

# TRANSPORT FOR LONDON

## BOARD

**SUBJECT: TfL 5 YEAR INVESTMENT PROGRAMME REPORT – 4<sup>th</sup> QUARTER**

**MEETING DATE: 24 May 2006**

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### 1. PURPOSE

- 1.1 To inform the Board on the performance of the Investment Programme in the fourth quarter of 2005/06 (11 December 2005 to 31 March 2006) and also progress made during the year against the 5 year Investment Programme. This report is published quarterly.

### KEY HIGHLIGHTS

- 2.1 There have been a number of major achievements during the year as follows:

- London City Airport opened ahead of schedule on 2 December 2005. The official opening was held on 6 December whilst ridership on the new extension exceeded 10,000 for the first time on 8 December.
- LUL successfully introduced 7-car trains into passenger service on the Jubilee Line on 29 December. Additionally four new trains have now also been delivered into passenger service making a total fleet of 63. This will increase capacity by nearly a fifth across the whole line or an extra 6,000 passengers in both directions every morning and evening peak.
- LU achieved operational use of Wembley Park Station on 31 December 2005. The official opening ceremony by the Mayor took place on the 27 March 2006. The project also includes modernisation to the existing station which remains on schedule to complete in May 2006.
- On 30 September the Mayor approved plans for the Western Extension to the Congestion Charging Zone. Implementation remains on track although development of the scheme is on a very tight timescale.
- On the East London Line good progress has been maintained on all major workstreams and, whilst challenging, the project remains on schedule. Main works tenders were received on 31 March 2006.

2.2 The primary achievements and deliverables during the fourth quarter have been:

- The Piccadilly Line extension to Terminal 5 broke through the last of the existing Piccadilly Line tunnels on the Heathrow Loop to complete tunnelling activities.
- On Woolwich Arsenal DLR Extension tunnel boring commenced on 3 April 2006. The project remains on schedule for 2009.
- Good progress was made on National Rail Service/Station Security projects, and several projects were completed, with station security works now complete on Southern, C2C, ONE, and South West Trains stations.
- The Stratford International DLR Extension public inquiry finished on the 4 April. Agreement with Excel, PLA and the London Borough of Newham has been reached and an agreement has been finalised with London and Continental Railways/ODA but has not yet been signed.
- Greenwich Station forecourt works have been completed and an opening ceremony is scheduled for May 2006.
- Finsbury Park new cycle park has been completed and an opening ceremony was held on the 23 March 2006.
- On Greenwich Waterfront Transit confirmation has been received from the London Borough of Greenwich that the compromise route through Woolwich Town Centre was accepted on 14 March 2006.

### **3 DELIVERY**

3.1 The initiative to establish a TfL Oversight Group, has successfully delivered to its remit of embedding a permanent (TfL staffed) Oversight Group with the supporting processes, tools and governance forums in place. The project team formally closed on the 28 April 2006 after a short period of interim-to-permanent team handover.

3.2 Notable items of achievement over the financial year include:

- Organisation design, recruitment and embedding (following one-month capability transfer) of the permanent Oversight team.
- Establishment of the Independent Engineer framework contract.
- Completion of a number of 'early' Independent Engineer reviews on critical projects (i.e. West London Tram, Kings Cross CTRL, Blackwall Tunnel (North) Refurbishment, East London Line Extension, London Underground Operational Accommodation Improvement Programme and A406 Bounds Green).
- The establishment of an Investment Programme risk categorisation process involving cross-modal cooperation – to ensure that IP assurance efforts are focused on those programmes/projects that carry most delivery and reputation risk to the TfL Group.

- The embedding the new IP focused governance forums. On a periodic basis, the Commissioner now reviews IP delivery on a modal basis (at the IMR meetings) and, subsequently, with his Chief Officers to address cross-modal and systemic risks and issues (at IP COM).
- Facilitation of the Chief Officer Group in identifying and addressing cross-modal and systemic risks that are impacting the delivery of the Investment Programme. This forum has already driven material progress in a number of key areas e.g. consent approvals risk (Project ACORN), development of TfL's internal Programme and Project Management capability (Project PYRAMID), SAP data quality improvement etc.

3.3 In summary, whilst there are still areas to address, the TfL Oversight Group is now fully operational and able to provide IP delivery assurance to the Commissioner (and the TfL Board).

### PROJECTS OVER £100m

3.4 Major projects which have a total budget within the Investment Programme of more than £100m are listed in the table below. A more detailed summary of projects over £100m is provided in **Annex 1**.

Code	Project	Total Budget <sup>1</sup>	IP (5 years)	Status
LU-PJ03	Sub-Surface Train Capacity	N/A <sup>1</sup>	N/A <sup>1</sup>	●
LU-PJ26	Camden Town Congestion Relief	£255m	£124m	■
LU-PJ110	Channel Tunnel Rail Link at Kings Cross	£765m	£394m	●
ST-PF39	Congestion Charging Western Extension	N/A <sup>1</sup>	N/A <sup>1</sup>	●
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	●

<sup>1</sup> 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/or cost

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

3.5 **Sub-Surface Train Capacity - Sub-Surface Train Capacity** - A feasibility study is underway to develop design options and costs for works at four Major Stations (where TWA or major traffic diversion will be required). Survey works are complete

at these four stations and survey reports will be delivered in Period 1. Engineering studies and conceptual design have commenced, and these are planned for completion in Period 2. Planning for the TWA Inquiry is underway, and properties are being registered that may require compulsory purchase. A revised programme of works at 12 Minor Stations (not requiring TWA) has been prepared and is under review by Metronet Rail SSL prior to finalising. Planning Documents have been exchanged with the Crossrail project to assess potential interdependencies between the two projects. All efforts of this project are on schedule to deliver the full project on time to the contractually agreed date of February 2015.

- 3.6 **Camden Town Congestion Relief** - The preparation of the Over Station Development design brief by Camden Council is expected to be completed by autumn 2006 to be followed by a LU funded detailed design and full public consultation.
- 3.7 **Channel Tunnel Rail Link (CTRL) at Kings Cross** - Handover of the Western Ticket Hall at Kings Cross has been delayed due to faults identified during the commissioning and integration of the Electrical/Fire/Communications and the Human Control Interface. The overall Phase 1 works completion date is still targeted for the end of December 2006. Phase 2 works are progressing to plan, with no critical issues at present.
- 3.8 **Congestion Charging Western Extension** – Implementation remains on track although development of the scheme is on a very tight timescale. The first part of additional WEZ functionality has been delivered and 110 camera base sites (85% of total) have been installed.
- 3.9 **East London Line Extension** – Good progress has been maintained in the quarter for all major workstreams on the East London Line Extension project. Two tenders were received on 31 March 2006 for the Main Works. The BAFO (Best and Final Offer) package for the rolling stock was issued to the bidder as scheduled on 15 March 2006. Returns were received in April and BAFO assessment has commenced. The project completion remains on schedule.
- 3.10 **DLR Capacity Enhancements 3 Car** - Outline design work for the project continued during the quarter. The procurement strategy (in conjunction with the Stratford International project) and form of contract are now substantially agreed. An OJEU notice for the works, was issued during April. Work continues on site on the Beckton Depot expansion.
- 3.11 **London City Airport** - This project is complete and open for passenger service.
- 3.12 **Woolwich Arsenal DLR Extension** - Construction work continued where the tunnel boring machine (TBM) cutter head was launched on the 3rd April ahead of tunnelling commencement schedule for period 1 2006/07. The station layout change has been agreed with South Eastern Trains. Land notices have been served.

## **PROGRAMMES/PORTFOLIOS AND PROJECTS UNDER £100m**

This section includes projects 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 fourth quarter of 2005/06 for projects under £100m include:

- 3.13 **Piccadilly Line Extensions to Heathrow T5** – The Piccadilly Extension to the Terminal 5 project has broken through the last of the existing Piccadilly Line tunnels on the Heathrow Loop to complete tunnelling activities. Potential delays in the handover of the Signal Equipment Room have been mitigated by Tube Lines rescheduling works and by Heathrow Airports Ltd providing Tube Lines access to adjacent rooms, where vital assembly works could be carried out without incurring delay. The room was formally handed over on 1 March 2006 and the preliminary works continue on schedule. Although a number of challenges remain, work is on schedule for the T4 Loop to reopen in September 2006.
- 3.14 **PFI Power** – Implementation details (in the form of a bid proposal) have been received from Powerlink for the Victoria Line Power Upgrade (VLPU). A detailed evaluation of this proposal is underway to ensure value for money and cost optimisation. Powerlink's senior management team formally presented proposals to the LU Chief Programmes Officer, and the Major Power Works management team on 19th April 2006. It was agreed that a series of independently facilitated review sessions would be held in the week commencing 2nd May 2006 to harness collaborative team working and to promote better understanding of LU and Powerlink's requirements and expectations in respect of costs, programme, delivery organisation and risk. The output of the review sessions will be collated for presentation to LU senior management on 23rd May 2006.
- 3.15 **Connect Enabling** – Works are substantially complete. Handover documentation is forecast for June 2006.
- 3.16 **Tottenham Court Road** – As part of the Crossrail Hybrid Bill the TCR Station project has made good progress during the early part of 2006. It was discussed at Select Committee but not in any detail given Westminster and Camden's application for a Second House undertaking. Fruitful discussions have also taken place with private petitioners with resolution on a number of issues and a requirement for an Additional Provision to the Hybrid Bill with programme and cost benefits. This is a very positive step forward for the TCR project. The planning application for early enabling works has also progressed with submission due in May.
- 3.17 **Low Emission Zone (LEZ)** – A decision by the Mayor on whether or not to publish the Transport and Air Quality Strategy revisions is due in July 2006. Scheme enforcement will be provided by the Congestion Charging service providers. Public and stakeholder consultation on the strategy revisions commenced on 30 January and ran for 12 weeks until 24 April 2006. Detailed discussions continue with DfT and its agencies on the provision of key support services for LEZ.
- 3.18 **iBus** – A phased approach to releasing the software has been proposed. This has primarily been driven by additional requirements, in particular an increase in scope.

It is the policy of London Bus Services Limited that only functionality that does not impact normal business operations (on bus and garage in particular) may be considered for later release. Any implications to project risk and timescales are currently under review.

- 3.19 **A406 Bounds Green** – An Independent Engineer Review is underway, and will report by the middle of May. The first full meeting of the Project Board took place on 24 March at which its composition was confirmed. Subsequent to the meeting a presentation to the Mayor was made regarding updated programme dates and costs which are now approved.
- 3.20 **Blackwall Tunnel Northbound** – Overall the project remains on schedule against the published baseline despite delays in placing the works contract. Modifications to the design and contract documents which were identified in a review of the consultants' proposals are underway and will be submitted to the Project Board at the end of April for consideration.
- 3.21 **Coulsdon Town Bypass** – The project has suffered from delays due to the impact of adverse ground conditions on the tube installation at Smitham Station. The estimated works completion date is now October 2006. The costs are being kept under review and a report was submitted to the Project Review Group on the 21 April 2006 together with an updated business case. The TfL team is working closely with the consultant, contractor, and Network Rail to minimise delays and consequent cost increases. A review of risk management and estimating on the project was undertaken during this period.
- 3.22 **Western Avenue Bridges** – Construction of the main contract started in May 2005 and is currently progressing, although currently 4 months behind schedule. The project has suffered delays due to uncharted Network Rail underground services and problems with obtaining Network Rail possessions, hence the 4 week delay in the project milestones. Several strategies have been put into place to combat these problems and works are now progressing. A review of the current construction programme is being undertaken in order to accelerate some of the construction activities. TfL is continuing to work closely with the local residents to minimise disruption and improve the local area.
- 3.23 **Hanger Lane Bridges** – Despite informal agreement with the London Borough of Ealing in January 2006 on the Section 106 Agreement which sets out the mutually agreed planning conditions, the LBE wrote to TfL on 6 March raising further amendments to the S106 text and drawings. TfL have now taken further advice on how to progress with the demolition and are now progressing this Agreement as quickly as possible.
- 3.24 **DLR Railcar Refurbishment** – A total of 68 vehicles from the fleet of 94 vehicles are now completed. Final completion of the refurbishment programme is still anticipated to be November 2006.
- 3.25 **Stratford Regional Station DLR Modernisation** – Progress continues to be made on the detailed design, with design packages on permanent way, plant rooms and drainage submitted for DLR approval. Works on site are also progressing in line with the programme.

- 3.26 **Stratford International DLR Extension** – The public inquiry commenced on the 14 March and completed on the 4 April. Discussions are ongoing in conjunction with the 3 Car project to finalise the procurement strategy, form of contract and packages. An OJEU notice was issued for the first package of construction works on Stratford International DLR Station.
- 3.27 **Thames Gateway Bridge** – The public inquiry re-commenced on 21 February 2006 and completed on 3 May. TfL have positively rebutted all objections received on the issues relating to the traffic forecasts. The Borough Agreement which sets out how the boroughs will work together has been agreed by 4 out of 5 of the local London Boroughs: namely; Newham, Greenwich, Redbridge and Barking and Dagenham, which is a major achievement for the project.
- 3.28 **West London Tram** – The design and modelling is proceeding and the preparation of the TWO and planning documentation has commenced. Following a review of the consultation responses on site compounds and electrical substations some changes are being recommended.
- 3.29 **Stratford Regional Station Upgrade** – Stratford Station is an Olympic Critical Interchange Station which is surrounded by a major property development, the Stratford City Development. Delivery of the station works to meet the Olympic programme required the release of £8m from the Olympic Transport budget in February 2006. This was approved and the design consultant has commenced. Funding for the capital works cost is currently estimated at £117m and is being pursued with DCMS whose current Olympic budget is £50m.
- 3.30 **Cross River Tram** – Good progress has continued on the development of options and workshops have been held with three of the boroughs and representatives from TfL Streets, Buses and London Trams. Traffic surveys have been commissioned and site work has commenced. The second phase of the depot study is underway to investigate potential options for the depot/stabling facilities should the proposed Peckham site be unable to accommodate a single depot operation.

#### **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 The table below now breaks out expenditure on projects included in the Investment Programme relating to their development phase only. These include projects such as West London Tram and Greenwich Waterfront Transit. This expenditure whilst part of the Investment Programme is treated as operating expenditure for the purpose of statutory accounting.
- 4.3 Net Value of Work Done (VOWD) on projects directly managed by TfL at the end of 2005/06 was £722m, exactly on budget, after overprogramming.

VOWD (Directly Managed)	Full Year		
	Actual	Budget	Variance to Budget
£'millions			
London Underground	318	376	(58)
Surface Transport	273	355	(82)
London Rail	101	95	6
Group Directorates	192	233	(41)
<b>Gross Directly Managed Expenditure</b>	<b>884</b>	<b>1,059</b>	<b>(175)</b>
Capital receipts/reimbursements	(147)	(184)	37
Property sales	(15)	(13)	(2)
Overprogramming (capital)	0	(140)	140
<b>Net Directly Managed Expenditure</b>	<b>722</b>	<b>722</b>	<b>-</b>
Boroughs	(150)	(139)	(11)
Development Expenditure	(54)	(37)	(17)
<b>Net Capital Expenditure</b>	<b>519</b>	<b>547</b>	<b>(28)</b>

\* VOWD includes development expenditure that is treated as operating expenditure in London Rail and Group Directorates for statutory accounts purposes

## London Underground

- 4.4 Expenditure for the year of £318m within London Underground's own managed works was below budget by £58m. Principal variances continue to be from cost savings and delays in Connect enabling works of £13m and Phase 2 CTRL works at Kings Cross of £14m, which is matched by lower reimbursements from DfT, Power works of £7m and the Camden and Tottenham Court Road station schemes of £6m.

## Surface Transport

- 4.5 Expenditure for 2005/06 of £273m is £82m below budget. The main causes of this underspend include: (i) a £43m saving on Congestion Charging Western Extension as a result of successful contract negotiations with service providers and a rephrasing of traffic management and enforcement infrastructure works, (ii) a £20m full year underspend on iBus as a result of changes in the accountancy treatment of this programme (largely stemming from a revised payment profile agreed with the supplier at the time of the contract award) and (iii) a £25m full year underspend as a result of delays on the A406 Western Avenue and A40 Hanger Lane Bridges projects.

## London Rail

- 4.6 The full year variance of £7m is mainly due to delays to the commencement of construction on Stratford Regional Station (£9m) and slower than anticipated activity on the DLR Railcar Refurbishment project (£7m). This is partially offset by accelerated expenditure on the East London Line Extension Project (£7m).

## Group Directorates

- 4.7 As reported in the previous quarter, the full year reduction in spend is mainly as a result of the cessation of the Oyster Card National Rail Validator Installation project, as the Train Operating Companies declined TfL's financing offer. TfL is looking at alternative ways to progress the deployment of Oyster card readers to National Rail stations in the London area.

## Borough

- 4.8 Borough Investment Programme expenditure at £150m was £11m above budget of which £6m relates to the Thames Road Bexley Project which is jointly funded with the ODPM. Funding has been accelerated to bring it back in line with the ODPM agreement. This was as a result of the London Borough of Bexley postponing the main railway bridge works due to failure to secure the necessary Network Rail permissions in time. No additional funds have been offered to Bexley and legal advice is being sought about sanctions available to TfL / ODPM due to possible breaches of the funding agreement conditions.

## Development Expenditure

- 4.9 Development expenditure included in the Investment Programme at £54m was £17m above budget for 2005/06 mainly as a result of £15m additional expenditure in London Rail. Investment in the National Rail network is no longer on hold following the agreement between TfL and DfT over the transfer of Silverlink Metro. Work is progressing well on all aspects. Some work has been brought forward from later years of the plan to compensate for the delays on Silverlink programme.

## INDIRECTLY MANAGED

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

Full year expenditure was £1,305m an underspend of £146m against budget.

VOWD (Indirectly Managed)	Full Year		
	Actual	Budget	Variance to Budget
£'millions			
London Underground	1,017	1,144	(127)
Surface Transport	206	225	(19)
London Rail	82	82	-
<b>Total Indirectly Managed Expenditure</b>	<b>1,305</b>	<b>1,451</b>	<b>(146)</b>

## London Underground

- 4.10 Work has continued with the Infracos to populate London Underground's Master Projects Database (MPD) with information regarding the indirectly managed capital expenditure. Tube Lines' reporting structure is closely aligned with the MPD structure, and, 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 improvements in the quality of data presented by Metronet since Quarter 3 and the Programme Offices of both LU and Metronet are working closely to resolve the situation and achieve compliance.

- 4.11 The VOWD at the end of 2005/06 was £1,017m. Infraco-managed works, at £1,007m, was £63m below the 2005/06 Annual Asset Management Plans (AAMPs). Expenditure under the PFI contracts, at £10m is £64m lower than budget due to revised work allocation on the Power PFI between Directly managed and PFI funded expenditure.
- 4.12 The amounts included in the Investment Plan represent capital payments that 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.

Progress on renewal and upgrade works is as follows:

### **Tube Lines JNP**

- **Track** – Completed 12.8 km of track renewal compared to the plan of 13.6 km. The variance was due to cancelled weekend work because of the 7<sup>th</sup> July incident.
- **Lifts & Escalators** – Two customer service lift refurbishments were completed and 11 escalators were refurbished which was one more than the 2005/06 AAMP.
- **Stations** – One Station Refurbishment and Modernisation has been completed with a further ten awaiting LU approval for delivery into service.
- **Line Upgrades** – Progress on early phases is on schedule. Work plans for signalling and control systems for Jubilee and Northern lines submitted to LUL. Signalling contracts for upgrades have been placed.

### **Metronet SSL**

- **Track** – Completed 4.7 km of track renewal compared to the 4.3 km in the 2005/06 AAMP.
- **Lifts & Escalators** – Three escalators were refurbished compared to the seven in the 2005/06 AAMP.
- **Stations** – Nine Station Refurbishments and one Station Modernisation have been completed to date, on average 27 weeks behind schedule, of which two are still under review. The remaining 8 stations in progress are on average 31 weeks behind schedule.
- **Line Upgrades** – Programme for completing extends to 2018 with interim milestones in 2012 and 2015 with specified performance increases. The progress on this to date is at the stage of initial feasibility and conceptual design for both rolling stock and signalling.

### **Metronet BCV**

- **Track** – Completed 12.6 km of track renewal compared to the 13.6 km in the 2005/06 AAMP.

- **Lifts & Escalators** – Six escalators have been refurbished in the year compared to the 12 in the 2005/06 AAMP.
- **Stations** – The three Station Refurbishments due for completion in 2004/05 have now been completed on average 33 weeks late. One of the 16 stations due for refurbishment or modernisation is currently under review while the other 15 are on average more than 24 weeks behind schedule.
- **Line Upgrades** – The VLU Programme continues to track performance against an early completion programme designed to drive all parties toward a successful, on-time delivery.

## **Surface Transport**

- 4.13 Indirectly Managed capital expenditure in Surface Transport relates to Improvements to the bus fleet and A13 DBFO. The full year outturn is £19m below budget, the result of lower expenditure on bus network fleet improvements of £7m resulting from lower than expected contract price increases from re-tendering. £12m underspend on A13 DBFO caused by the problems the concession have had completing the communications system. This work is not expected to be completed until next financial year and therefore reduced payments will continue.

## **London Rail**

- 4.14 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 Woolwich Arsenal DLR 3 Car Railcars. Currently there is no contractual mechanism in place to capture actual costs therefore the full year numbers reflect budget values. Going forward, options are being looked into as to whether actual information can be obtained.

## **5 OLYMPICS**

- 5.1 The first Olympic Transport Portfolio Report was delivered to the ODA on 4 April 2006 in line with the timescales agreed with TfL and was very positively received. The ODA are proposing that the TfL report format forms the template for reporting by other Olympic delivery agencies.
- 5.2 The report examines current issues related to delivery and how they are being addressed and confirms whether or not the improvements will be delivered to the planned timescales. The information is taken directly from TfL's own reporting which is based on monitoring carried out by the TfL modes which are responsible for the projects and reviewed by 'Oversight' and Group Business Planning and Performance, the latter under the responsibility of the Managing Director, Finance & Planning. The portfolio included in this report was agreed between the modes, Oversight and the ODA and focuses on projects that are critical to transporting spectators to and from the Olympic venues and identified enabling projects that require long lead time Infrastructure works. This portfolio may be refined over time as a result of the requirement by the ODA to report against the Transport and Infrastructure Construction Schedule included in the bid.
- 5.3 For reporting and planning purposes, the projects are divided into two categories:

- Improvements required for the Olympics where TfL was committed to delivering before winning the Olympic bid
- Additional improvements, requiring separate funding, which TfL has committed to as part of winning the bid

5.4 Going forward a timetable is being agreed to align our reporting with the Olympic Management Board (EMB) and the ODA Board meetings. It is therefore intended that in future this report will be updated and issued every month reflecting progress up to the TfL 4 weekly reporting period for which information is available as at the date of the report.

## 6. PROCUREMENT AND EFFICIENCY

6.1 Savings identified during the year as a result of value engineering and similar exercises include:

<b>Construction</b>	<b>£m</b>
Westminster Bridge Facia Replacement	17.9
A 40 Bridge Works	12.1
<b>Consultancy</b>	
North Greenwich Station	0.4
Congestion Charging – Western Extension	3.2
Cross River Transit	2.1
Thames Gateway Bridge	1.9
Victoria Station Upgrade	0.2
West London Tram	0.5
<b>Financing (NPV)</b>	
DLR Woolwich Arsenal Extension	10.0
DLR 3 Car Railcars	6.5

6.2 We have also secured a loan from the European Investment Bank at pricing below that available from the Government backed Public Works Loans Board.

## Projects over £100m


## ANNEX 1

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 period of the Investment Programme).


Total Budget = Budget for the duration of the project


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


<b>LU-PJ03</b>	<b>Sub-Surface Train Capacity</b>	<b>Total Budget = N/A</b> <b>IP = Commercially Sensitive</b>	
<b>Baseline:</b>	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.		
<b>Schedule:</b>	A feasibility study is underway to develop design options and costs for works at four Major Stations (where TWA or major traffic diversion will be required). Survey works are complete at these four stations and survey reports will be delivered in Period 1. Engineering studies and conceptual design have commenced, and these are planned for completion in Period 2. Planning for the TWA Inquiry is underway, and properties are being registered that may require compulsory purchase. A revised programme of works at 12 Minor Stations (not requiring TWA) has been prepared and is under review by Metronet Rail SSL prior to finalising. Planning Documents have been exchanged with the Crossrail project to assess potential interdependencies between the two projects. All efforts of this project are on schedule to deliver the full project on time to the contractually agreed date of February 2015.		
<b>Costs:</b>	Full year expenditure totalled £2.0m against a budget for the year of £1.0m		
<b>Approval:</b>	Current authority was approved on 9 February 2005. The figures are confidential.		


<b>LU-PJ26</b>	<b>Camden Town Congestion Relief</b>	<b>Total Budget = £255m IP = £124m</b>	
<b>Baseline:</b>	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. The Secretary of State has refused the TWA application.		
<b>Schedule:</b>	The preparation of the Over Station Development design brief by Camden Council is expected to be completed by autumn 2006 to be followed by a LU-funded detailed design and full public consultation.		
<b>Costs:</b>	Full year expenditure totalled £3.2m against a budget for the year of £6.6m		
<b>Approval:</b>	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.		


<b>LU-PJ110</b>	<b>Channel Tunnel Rail Link (CTRL) at Kings Cross</b>	<b>Total Budget = £765m IP = £394m (DfT funded)</b>	
<b>Baseline:</b>	King's Cross Congestion Relief (Channel Tunnel Rail Link) covers increased capacity at King's Cross St Pancras. Phase 1 includes an expanded Tube ticket hall and new Western Ticket Hall. Phase 2 includes a new Northern Ticket Hall, step-free access to Metropolitan & Circle lines and links to the new Channel Tunnel Rail Link Terminal. The King's Cross project is funded by the DfT and contracted by London Underground to Metronet.		
<b>Schedule:</b>	Phase 1 installation work is substantially complete for handover of the Western Ticket Hall and Tube Ticket Hall Back of House, however delays have occurred due to problems in commissioning of the management systems, particularly the CCTV and Human Computer Interface (station controls). The remaining works to complete Phase 1 (principally the refurbishment of Met & Circle Line platforms and the St Pancras Chambers Euston Rd façade) are continuing and being rescheduled where necessary to accommodate the slippage in ISA12 handover. Forecast completion of Phase 1 works remains on schedule against the RWA baseline, resulting in an SPI rating of 1.00 despite the issues surrounding ISA12. Phase 2 works are progressing to plan, with no critical issues at present.		
<b>Costs:</b>	Full year expenditure totalled £96.0m against a budget for the year of £110.0m		
<b>Approval:</b>	Authority of £462m approved at London Transport Board on 6 February 2003. Additional authority of £465m was approved at IRMC 20 September 2005. TfL Board approval was received on 26 October 2005 with DfT approval received in December 2005.		

<b>ST-PF39</b>	<b>Congestion Charging Western Extension</b>	<b>Total Budget = N/A IP = Commercially Sensitive</b>	
<b>Baseline:</b>	The objective of the scheme is to further reduce congestion in a wider area of London (a Western Extension) by extending the benefits achieved in the Central London Congestion Charging Scheme.		
<b>Schedule:</b>	Implementation remains on track; all milestones to date have been met. 110 camera base sites (85% of total) have been installed. TfL are still in dispute with the Royal Borough of Kensington and Chelsea on the need for planning permission for cameras but site work to install bases is underway (47 bases and poles have now been installed).		
<b>Costs:</b>	Full year expenditure totalled £21.4m against a budget for the year of £64.8m		
<b>Approval:</b>	The February 2005 TfL Board approved in principle the entering into of contracts required to implement the Western Extension. Board approval for the provision of an appropriate data centre was given in November 2005 (£6.4m).		

<b>LR-PJ01</b>	<b>East London Line Extension</b>	<b>Total Budget = £896m IP = £896m</b>	
<b>Baseline:</b>	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.		
<b>Schedule:</b>	Good progress has been maintained during the period on all major workstreams The Enabling Works – Stage 2 contractor is progressing well with bridge refurbishments & replacements are underway on site. Two tenders were received on 31 March for the main works. A third tenderer declined to tender as a result of difficulties within their consortium structure. The tender evaluation strategy is being reviewed in light of there being no need to deselect from 3 to 2 tenderers. Rolling Stock Best and Final Offer (BAFO) requests were issued to three tenderers on 15 March. Returns were received in April and BAFO assessment has commenced. Meetings have been held with the North London Railway team in London Rail to finalise concession arrangements		
<b>Costs:</b>	Full year expenditure totalled £32.4m against a budget for the year of £ 20.4m		
<b>Approval:</b>	May 2005 – Approval in principle to the entering into of contracts and other expenditure exceeding £100m.		

<b>LR-PJ06</b>	<b>DLR Capacity Enhancement 3 Car</b>	<b>Total Budget = £102m IP = £102m</b>	
<b>Baseline:</b>	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.		
<b>Schedule:</b>	Outline design work for the project continued during the period. The procurement strategy (in conjunction with the Stratford International project) and form of contract are now substantially agreed. An OJEU notice for packages 1 – 5 and 7 were issued mid April. Work continues on site on the Beckton Depot.		
<b>Costs:</b>	Full year expenditure totalled £4.1m against a budget for the year of £4.6m		
<b>Approval:</b>	October 2005: DLR - Capacity Enhancements (3 Car) £1.5m was approved to cover the development and outline design stage. A paper is currently being prepared for funding of the main contract award.		

<b>LR-PJ08</b>	<b>London City Airport DLR Extension</b>	<b>Total Budget = £150m IP = £80m</b>	
<b>Baseline:</b>	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.		
<b>Schedule:</b>	London City Airport Extension opened ahead of schedule on 2 December 2005. The official opening was held on 6 December whilst ridership on the new extension exceeded 10,000 for the first time on 8 December. 23 of the 109 outstanding snagging items remain, and are scheduled to complete by the end of May.		
<b>Costs:</b>	Full year expenditure totalled £8.0m against a budget for the year of £5.6m		
<b>Approval:</b>	No additional approvals are required on this project.		

<b>LR-PJ09</b>	<b>Woolwich Arsenal - DLR Extension</b>	<b>Total Budget = £150m IP = £150m</b>	
<b>Baseline:</b>	The 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.		
<b>Schedule:</b>	Tunnel boring commenced 3 April 2006. Station layout change has been agreed with South Eastern Trains. Land notices have been served.		
<b>Costs:</b>	Full year expenditure totalled £12.9m against a budget for the year of £11.9m		
<b>Approval:</b>	No further approvals 2005/06. Funding for construction is now under a concession agreement value £177m and no further capital funding will be sought.		

## Modal Summary of Capital Expenditure

	Full Year		
	Actual	Budget	Variance to Budget
<b>London Underground</b>			
Investment expenditure	318	376	(58)
Capital receipts/reimbursements	(121)	(142)	21
Property sales	(15)	(13)	(2)
<b>Net Directly Managed Expenditure</b>	<b>182</b>	<b>221</b>	<b>(39)</b>
<b>Surface Transport</b>			
Investment expenditure	273	355	(82)
Capital receipts/reimbursements	(15)	(12)	(3)
<b>Net Directly Managed Expenditure</b>	<b>258</b>	<b>343</b>	<b>(85)</b>
<b>London Rail</b>			
Investment expenditure	101	95	6
Capital receipts/reimbursements	(2)	-	(2)
<b>Net Directly Managed Expenditure</b>	<b>99</b>	<b>95</b>	<b>4</b>
<b>Group Directorates (and Boroughs)</b>			
Investment expenditure	192	233	(41)
Capital receipts/reimbursements	(9)	(30)	21
<b>Net Directly Managed Expenditure</b>	<b>183</b>	<b>203</b>	<b>(20)</b>
<b>Total Net Directly Managed</b>	<b>722</b>	<b>862</b>	<b>(140)</b>
<b>Total TfL</b>			
Investment expenditure	884	1,059	(175)
Capital receipts/reimbursements	(147)	(184)	37
Property sales	(15)	(13)	(2)
Overprogramming (capital)	-	(140)	140
<b>Net Directly Managed Expenditure</b>	<b>722</b>	<b>722</b>	<b>-</b>
Boroughs	(150)	(139)	(11)
Development Expenditure	(54)	(37)	(17)
<b>Total Net Capital Expenditure</b>	<b>519</b>	<b>547</b>	<b>(28)</b>

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