005: DLR - Capacity Enhancements (3 Car) - Project approval prior to tender. | | |

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|------------------|---|--|---|
| LR-PJ08 | London City Airport DLR Extension | Total Budget = £150m IP = £150m |  |
| Baseline: | <p>This scope of this project covers the extension of DLR to London City Airport and onward to King George V, including intermediate stations at West Silvertown and Pontoon Dock. This includes passive provision for two further stations to be opened in line with future development. It has been let as a 30 year DBFM concession.</p> <p>Works are progressing well towards the planned opening date in December. Testing and Assimilation are now complete to all rail systems. Final System Performance Demonstration was completed on 30 October 2005. Final building works should be complete by second week in November 2005, with a potential to open the Railway slightly earlier.</p> | | |
| Schedule: | Completion date on schedule for December 2005. | | |
| Forecast: | Accrued expenditure for the year to period 6 amounts to £1.3m against a budget of £1.7m and whole year forecast £4.2m against a budget of £5.3m. | | |
| Approval: | No additional approvals are required as the project is nearing completion. | | |

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|------------------|---|--|--|
| LR-PJ09 | Woolwich Arsenal - DLR Extension | Total Budget = £150m IP = £150m |  |
| Baseline: | <p>This scope of this project covers extension of the railway under the Thames from King George V to Woolwich Arsenal with a new combined station at Woolwich Arsenal linking the town centre, buses, South Eastern rail services and Waterfront Transit.</p> | | |
| Schedule: | <p>Land transfer is ongoing with serving of formal notices. Works to the Tunnel Boring Machine (TBM) chamber are progressing well and are on programme. The TBM is confirmed as being on site by the end of January 2006. Construction forecast to commence 3 months ahead of plan (January 2006) with baseline plan completion date confirmed as January 2009.</p> | | |
| Forecast: | Accrued expenditure for the year to period 6 amounts to £9.9m against a budget of £10.0m, and whole year forecast £12.8m against a budget of £11.9m. | | |
| Approval: | No further approvals 2005/06. Funding for construction is now under a concession agreement and no further capital funding will be sought. | | |

ANNEX 2: Modal Summary of Capital Expenditure

| £'m | Year to Date | | Full Year | | |
|--------------------------------------|--------------|--------------------|------------|------------|--------------------|
| | Actual | Variance to Budget | Forecast | Budget | Variance to Budget |
| London Underground | | | | | |
| Capital expenditure | 141 | (44) | 339 | 376 | (36) |
| Capital receipts/reimbursements | (45) | 12 | (129) | (142) | 13 |
| Property sales | (6) | 3 | (13) | (13) | - |
| Net Capital Expenditure | 90 | (30) | 198 | 221 | (23) |
| Surface Transport | | | | | |
| Capital expenditure | 97 | (30) | 324 | 438 | (115) |
| Capital receipts/reimbursements | (5) | - | (14) | (12) | (2) |
| Net Capital Expenditure | 92 | (30) | 309 | 426 | (117) |
| London Rail | | | | | |
| Capital expenditure | 35 | (5) | 86 | 93 | (8) |
| Capital receipts/reimbursements | (2) | (2) | (2) | - | (1) |
| Net Capital Expenditure | 33 | (7) | 84 | 93 | (9) |
| Group Directorates | | | | | |
| Capital expenditure | 3 | (22) | 43 | 110 | (67) |
| Capital receipts/reimbursements | (3) | 17 | (12) | (47) | 35 |
| Net Capital Expenditure | - | (5) | 31 | 63 | (31) |
| Total | | | | | |
| Capital expenditure | 277 | (102) | 792 | 1,017 | (225) |
| Capital receipts/reimbursements | (55) | 27 | (157) | (202) | 45 |
| Property sales | (6) | 3 | (13) | (13) | - |
| Overprogramming (capital) | - | 72 | (5) | (140) | 135 |
| Total Net Capital Expenditure | 216 | - | 618 | 663 | (45) |

() variance is a below budget spend for capital expenditure except for capital receipts/reimbursements and property sales