

Investment Programme Report

Second quarter, 2006/07



Cover Image: Artist's impression of the new trains for the London Overground

Transport for London

Investment Programme Report

Second quarter, 2006/07 (25 June – 16 September 2006)

1 Programme Highlights

1.3 The key highlights from the second quarter of 2006/07 were:

- The rolling stock supply and maintenance contracts for the East London Line Extension were awarded to Bombardier on 30 August (a computer generated image of which is shown on the front cover).
- The Waterloo and City line upgrade was re-opened on 11 September.
- 28 (37%) District Line trains have been refurbished and are available for service.
- On the DLR Woolwich Arsenal Extension project the down platform opened to passenger service on 21 August.
- Planning consent for the utility diversion works on the Tottenham Court Road Congestion Relief project was received in August.
- Initial test running on the Victoria ground water cooling trial finished in August.
- The Stratford Regional Station Upgrade scheme has been presented to Treasury, DfT, DCMS and ODA.
- The feasibility design for the Olympic Works at Baker Street has been completed and is being reviewed by LU.
- The Public Information campaign for the Congestion Charging Western Extension was successfully launched in early October.
- Three out of the eight bus lane schemes scheduled for 2006/07 were completed by the end of the second quarter.

Post quarter events

- The new radio system went live on the District Line on 11 October.
- Capita went live with registration of discounts for residents within Western Extension of the Congestion Charge area on 20 October.
- The East London Line main works contract was awarded to a consortium comprising Balfour Beatty and Carillion on 23 October.
- TWA order received for Stratford International on 25 October.
- On Channel Tunnel Rail Link (CTRL) at Kings Cross, Heritage works to St Pancras' Euston Road facade completed on 9 September and the access passage between all London Underground lines reopened on 8 October.




2 Projects (over £100m)

2.1 TfL's Investment Programme focuses on, but is not limited to a range of programmes and projects over £100m, 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).

TfL has established an 'Oversight' function, whose purpose is to provide assurance for the Commissioner on the delivery of the Investment Programme. Oversight has determined a list of 'top 12' and 'top 50' projects which, based on delivery risk, form the basis of programmes and projects within the overall Investment Programme Report.



This section reports on discrete projects with a total cost greater than £100m. Projects identified from the latest 'Oversight' risk categorisation process as being included in the top 12 are identified by an asterisk (*).

For each project, key milestones are given with a forecast date against the current planned date and a Red Amber or Green (RAG) status as follows:

	Delivery on schedule
	Delivery < 3 months behind schedule
	Delivery > 3 months behind schedule

London Underground

2.2 Channel Tunnel Rail Link (CTRL) at King's Cross (*)

Channel Tunnel Rail Link at King's Cross	Current Plan Date	Actual / F'cast Date	RAG
Phase 1 final completion	31-12-2006	31-12-2006	
Phase 2 completion	31-12-2010	31-12-2010	

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.

The main component of Phase 1, the Western Ticket Hall, was successfully opened on 28 May. Heritage works to St Pancras' Euston Road facade completed on 9 September and the access passage between all London Underground lines reopened on 8 October. Completion of Phase 1, including refurbishment of the Metropolitan and Circle Line platforms is on target for completion at the end of December 2006.

Phase 2, including the Northern Ticket Hall, has begun with continuing site surveys and contractor mobilisation on site. Good coordination has been established with other programmes at the King's Cross site. The Phase 2 tunnelling works and excavation of the Northern ticket hall have commenced with the overall project remaining on target for completion in December 2010.

Once the new Channel Tunnel Rail Link is opened, King's Cross station is forecast to be the busiest on the network, serving 82,000 passengers in the morning peak by 2011.

2.3 Victoria Station Upgrade (*)

Victoria Station Upgrade	Current Plan Date	Actual / F'cast Date	RAG
TWA Submission	28-02-2007	30-11-2007	■

Victoria is one of London's main transport hubs and a major employment centre served by Underground, rail and bus, with 68 million people passing through it each year. Victoria is the most congested station on the LU network. Temporary station closure is regularly used to manage access to and congestion within the station, particularly during the morning peak when several closures are a daily occurrence.

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

To minimise potential objections at the TWA Order public enquiry, the current proposed scheme is being amended to avoid conflict with a proposed Land Securities commercial development and the Victoria Palace Theatre. This will result in a delay to the TWA Order application date.

Progress this quarter has included design review and buildability reviews which will result in amendments to the submission of the TWA Order now planned for November 2007. A major ground investigation has been completed. The main works are planned to start in Quarter 4 2009, with utilities diversions starting on site in Quarter 2 2008.

The project completion date is likely to be delayed to Quarter 4 2014.

2.4 Tottenham Court Road Congestion Relief (*)

Tottenham Court Road Congestion Relief	Current Plan Date	Actual / F'cast Date	RAG
RIBA ¹ Stage D design complete	01-06-2006	08-09-2006	complete

Tottenham Court Road station is at the heart of London's West End, and is currently operating in excess of its capacity. It therefore suffers from significant congestion. Demand at the station is forecast to increase, and access to the station would need to be severely restricted to avoid unsafe levels of congestion and operation. The scheme will provide a significantly enlarged ticket hall with improved and additional entrances to the station, additional escalator access to the Northern Line platforms, and improved circulation space and step-free access throughout the station. It will also provide a link into the proposed Crossrail scheme.

Progress this quarter has included the submission of the Planning Application for the utility diversion works. Planning consent was received in August, and the utilities diversion works are planned to commence in January 2007.

The Powers for the new ticket hall are included within the provisions for the Crossrail Hybrid Bill, and work has continued on interfacing and negotiating with various petitioners to the Tottenham Court Road portion of the Bill, and providing support through the Parliamentary Select Committee process. Commencement of the main works on site is now expected in Quarter 2 2008. This Bill now also includes Bond Street Congestion Relief.

¹ Royal Institute of British Architects

Stage D design (initial design) was delayed to include additional work (including lift extensions and relocation of sub-station) required to fully design the project, although this should not affect delivery of the project.

2.5 Tunnel Cooling

LUL Tunnel Cooling	Current Plan Date	Actual / F'cast Date	RAG
Victoria ground water cooling trials complete	31-07-2007	31-07-2007	●

This is a long term programme to reduce ambient temperatures in a number of ways including increased ventilation, improved energy efficiency, and train-based measures. Physical work on the Victoria ground water cooling trial is very near completion and initial test running started in early August is proving effective. Additionally the development of a platform roof mounted air handling unit trial is progressing and three of the respondents to the OJEU notice were asked to tender for the development work on 2 August. The tender review period for a new fan at Liverpool Street is complete.

2.6 LU Line Upgrade – PPP BCV (*)

Line Upgrade – PPP BCV	Current Plan Date	Actual / F'cast Date	RAG
W & C line upgrade complete	March 2007	March 2007	●
Victoria Line – 1 train accepted to run in LU traffic hours	Spring 2009	Spring 2009	●
Victoria Line – Commence rolling stock full production	Summer 2010	Summer 2010	●

The Waterloo and City line was reopened on 11 September and the upgrade is due for completion in March 2007. This was as a result of LU giving permission for a line closure during the summer.

For the BCV network, the first major line upgrade is the Victoria Line. The works include new rolling stock, signalling, control equipment, depot and track.

Train cars are now in production. Testing of the first train is underway. A mock-up of the new style train saloon was sited in Euston Gardens at the front of Euston Station for user acceptance testing between 21 July and 11 August. (Public viewing took place between 5 and 10 August).

Work planned for the next quarter includes work on Signal Equipment Rooms, signalling systems, the Control Centre, depot and track. Work is continuing on cable installation with productivity improving in this area. Line closures for track improvement works are also underway.

A revised completion date of February 2012 for the journey time capability improvement is now targeted by Metronet, however this accelerated delivery date has slipped, primarily due to delays in the signalling component of the project. The contractual date however is August 2013. The plan dates shown in the table above will be reviewed during Quarter 3.

2.7 LU Line Upgrade – PPP JNP

Line Upgrade – PPPJNP	Current Plan Date	Actual / F'cast Date	RAG
Jubilee Line – Delivery of last train	Spring 2008	Spring 2008	●
Jubilee Line – LU acceptance of first section	Summer 2008	Summer 2008	●
Jubilee Line – LU acceptance of entire line	November 2009	November 2009	●

This programme begins with the Jubilee and Northern Line upgrades. The Jubilee Line Upgrade provides for signal and train control replacement to improve the capability of the lines. Completion is due in 2009 for the Jubilee Line, with the Northern Line to follow in 2012.

Transmission Based Train Control is the primary focus of work at present, with the Jubilee Line prototype train conversion behind schedule by 3 months on the accelerated programme. Tube Lines has strengthened its Rolling Stock Team and is reviewing the installation cycle to accelerate progress for a recovery programme. Overall the upgrades remain on track.

2.8 LU Line Upgrade – PPP SSL

Line Upgrade – PPP SSL	Current Plan Date	Actual / F'cast Date	RAG
New rolling stock – Preliminary vehicle design complete	28-02-2007	28-02-2007	●
D78 Stock – 66% of rolling stock refurbished and in service	31-08-2007	31-08-2007	●
Signalling system – preliminary design freeze	31-12-2008	31-12-2008	●

The sub-surface railway (Circle, District, Hammersmith & City and Metropolitan lines) upgrades will provide new and refurbished rolling stock, new signalling and a new control centre.

The SSL Upgrade Programme is currently in Phase 1. On the District Line 28 trains (37%) have now been refurbished and are available for service. The programme is on track to complete by 2018.

2.9 7-Car Circle Line

7-Car Circle Line	Current Plan Date	Actual / F'cast Date	RAG
Surveys/design for platform extensions begin	31-03-2007	31-03-2007	●
Platform extension work starts on site	31-03-2008	31-03-2008	●

This project provides for all the work associated with enabling 7-car operation at the minority of stations where trains are currently restricted to 6-car running. The project also provides an additional new S-stock car to that already being supplied under the SSL Upgrade Programme.

The feasibility study for platform extensions at four stations has identified affordability issues, which are being addressed by the design contractors. There are issues with the signalling interoperability between SSL, JNP and Network Rail but a way ahead is agreed.

London Rail

2.10 East London Line Extension (*)

East London Line Extension	Current Plan Date	Actual / F'cast Date	RAG
Award Main Works Contract	31-05-2007	12-10-2006	complete
Test Running	31-01-2010	14-05-2009	●



Completion	29-06-2010	19-10-2009	●
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The upgraded and extended East London Line is planned to open in 2010 with TfL as the passenger service operator through a joint ELL/NLR concession, termed 'London Overground'. LU will be the infrastructure controller and network operator north of New Cross Gate, with Network Rail the infrastructure controller for the remainder.

The second stage enabling works are well underway and remain forecast to complete in December 2006. The line from Whitechapel to Shoreditch and Shoreditch Station has now been closed to public service in preparation for the demolition of the Great Eastern bridge in 2007. The rolling stock supply & maintenance contracts were awarded to Bombardier on 30 August 2006. The East London Line main works contract was awarded to a consortium comprising Balfour Beatty and Carillion, post quarter end on 23 October.

The project is on track for the ELL to re-open on the scheduled date.

2.11 DLR Bank-Lewisham 3 Car Infrastructure

DLR Bank-Lewisham 3 Car Infrastructure	Current Plan Date	Actual / F'cast Date	RAG
Beckton Depot completion	20-10-2006	30-11-2006	▲
Tender documents to be returned	30-11-2006	11-12-2006	▲
Construction work starts	30-04-2007	09-04-2007	●
Construction/trackwork/signalling complete	30-09-2009	25-09-2009	●
Service operational	31-10-2009	28-09-2009	●

Tendering is underway for the construction contract, which is due to be let in March 2007. Work on the Beckton Depot expansion is due for completion in November 2006, with an additional expansion to service the new Olympic Railcars agreed to follow on.

2.12 DLR Woolwich Arsenal Extension

DLR Woolwich Arsenal Extension	Current Plan Date	Actual / F'cast Date	RAG
Complete up-tunnel	06-09-2006	24-11-2006	▲
Project completion	31-01-2009	31-01-2009	●

The interface with the Network Rail station progressed well and the down platform opened to passenger service on 21 August as planned.

There have been some delays in completing the up-tunnel under the Thames due to the requirement for additional maintenance on the tunnel boring machine for heavy wear. However the lost time can be recovered to allow the completion of the project on schedule. Good progress is being made on the construction of the Woolwich station.

2.13 DLR Stratford International

DLR Stratford International	Current Plan Date	Actual / F'cast Date	RAG
Contract Package 8	01-12-2006	22-12-2006	▲
TWA powers granted	31-12-2006	25-10-2006	complete
Contract Package 7	29-01-2007	29-01-2007	●

Contract Package 6	28-05-2007	10-04-2007	●
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TWA powers have now been granted on 25 October 2006. The ITT has been issued for all three contracts, with the first due to be placed in December 2006. Silverlink operation on the North London Line south of Stratford Regional will cease from December 2006 allowing work to start on the conversion of the railway for DLR operation.

Finance & Planning

2.14 Cross River Tram

Cross River Tram	Current Plan Date	Actual / F'cast Date	RAG
Complete Stakeholder consultation on route options	15-11-2006	15-10-2006	●
Complete review of options post consultation	28-02-2007	28-02-2007	●
Complete public consultation on route options	30-03-2007	30-03-2007	●

Stakeholder consultation on the route options is underway and public consultation is due to start in November 2006. A further public consultation will take place next year on the various depot options. Negotiations are underway with the developer at King's Cross to agree the alignment of the terminus there.

The programme to achieve TWA award now reflects the lessons learnt from the Thames Gateway Bridge project.

2.15 Croydon Tramlink Crystal Palace Extension

Croydon Tramlink Crystal Palace Extension	Current Plan Date	Actual / F'cast Date	RAG
Commence public consultation	31-10-2006	19-10-2006	complete
Commence investigation of options	31-10-2006	31-10-2006	complete
Agree governance and handover strategy with London Trams and Surface Transport	01-10-2006	30-11-2006	▲

The public consultation period will last for a period of 2 months starting in mid October 2006. Following consultation a preferred alignment will be selected to assist the London Development Agency planning application in May/June 2007. The consultation will only cover the Crystal Palace to Croydon extension, as the business case does not support the Crystal Palace to Beckenham extension.

Following close working with the LDA and extensive options appraisal, a compatible Crystal Palace Park / Tram scheme has been agreed to be included in TfL's route options. This will be aligned to the park periphery before terminating adjacent to the bus station on Crystal Palace Parade. TfL will also consult on an on-street option that enters the park from Anerley Hill shortly before reaching the terminus and a hybrid of the other two.

2.16 Thames Gateway Bridge (*)

Thames Gateway Bridge	Current Plan Date	Actual / F'cast Date	RAG
Obtain HM Treasury and PRG approval of outline Business Case	31-12-2006	31-12-2006	●
Issue of OJEC Notice and Pre-Qualification Questionnaire for Concession Contract	31-12-2006	31-12-2006	●
Approval by Secretary of State	30-03-2007	30-03-2007	●
Issue Invitation to Tender	30-05-2007	30-05-2007	●

A public inquiry was held between June 2005 and May 2006 into the planning applications and orders. Decisions on the planning applications and orders from the relevant Secretaries of State are expected by March 2007.

The Outline Business Case (OBC), which sets out TfL's application for PFI credits for the project, will need to be considered and approved by the HM Treasury Project Review Group prior to seeking expressions of interest from potential bidders via an OJEU notice and pre-qualification questionnaire for the project.

2.17 West London Tram

West London Tram	Current Plan Date	Actual / F'cast Date	RAG
TfL Board submission for approval to deposit (TWO) Application	30-11-2006	31-05-2007	■
Deposit (TWO) Application	31-03-2007	31-05-2007	▲
End of objection period	18-05-2007	31-07-2007	▲

The project programme has been revised to reflect the additional modelling and analysis required before the business case can be finalised and Board approval sought for a Transport and Works Act Order application. Gateway reviews have been provided to allow agreement of key data before confirming the next phase of programme. The first of these will be in November to confirm the modelling solution prior to finalising the business case.

2.18 Stratford Regional Station Upgrade (*)

Stratford Regional Station Upgrade	Current Plan Date	Actual / F'cast Date	RAG
Obtain Planning Consent and Powers	31-08-2006	30-11-2006	▲
Complete Scheme definition and programme	30-03-2007	30-03-2007	●

The validated estimate for the Olympic Enhancements is £104m for the capital works; the funding gap remains £54m with discussions ongoing between ODA, DfT and DCMS to resolve. The scheme has been presented to Treasury, DfT, DCMS and ODA, who have agreed that there is no alternative.

The procurement strategy for the implementation has been approved subject to securing the necessary funding. The planning application has now been submitted to the ODA planning committee following public consultations at the station with a decision expected by December 2006. The detail design remains on forecast to complete by March 2007.

The project remains on track to complete in October 2010, ready for the commencement of Olympic trial events in January 2011.

3. Other projects

- 3.1 This section reports on the remainder of the top 12 projects identified from the latest Oversight risk categorisation process which have a value below £100m and are therefore not included in the section above. It also includes other noteworthy projects in the quarter as identified through the Investment Management Review (IMR) process.

London Underground

3.2 Olympic Works (*)

Olympics Accessibility	Current Plan Date	Actual / F'cast Date	RAG
Southfields Design Complete	Summer 2007	Summer 2007	●
Green Park Design Complete	Spring 2008	Spring 2008	●
Baker Street Design Complete	Spring 2009	Spring 2009	●

This project provides step-free access at three Olympic-critical stations; Southfields, Green Park and Baker Street (SSL only). All three stations are at feasibility stage. The conceptual design of Southfields Station has now begun with the ticket hall design ready for review. A parallel study for congestion relief is also under way. The feasibility study for Green Park is ongoing. The feasibility design for Baker Street is complete and being reviewed by LU.

All three station projects are on target for completion in 2008 (Southfields), 2009 (Baker Street) and 2011 (Green Park).

3.3 Connect Airwave (*)

Connect Airwave	Current Plan Date	Actual / F'cast Date	RAG
Contract award	30-06-2006	31-12-2006	■

This project enhances the emergency services communication system on the Underground expanding coverage and capacity. Current progress reflects delays to award of contract, now expected in December, but pre-contract work is under way with on-time completion scheduled in 2008.

Surface Transport

3.4 Congestion Charging Western Extension (*)

Congestion Charging - Western Extension	Current Plan Date	Actual / F'cast Date	RAG
Go Live with Public Information Campaign	20-10-2006	09-10-2006	●
Completion of enforcement infrastructure proving	30-11-2006	22-12-2006	▲
Function, volume and end to end testing complete	08-01-2007	08-01-2007	●
Western Extension Scheme Operation	19-02-2007	19-02-2007	●

The Internal Readiness review was completed in September and concluded that the Western Extension Implementation remains on track to go live in February 2007. The Public Information campaign was successfully launched in early October with Capita going live with registration of discounts for residents within the Western Extension area on 20 October. All

new retail outlets have successfully completed the "Mystery Shopping" test. End to end system testing has started with Capita and their staffing recruitment and training is progressing.

3.5 iBus (*)

iBus	Current Plan Date	Actual / F'cast Date	RAG
System Acceptance	08-12-2006	08-12-2006	●
First Garage Application	04-05-2007	04-05-2007	●
Final Acceptance	21-01-2009	21-01-2009	●

The iBus project is to procure and implement a radio communication and Automatic Vehicle Location (AVL) solution. This will improve quality of information to customer, including on-bus and at bus stops, and reduce the current risk of a system failure.

Progress is being made towards the System Acceptance testing which is scheduled for December 2006. The iBus roll out plan has been agreed with the Bus operators and is being communicated with Siemens, the appointed contractor. A formal iBus Operator Contract is under review with the bus operators defining the migration process, spare buses, training, etc. Migration workshops to minimise the risk of moving from the old radio system to the new are progressing with Siemens.

3.6 A406 Bounds Green (*)

A406 Bounds Green	Current Plan Date	Actual / F'cast Date	RAG
Submit Planning Application	30-11-2006	30-11-2006	●
Commence Construction	30-06-2009	30-06-2009	●
Complete Construction	30-04-2011	30-04-2011	●

The project will make a number of safety and environmental improvements along Telford Rd, Bowes Rd and the North Circular Rd between the A109 Bounds Green Rd/Station Rd and Chequers Way. The preferred "2006 Scheme" was approved by the TfL Board. This scheme is to be progressed on the merit of its environmental and safety benefits. It is anticipated that local objections should be reduced from previous schemes due to the reduced requirement for Compulsory Purchase Orders. Stakeholder engagement has been stepped up in preparation for submitting the Planning Application in November 06 (following TfL Board approval). The scheme continues to forecast completion in April 2011.

3.7 Bus Priority – TLRN Schemes

Bus Priority – TLRN Schemes	Current Plan Date	Actual / F'cast Date	RAG
8 Bus Lane Schemes Completed	31-03-2007	31-03-2007	●

This investment programme covers the preliminary and detailed design, consultation and implementation of physical bus priority measures on the TLRN. The small number of schemes which were carried over from 2005/06 into this financial year are now forecast to be completed by March 2007. Three out of eight bus lane schemes scheduled for 2006/07 were completed by the end of Quarter 2.

3.8 Coulsdon Relief Road

Coulsdon Relief Road	Current Plan Date	Actual / F'cast Date	RAG
Road Open (sectional completion)	23-10-2006	15-01-2007	▲
Substantial Completion and Handover	22-12-2006	12-02-2007	▲
Landscape maintenance completion	22-12-2009	22-12-2009	●

This is a local regeneration scheme involving the development of a relief road to divert up to 80% of traffic away from Coulsdon Town Centre. The discovery of a hitherto undetected and uncharted gas mains pipe at the north junction, following issues arising from ground condition during construction, has introduced further delay to road opening. With its replacement complete the project forecasts road opening to take place mid January, with substantial completion a month later.

3.9 Dial-a-Ride Scheduling System

Dial-a-Ride	Current Plan Date	Actual / F'cast Date	RAG
Complete migration of depots to new system	30-04-06	31-03-07	■
Introduce Mobile Data Terminals in all buses to transmit trip information	30-09-06	30-09-07	■

The implementation of a scheduling and booking system will make more efficient use of vehicles and drivers. This will lead to a reduction in refusal rates, better scheduling leading to increased travel opportunities, improved call answering and same day booking.

An implementation manager has been appointed for the duration of the project and the migration has recommenced with depot 3 (Paddington) planned to go live over the Christmas period. Using this as a model, the remaining three depots will migrate throughout 2007. Discussions continue with the software suppliers, Trapeze, to ensure that it is providing optimum and efficient scheduling. Further testing is planned during period October/November.

4. PPP/PFI Investment

This section reports on performance and contractual issues relating to Indirectly Managed expenditure.

4.1 London Underground

Tube Lines

- Track – completed 7.5km, which is behind the 9.5km planned.
- Lifts and escalators – two escalators were refurbished in Quarter 2.
- Stations – Ten stations from 05/06 are still under review however these are expected to be delivered into service in the next few weeks. One station due in 06/07 has been delivered into service. The remaining 11 are under review.

Metronet SSL

- Track – completed 4.9km of track, compared to the 4.5km in the 06/07 AAMP.
- Lifts and escalators – one escalator has been refurbished in Quarter 2.
- Stations – Of the 10 stations remaining from 05/06, two have been delivered into service and eight are late. None of the 15 stations due in 06/07 have been delivered.

Metronet BCV

- Track – completed 6.0km of track renewal, compared to the 10.6km in the 06/07 AAMP.
- Lifts and escalators – one escalator has been refurbished in Quarter 2.
- Stations – One station due to be delivered in 05/06 is under review. The remaining 14 are late. Of the 13 due in 06/07, one has been delivered into service, 4 are due to be delivered by year-end and the remaining 8 will be delivered later.

4.2 Connect Works (*)

Connect	Current Plan Date	Actual / F'cast Date	RAG
District Line go live	23-10-2006	23-10-2006	●
Hammersmith & City line go live	31-12-2006	31-12-2006	●
Metropolitan Line go live	31-12-2006	31-12-2006	●

Connect is a 20-year PFI contract to upgrade and maintain the radio and transmission system used through the network.

The Fluor (cabling and associated works) enabling works for both the LU and Network Rail stations are now largely complete. The radio system went live on the District Line on 11 October. The Hammersmith & City Line and Metropolitan Line follow, with completion by December 2006.

4.3 Power Works

Power	Current Plan Date	Actual / F'cast Date	RAG
VLU Power Upgrade – award construction contract	30-06-2006	31-10-2006	■
VLU Power Upgrade – Bulk supply points delivered into service	09-03-2009	09-03-2009	●

The negotiation of the terms of the variation for the Victoria Line Power Upgrade with EDF Energy Powerlink has concluded with detailed drafting in progress but the final Authority Notice (AN) to start has not yet been placed due to the timescales required for Powerlink lender approvals and negotiations are currently ongoing. To mitigate further delays, LU has issued an advance purchase instruction to Powerlink to proceed with early works ahead of the full AN signature. The scoping, development and procurement of the SSL line upgrades will re-commence in Quarter 3, 2006/07 subject to the Victoria Line issues having been resolved. The programme is on track to deliver the increased power for the Line Upgrades.

5. Olympics

Progress on TfL's contribution to the London 2012 Olympic Games is reported each period to the Olympic Delivery Authority (ODA). This report has been well received, and is being used by the ODA as a template for the other delivery partner reporting. The latest report is attached as Appendix Three.

6. Investment Programme

The 2007/8 TfL Business Plan was approved by the TfL Board on 25 October, with publication scheduled for November 2006. This will include an updated 5 year Investment Programme and future versions of this report will be updated to reflect that version of the Investment Programme.

7. Investment Programme – Financial Progress

Total Investment Programme Expenditure £ millions	Year to Date		Full Year		
	Actual	Variance to Budget	Forecast	Budget	Variance to Budget
Capital Expenditure					
LUL (after overprogramming) ¹	109	(62)	296	383	(87)
Surface (after overprogramming)	98	4	227	246	(20)
London Rail	76	(21)	170	182	(12)
Group Directorates	10	(3)	41	28	13
Overprogramming (group level only)	-	32		(70)	70
<i>Total Capital Expenditure (after overprogramming)</i>	293	(49)	734	770	(36)
Development & Borough Expenditure	66	(10)	215	210	5
<i>Directly Managed Expenditure</i>	359	(59)	949	980	(31)
<i>Indirectly Managed Expenditure</i>	589	(56)	1,385	1,400	(15)
Total Gross Investment Expenditure	948	(115)	2,334	2,380	(46)

Total Investment Expenditure²

Total Gross Investment Expenditure YTD for the second quarter 2006/7 after overprogramming totalled £948m, £115m below budget with the whole year forecast showing £2,334m, £46m below budget.

Directly Managed (Including Capital Expenditure)

Net Value of Work Done (VOWD) on projects directly managed by TfL (including Development and Borough expenditure) at the end the second quarter was £59m under budget, after overprogramming. The full year forecast is anticipated to be £31m below budget, after overprogramming.

The largest single project in the LU variance is King's Cross CTRL, for which a revised programme was agreed after the budget submission. Both forecast spend and related funding have been decreased by £49m this year. The variance at year end for LU is set to increase due to lower expenditure on station accessibility and congestion relief projects, slightly offset by accelerated expenditure on major power works.

Although Surface Transport capital expenditure is £4m higher than year to date budget, it is forecast to be £20m lower than budget at year end due to less than anticipated project

¹ In a programme as complex as the Investment Programme, TfL recognises that there will be circumstances largely outside of its control which will lead to unforeseen delays and other changes. Overprogramming recognises this fact and enables TfL to mitigate this risk.

² Investment expenditure includes expenditure of a capital nature but which is delivered through PPP, PFI, through the London Boroughs or other contractual arrangements and therefore is treated as operating expenditure in TfL's Statutory Accounts and development work up to Transport Works Act Order.

delivery. London Rail's year to date capital expenditure variance of £21m below budget reflects lower spend on the DLR upgrades and rephasing of the East London Line Extension and is forecasted to be £12m below budget at year end. Although Group Directorates capital expenditure was £3m below budget for the year to date, it is forecast to increase to £13m higher than budget at year end partly due to higher than budgeted expenditure on the Customer Services Integration Project.

Further information on Directly Managed expenditure can be found in the Operational and Financial Report.

Indirectly Managed

Expenditure on indirectly managed projects at the end of the second quarter was £56m below budget with the full year forecast showing an underspend of £15m. Refer to section 4 for detailed information.