

TRANSPORT FOR LONDON

BOARD

SUBJECT: BUDGET FOR 2009/10

DATE: 31 MARCH 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 This paper outlines TfL's annual budget for 2009/10, which is TfL's most ambitious ever. Overall investment is up by almost a third from 2008/9, driven by the Line Upgrade work in London Underground, finalisation of the East London Line extension (due to open in June 2010) and the Crossrail project.
- 1.2 Key investments will complete in the year, including the upgrade of the Jubilee line giving 33 per cent increase in capacity on that line, the completion of work at Kings Cross interchange including the opening of the Northern Ticket Hall, completion of the station works at Oxford Circus, the opening of new London Overground platforms at Stratford, new rolling stock on the London Overground, and the completion of London-Wide Oyster, enabling the use of Oyster Pay as You Go across the National Rail network in London.
- 1.3 The budget also sees a dramatic increase in the resource dedicated to increasing cycling – including the detailed design and award of contracts for the cycle hire scheme, commencement of construction for the first of the new cycle highways and 16km of upgraded cycle routes on the TLRN. Work will commence on the Exhibition Road shared space scheme (part funded by TfL), and the new 'Legible London' scheme will be piloted in a number of locations.
- 1.4 Operational delivery is set to be maintained or improved in most cases, except where necessary service interruptions are required to delivery the Investment Programme activities highlighted above.
- 1.5 This budget is based on the first year of the 2009/10 – 2017/18 published business plan which formed the first year of the Mayor's Budget, updated to reflect changes which have occurred since the business plan was produced, most notably worsening economic assumptions and additional cost pressures arising within the ex-Metronet companies.
- 1.6 Although this proposed Budget for 2009/10 is balanced in itself, there remains a shortfall and further downside risk over the business plan period. This will be addressed as part of the process to revise the overall Business Plan which is anticipated to conclude in the autumn.

2 RECOMMENDATION

- 2.1 The Board is invited to NOTE the contents of the report and APPROVE the 2009/10 budget.

3 CONTACT

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Transport for London

Budget

2009/10



Transport for London

Budget 2009/10

INTRODUCTION

- 1.1 This paper outlines TfL's detailed budget for 2009/10, reflecting both the Mayor's agreed budget for 2009/10 and changes that have arisen since the Business Plan was approved. This budget is TfL's most ambitious ever. Overall investment is up by almost a third from 2008/9, driven by the Line Upgrade work in London Underground, finalisation of the East London Line extension (due to open in June 2010) and the Crossrail project.
- 1.2 Key investments will complete in the year, including the upgrade of the Jubilee line giving 33 per cent increase in capacity on that line, the completion of work at Kings Cross interchange including the opening of the Northern Ticket Hall, completion of the station works at Oxford Circus, the opening of new London Overground platforms at Stratford, new rolling stock on the London Overground, and the completion of London-Wide Oyster, enabling the use of Oyster pay as you go across the National Rail network in London.
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- 1.4 Operational delivery is set to be maintained or improved in most cases, except where necessary service interruptions are required to delivery the Investment Programme activities highlighted above.
- 1.5 Included in the Business Plan were a number of identified risks, some of which have begun to materialise. This has resulted in reduced income assumptions and hence some necessary reductions in expenditure in the 2009/10 Budget.
- 1.6 The budget is presented in two parts. The operating budget includes expenditure related to TfL's operations and investment delivered by others through PPP/PFI type contracts, bus contracts, and funding for schemes delivered by the Boroughs. The capital budget includes investment expenditure on assets that TfL directly manages.
- 1.7 This 2009/10 Budget reflects the new TfL group structure which includes the Metronet activities and Crossrail.
- 1.8 Income is anticipated to be £3,557m, a 4 per cent increase on 2008/09, and operating expenditure is £5,878, also increased by 4 per cent. The Investment Programme is entering a crucial phase, illustrated by planned capital expenditure of £3,124m in the year, a 32 per cent increase on 2008/09.

OPERATIONAL DELIVERY

- 2.1 Passenger journeys are expected to be impacted by the downturn in the economy, with assumed levels of patronage reduced from those within the business plan. Passenger journeys are now forecast to be 1,094m on the London Underground (3 per cent less than the business plan assumption), but are expected to be more resilient on the bus network rising slightly to 2,274m, driven by increased assumptions of travelcard and U16 free journeys.

- 2.2 In terms of service provision, kilometres operated on the buses are forecast to increase by 2 per cent to 488m, although scheduled Underground kilometres decrease by 2 per cent reflecting the scale of the upgrade work impacting the network during the year.
- 2.3 Services operated on the Docklands Light Railway (DLR) will also decrease as a result of planned engineering works, despite the full year impact of opening of the DLR extension to Woolwich Arsenal in January 2009.
- 2.4 TfL is working to maintain levels of customer satisfaction across most categories, despite the impact of further improvement works, demand and congestion.
- 2.5 The operating highlights in the forthcoming financial year are driven by the Mayoral priorities, as published in his 'Way to Go' document published in November 2008. Key highlights are given below, for more detail see Appendix 5.

IMPROVING THE UNDERGROUND

- 2.6 **London Underground** - The Mayor has outlined his priorities to improve the Underground, which includes the largest investment plan for 70 years, to deliver around 30 per cent increase in capacity of the Tube, including new signalling systems, 191 air-conditioned trains on Metropolitan, Hammersmith & City, District and Circle lines and more work on cooling the Tube. The upgrade of the Underground network continues with an improved service on the Jubilee Line, along with new trains on the Victoria line.
- 2.7 **Metronet** - The transfer of Metronet Rail (MR) into the TfL Group has meant considerable change for the way MR plans. In particular, their priorities are not exclusively to deliver compliance with the specification of the PPP Contracts but also to optimising benefit from fixed funding available.

EXPANDING THE OVERGROUND

- 2.8 **London Overground** - The first of the new rolling stock on the London Overground network will go into passenger service during the year. The new trains are needed to accommodate the growing number of passengers on the Overground.
- 2.9 The infrastructure improvement works on the North London Railway have started, with Network Rail selected as contractors to deliver the civil and signalling works. The programme of works is anticipated to be completed in 2011.
- 2.10 To enable Network Rail to undertake the works safely and efficiently, there will be temporary closures on various parts of the Overground network over the course of the year.
- 2.11 **DLR** - DLR is currently at the most difficult point of its rebuilding and extension projects. As a consequence there are significant restrictions in place on the operational infrastructure. These restrictions are gradually being removed, and the benefits of the investment will materialise over the course of the coming years.
- 2.12 **DLR Woolwich Arsenal Extension** - The newly opened DLR extension to Woolwich Arsenal will deliver improved transport links, connecting Woolwich to London City Airport in 6 minutes, Canary Wharf in 20 minutes, Stratford in 23 minutes and Bank in 28 minutes. In the peak period, trains will leave every 6 to 7 minutes.
- 2.13 **Oyster card** - The programme to roll out Oyster pay as you go on National Rail will continue.

GETTING LONDON MOVING

- 2.14 **A New Bus for London** - The procurement process for the design, prototyping and manufacturing contract for the New Bus for London commenced. The Official Journal of the European Union (OJEU) notice was recently issued.

ENCOURAGING MORE CYCLING

- 2.15 **Cycling** - The Mayor has outlined his priorities to deliver a step change in the number of people cycling, and TfL will be more than doubling expenditure on walking and cycling initiatives in 2009/10 accordingly. This includes work to launch a full-scale central London cycle hire scheme by 2010 in partnership with nine London boroughs, and creating dedicated routes that give nervous cyclists the confidence they need, two of which will be constructed during the year. The priorities also include a big increase in cycle stands and secure parking for cyclists, helping to create cycle hubs and hire schemes in the outer boroughs, and considering the possibility of allowing cyclists to turn left on a red signal.

IMPROVING THE URBAN ENVIRONMENT

- 2.16 **Walking** - Among improvements for walkers will be better information for pedestrians. This includes the innovative 'Legible London' scheme which will be piloted in a number of locations, in addition to removing guardrails and other obstacles where appropriate.

EFFICIENT AND EFFECTIVE DELIVERY

- 2.17 **Operating Cost Reduction** - The Operating Cost Reduction (OCR) Programme will continue with the implementation phase commencing in 2009/10, driving out £62m in net savings as part of the plan to deliver at least £2.4bn by 2017/18. Consultation with staff and the Trade Unions has commenced on planned reductions of roles in London Underground (including the former Metronet companies). These reductions are to come from non-operational roles. London Underground will move to the new structure as soon as possible once the consultation period has concluded. TfL aims to avoid redundancies by focusing on filling roles currently held by temporary staff and consultants with permanent staff; through redeployment processes; and by maximising the opportunities for displaced staff in other areas of the organisation such as Crossrail.

INVESTMENT DELIVERY

- 3.1 Key areas of Investment activity in 2009/10 are shown below, for more detail see Appendix 5:

IMPROVING THE UNDERGROUND

- 3.2 **London Underground Upgrades** - London Underground will continue the biggest transformation in the Tube's history, including improvements to track, trains, signals and stations.
- 3.3 **Line Upgrades.** The Upgrade of the Jubilee Line will be complete, increasing capacity by a third. Substantial work will be conducted on the Victoria line upgrade, including the completion of additional power work, track works and the first new train in passenger service as the first major step in delivering the upgrade to customers. On the sub-surface lines the first new train will be delivered for testing and work done on signalling and train control systems. Within the Tube Lines PPP work on future upgrades on the Northern and Piccadilly Lines will continue, including conversion of 50 per cent of Northern Line Trains in preparation to interact with new signalling, and a supplier for the new Piccadilly Line rolling stock selected.
- 3.4 **London Underground Stations** - The interchange works at King's Cross will be completed with the Northern Ticket Hall opening to the public. This new ticket hall provides significant extra

room, caters for increased demand from high-speed services and should lessen the chance of station closures when services are disrupted. Additional modernised and refurbished stations will be delivered during the year, including the completion of station works at Oxford Circus. Work will start on modernisations at Marble Arch and Notting Hill Gate. Refurbishments will be completed at Canons Park and Edgware. Building of Step Free Access schemes will begin at Kingsbury, Osterley, Ladbroke Grove, West Kensington, Amersham, Newbury Park and Southfields.

- 3.5 **Tottenham Court Road** - Preliminary work is underway for the redevelopment of Tottenham Court Road station in order to increase capacity of the Underground station and accommodate Crossrail. This redevelopment, which is due to be completed by 2016, will deliver an enlarged tube ticket hall nearly six times the size of the current one. This will also include new station entrances and additional access points to the Northern and Central line platforms; additional escalators; and five new lifts providing step-free access. Demolition of a number of compulsorily purchased properties is scheduled to finish in mid-2010. A programme of utility diversions and other preliminary works is well underway and will continue into 2009/10.

EXPANDING THE OVERGROUND

- 3.6 **London Overground** - TfL, along with the Olympic Delivery Authority and Network Rail, are providing funds to upgrade tracks and signalling on the Overground network. These works are being carried out by Network Rail and will enable TfL to run more frequent and reliable services on all routes from 2011.
- 3.7 Work continues on the East London Line extension, which from June 2010, will run from Dalston Junction in the North to New Cross, Crystal Palace and West Croydon in the South.
- 3.8 **DLR Upgrades** - Construction work continues on upgrading the DLR infrastructure to allow 3 car operation on the North Route, Bank to Lewisham and Poplar to Woolwich Arsenal. The Delta Junction grade separation will be completed; this will remove a significant timetabling constraint on the DLR, releasing more capacity and provide additional resilience for service recovery.
- 3.9 **DLR Extensions and New Services** - The DLR Stratford International extension will see new platforms at Stratford brought into service for London Overground and the completion of construction on the new DLR stations at Star Lane and Canning Town.
- 3.10 **London Rail New Technologies** - The London Wide Oyster Implementation project will see Phase 2 of the implementation complete. This project will enable the use of Oyster pay as you go across the National Rail network in London.

CROSSRAIL

- 3.11 **Crossrail** - The 2009/10 Budget includes TfL's commitment to deliver Crossrail. The delivery of Crossrail in 2017 is a key part of TfL's plans to deliver services to support the growth of London. In particular, Crossrail will increase London's total rail transport capacity by 10 per cent (21 per cent for the City and 54 per cent for Canary Wharf), encourage regeneration and boost the job market in many areas of London, including the West End.
- 3.12 The Crossrail Act 2008 gave Crossrail and London Underground permission to start the main construction works at Tottenham Court Road. The works are complex and take place at an important crossroads in a very busy part of London. Preparatory work to allow the rebuilding of the station has begun, with significant works being undertaken to divert utilities. Demolition works will begin shortly, with the construction works of the new station commencing in Spring 2010.

GETTING LONDON MOVING

- 3.13 **Co-location of Control Centres** - The construction and fit out of a combined control centre in Palestra will be completed and become operational during the year. This will co-locate the London Buses' Network Operations Centre, London Streets' Traffic Control Centre and the Metropolitan Police Traffic and Transport Control Centre.
- 3.14 **East London Transit** - Construction will continue on the East London Transit (ELT) Phase 1a. The high capacity bus system will run from Ilford to Dagenham Dock via Barking Town Centre. It will boost services for local residents and support the regeneration of East London, particularly by encouraging housing development.
- 3.15 **Bus Garages** - The new bus garage at West Ham will be completed and become operational.
- 3.16 **Road network improvements** - Construction will commence on the Western Avenue Footbridge and at Gants Hill. 2009/10 will also see 255,000m² of carriageway and 60,000m² of footways resurfaced.

IMPROVING THE URBAN ENVIRONMENT

- 3.17 **Exhibition Road** - TfL will be contributing to the Exhibition Road shared space scheme, which is intended to transform one of London's key visitor attractions into a high quality, user-friendly space. Work will start on the scheme in 2009/10 with a view to completion by the end of 2011. Delivery will be by the Royal Borough of Kensington and Chelsea and Westminster City Council.
- 3.18 **Oxford Circus** - TfL will provide a contribution of £4m to the New West End Company (NWEC) and Crown Estates for a major makeover of Oxford Circus, to reduce clutter and increase usable space for pedestrians by more than 60 per cent.

ENCOURAGING MORE CYCLING

- 3.19 **Cycling** – As highlighted above the 2009/10 budget contains a significant increase in cycling expenditure. The major activity for the year is to develop a central London cycle hire scheme, due to start operation in 2010. In addition an additional 16km of cycle routes on the TLRN will be delivered during the year. Work will start on designing the cycle highways, of which two are planned to be delivered by 2010.
- 3.20 On the Olympic Cycle Network, the design of 8 new or improved cycle greenway routes (shared with walking), cycle parking and route signage will be completed and implementation commenced.

BY THE RIVER

- 3.21 **Oyster** - London River Services is working with operator Thames Clippers on the introduction of Oyster to river passenger services. Firm costs are being obtained from our ticketing partners, and a commercial proposal is being made to Thames Clippers. The earliest date for implementation is July 2009.

IMPROVING THE JOURNEY EXPERIENCE

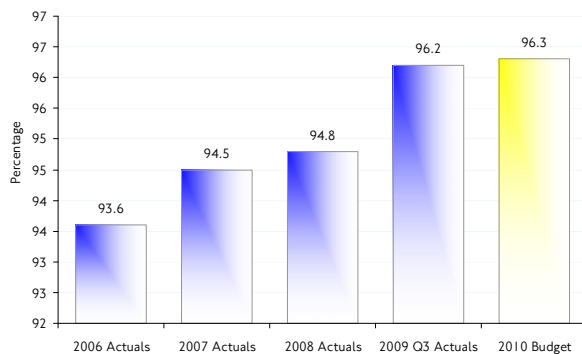
- 3.22 **Making public transport safer** - TfL is increasing the number of police officers on buses, trains and at suburban stations; devoting more resources to tackling illegal minicabs; introducing more knife scanners at transport hubs and trialling live CCTV on buses.
- 3.23 **London Underground Rolling Stock** - The new S stock fleet will be entering service from 2010 on the Metropolitan line and will be the first on the Tube to have air conditioning. The new trains will also be more spacious and will have enhanced accessibility features. New trains will also enter service on the Victoria line.

- 3.24 **London Underground Tunnel Cooling** - Tunnel cooling works will continue with a programme of major vent works on the Victoria line.
- 3.25 **Dial-a-Ride** - 30 large vehicles in the Dial-a-Ride fleet will be replaced during the year.
- 3.26 **London Rail Rolling Stock** - The 24th and final new DLR railcar for the Woolwich Arsenal extension and 3 car operation will be delivered and enter service. All of the additional 9 DLR railcars for the Stratford International service will be delivered and will be in service. In addition 7 DLR railcars will be received to provide for the increased service during the 2012 Games.

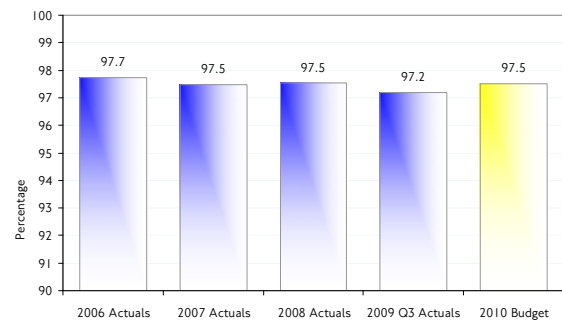
PERFORMANCE OUTCOMES

Supporting Economic Development

Scheduled Services Operated – London Underground

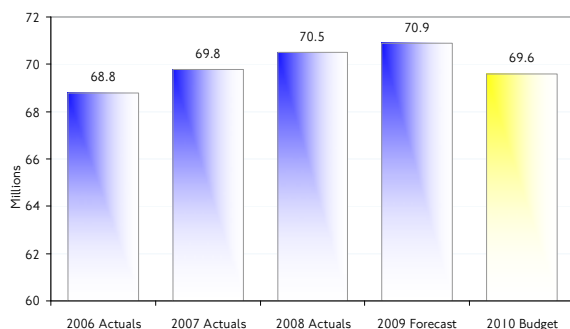


Scheduled Services Operated – Buses

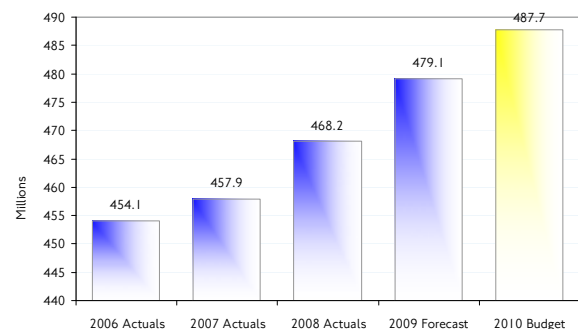


- 4.1 In 2009/10 London Underground is expected to operate at least 96 per cent of its scheduled services. The service will include the introduction of new rolling stock on the Metropolitan Line. The London buses scheduled services operated are expected to be maintained to 97.5 per cent.

Kilometres Operated – London Underground



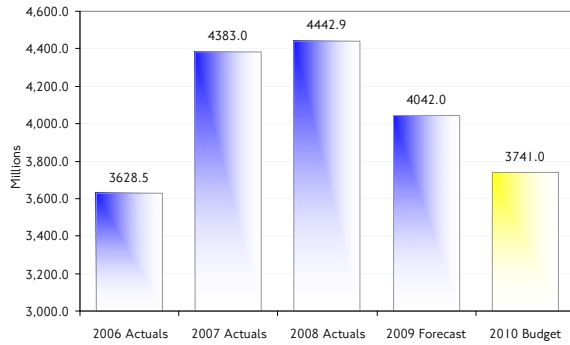
Kilometres Operated – Buses



- 4.2 Overall kilometres operated on the London Underground are budgeted at 69.6m in 2009/10, 1.3m or 2.0 per cent less than forecast for 2008/09. This reduction is due to anticipated engineering possessions for the Jubilee and sub-surface line upgrades.
- 4.3 Bus kilometres operated are targeted to rise by 2 per cent to 488m, from 479m kilometres forecast in 2008/09. The introduction of iBus will enable operators to know exactly where the buses are and improve management of high frequency routes. This 2009/10 target is based on contractually agreed levels of service which have been calculated based on the number of

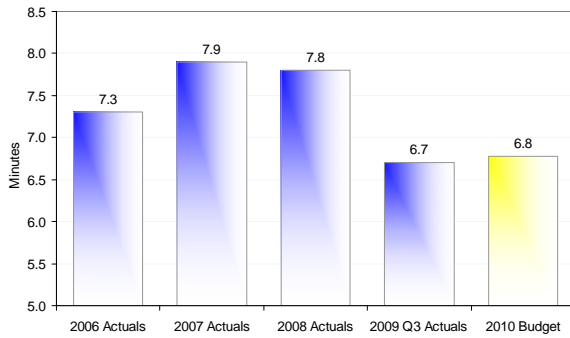
available buses, the volume of expected road closures during the year and the expected level of congestion.

Kilometres Operated – Docklands Light Railway



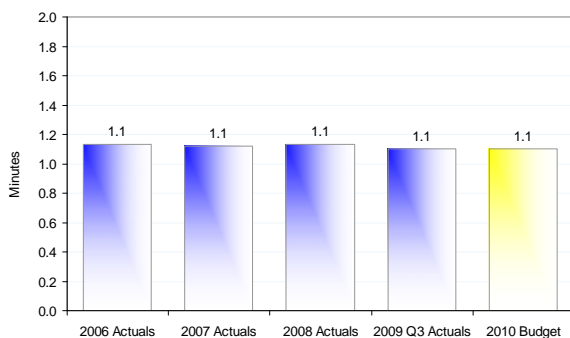
4.4 Docklands Light Railway is expected to operate 3.7m kilometres in 2009/10 which is 8 per cent lower than the anticipated level for 2008/09. This is due to the engineering possessions for upgrade works, specifically the 3 Car Upgrade and Stratford International Extension.

Excess Journey Time – London Underground

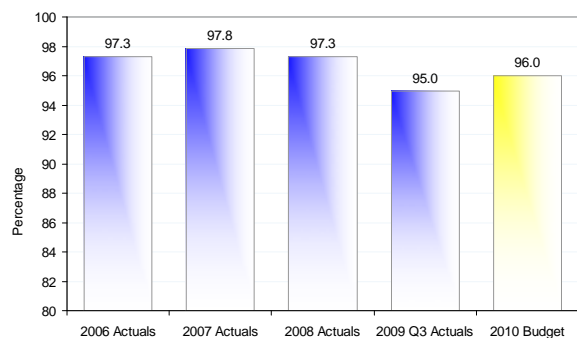


4.5 During 2008/09 LU has only experienced one severe network wide disruption with heavy snow in February, which is considered to be exceptional. The target for 2009/10 has been determined taking into account improved underlying performance levels and expected network disruptions due to anticipated engineering possessions for the Jubilee and sub-surface line upgrades.

Excess Wait Time - High Frequency Routes – Buses



On Time Performance – Docklands Light Railway



- 4.6 Excess wait times on high frequency bus routes are expected to remain at the historically low level of 1.1 minutes. This is in line with previous years despite the increased traffic congestion levels. The improved level of performance will be achievable following the introduction of iBus. The network is continuing to expand and an increased number of bus kilometres have been targeted for 2010. The target has been determined after taking a range of operational factors into account.
- 4.7 Docklands Light Railway is targeted to operate in excess of 96 per cent of trains on time which is in line with its contractual obligations.

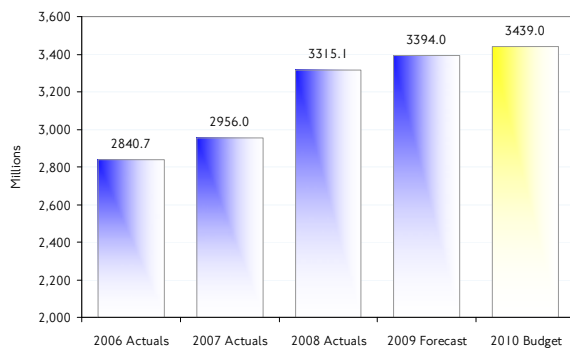
Quality of Life

- 4.8 London Underground is targeted to maintain the overall customer satisfaction score of 79 points, despite on-going disruption due to PPP works.
- 4.9 London Buses also anticipate maintaining the customer satisfaction score of 80 points. Benefits of iBus on part of the fleet are expected to be offset by more traffic congestion and associated delays from crowding on the network.
- 4.10 The target customer satisfaction score for the DLR in 2009/10 is 90 per cent, which is in line with the contractual obligations. London Overground’s National Passenger Survey target for 2009/10 is 73 per cent.

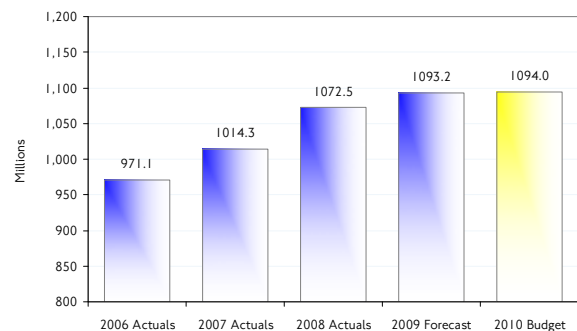
Passenger Demand

- 4.11 Total passenger journeys for London Underground, DLR and Buses are expected to be 3,439m in 2009/10. This is 45m or 1.3 per cent more than 2008/09 (Period 9 Forecast). This mainly relates to 40m more journeys on the bus network and 4m more journeys on the DLR.

Total Passenger Journeys (LU, Buses & DLR)

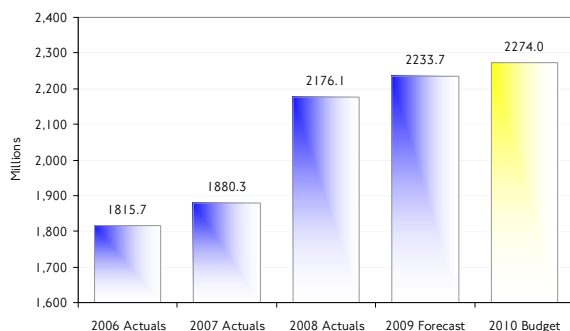


Passenger Journeys - London Underground

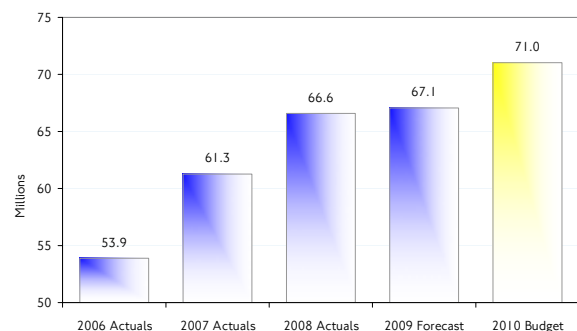


- 4.12 Demand on the London Underground is expected to show no real increase on 2008/9 levels. The economic downturn is expected to result in the end of the growth seen in previous years.

Passenger Journeys – Buses

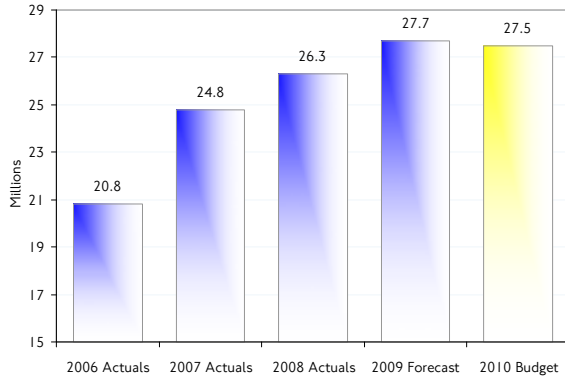


Passenger Journeys – Docklands Light Railway



- 4.13 London bus passenger journeys are expected to be 2,274m in 2009/10, 40m or 1.8 per cent more than in 2008/09. Further improvements in service will be delivered through the iBus project.
- 4.14 The Docklands Light Railway is forecast to carry 67.1 million passengers in 2008/09. Passengers are expected to make 71 m journeys in 2009/10, 4m or 5.9 per cent more than in 2008/09.

Passenger Journeys – London Tram Link



- 4.15 London Tram Link is expected to make 27.5m journeys in 2009/10 which is 0.20m or 0.7 per cent lower than the journeys in 2008/09.

OPERATING AND CAPITAL FINANCIAL BUDGET 2009/10

- 5.1 TfL produces a separate operating and capital budget. This enables TfL to ensure that recurring income is sufficient to cover its recurring costs and therefore that borrowing is only for investment. It continues to be important to demonstrate sound financial management to investors in TfL’s bonds and the rating agencies.
- 5.2 TfL’s overall budget is shown in the Table 1 below. A detailed breakdown of the budget by business unit is provided in Appendix 1, and by activity with detailed descriptions of deliverables in Appendix 5.
- 5.3 Changes since the approval of the Business Plan by the TfL Board on 5 November 2008 result from changes in the timing and scope of Investment Programme projects, and other changes in estimated income and cost.

Downturn in the Economy

- 5.4 The impact of a downturn in the London economy would principally affect the number of passengers travelling on fare paying modes of transport, primarily linked to economic activity (i.e. commuting), but also social and recreational trips which may be suppressed should disposable income fall significantly. The fare income assumptions used in the preparation of the budget have been revised, in the light of worsening economic forecasts since the time the Business Plan was compiled.

Metronet

- 5.5 Following a detailed review of Metronet the capital expenditure has been increased in 2009/10 from the figure included in the Business Plan. The inherited cost of Metronet’s work programme following the transfer of the undertakings to TfL is significantly higher than planned due to Metronet’s failure to complete work in the periods prior to the administration, and the uneconomic and inefficient nature of the previous organisation. This amounts to almost £400m

of additional cost over the next 3 years compared to the Business Plan. This has been offset by reductions and rephasing of other LU capital expenditure.

- 5.6 LU is systematically developing more rigorous work programmes and addressing structural inefficiencies through the Operating Cost Review. TfL will continue to bear the cost of the repercussions of previous work having been left undone and having been performed in an uneconomic and inefficient manner.

Increases in Cycling Investment

- 5.7 The Mayoral commitment to a step change in cycling has resulted in an accelerated spend on the Cycle Hire scheme in 2009/10 in order to launch the scheme in May 2010. In addition, work will commence to develop cycle highways in 2009/10.

Operating Cost Reduction (OCR) Programme Savings

- 5.8 Following a review the Business Plan contained £2.4bn of savings to support delivery of commitments within available funding levels. As a result of this work a number of changes are being made to TfL's structure, which will provide a platform for delivering the necessary cost savings. At the time the Business Plan was published all OCR savings were held centrally within Group Items. To ensure delivery the process has begun to incorporate these savings into Modal budgets.

Crossrail

- 5.9 Since the Business Plan was published Crossrail has become a fully owned subsidiary of TfL. The Crossrail figures in the Business Plan consisted of the funding that TfL were responsible for passing to Crossrail. The 2009/10 Budget includes the full expenditure of Crossrail which includes additional expenditure funded by the DfT.

Other Changes including the timing and scope of projects

- 5.10 As a result of the economic downturn and cost pressures in Metronet, expenditure has been adjusted to affordable levels. In London Underground this has meant a review of the phasing and scope of projects and programmes, including deferral and reduction in quantity of Metronet station projects, and not proceeding with a scheme to provide step free access to sub-surface lines at Baker Street.
- 5.11 The impact of the reduction in Surface Transport includes cancellation of the Greenwich Waterfront Transit project following consultation with local residents and a review of its business case following the cancellation of the Thames Gateway Bridge project.
- 5.12 Changes in project timing have resulted in reduced forecast 2008/09 expenditure, materialising after the second quarter. The expenditure on these additional items in 2009/10 will be funded from earmarked reserves carried forward from 2008/09. In addition the overall timing and scope of other planned Investment Programme projects has reduced proposed Capital Expenditure in 2008/09 and correspondingly increasing levels of expenditure in 2009/10.
- 5.13 Corporate overheads were included in the Business Plan in the Group Directorates where the costs are managed. These costs are included in the 2009/10 Budget in the Modes who received the service. This amounted to £118m of costs transferring from the Group Directorates.
- 5.14 TfL's 2009/10 budget incorporating the financial impact of the changes highlighted above is shown in Table 1.

Table 1: Operating and Capital Budget

£m	2008/09 Forecast at Quarter Three (restated)	2009/10 Budget		
		Plan Submission Nov 2008	Net Amendments	Budget Submission Mar 2009
Income				
London Underground	(1,758)	(1,890)	65	(1,825)
Surface Transport	(1,521)	(1,599)	40	(1,559)
London Rail	(118)	(144)	8	(136)
Group Directorates	(34)	(36)	(1)	(37)
	(3,431)	(3,669)	112	(3,557)
Operating Expenditure				
London Underground and Metronet	2,412	2,426	79	2,505
Surface Transport	2,607	2,673	3	2,677
London Rail	270	358	(36)	322
Group Directorates	368	576	(201)	375
	5,657	6,033	(155)	5,878
Gross Margin	2,226	2,364	(42)	2,322
Capital Expenditure				
London Underground and Metronet	1,249	1,466	(17)	1,449
Surface Transport	251	262	58	320
London Rail	552	530	(51)	479
Group Directorates	70	72	4	76
Crossrail	344	617	429	1,046
Overprogramming	(96)	(181)	(65)	(246)
	2,370	2,766	358	3,124
Capital Receipts & Reimbursements				
London Underground	(135)	(91)	(13)	(104)
Surface Transport	(18)	(31)	(3)	(34)
London Rail	(10)	(4)	(10)	(14)
Group Directorates	(3)	(26)	25	(1)
Crossrail	-	-	(8)	(8)
	(166)	(152)	(9)	(161)
Capital Income (incl. property sales)	(23)	(45)	25	(20)
Group Items				
Investment Income	(100)	(64)	44	(20)
Debt Servicing	186	166	-	166
Contingency & Group Items	23	36	28	64
Net Service Expenditure	4,516	5,071	404	5,475
Transport Grant (incl. GLA Precept)	3,100	3,048	182	3,230
Prudential Borrowing	1,067	1,100	-	1,100
Working Capital and Reserves	349	923	222	1,145
Total Funding	4,516	5,071	404	5,475

Numbers may be subject to rounding

BALANCE SHEET AND CASH

Table 2: Balance Sheet

£ m	Forecast 31 March 2009 (adjusted)	Movement during 2009/10	Budget 31 March 2010
Fixed Assets	18,865	2,600	21,465
Current Assets	2,469	(1,080)	1,389
Current Liabilities	(1,896)	(110)	(2,006)
Long Term Liabilities	(14,237)	(3,222)	(17,459)
Total Net Assets	5,201	(1,812)	3,389
		-	
Earmarked Reserve	1,121	(962)	159
Pension Reserve	(606)	-	(606)
General Fund	161	-	161
Other Reserves	4,525	(850)	3,675
Total Capital Employed	5,201	(1,812)	3,389

Numbers may be subject to rounding

- 6.1 The increase in fixed assets from the 31 March 2009 forecast position consists of the directly managed capital expenditure of £3,124m in addition to £236m delivered through the Tube Lines PPP contract. Depreciation and disposals total £760m for the year.
- 6.2 The increase in long term liabilities includes the additional £1,100m prudential borrowing forecast during the year, an increase of £181m in the amounts owed through the PPP contract with Tube Lines and an increase in Deferred Grants of £1,839m.
- 6.3 Reserves of £1,812m are being utilised to fund capital expenditure in 2009/10, which includes funding the projects re-phased from 2008/09. A detailed balance sheet is included as Appendix 2.

Table 3: Cash Summary

£ m	2008/09 Forecast	2009/10 Budget	Change
Net Revenue Expenditure	(2,335)	(2,532)	(197)
Working Capital Movements	319	(147)	(466)
Cash Spend on Operating Activities	(2,016)	(2,679)	(663)
Net Capital Expenditure	(2,347)	(3,104)	(757)
Working Capital Movements	154	222	68
Cash Spend on Capital Activities	(2,193)	(2,882)	(689)
Funded by:			
Transport Grant	3,088	3,218	130
Precept Funding	12	12	-
Prudential Borrowing	1,067	1,100	33
Third Party Contributions	166	161	(5)
Total Funding	4,333	4,491	158
Net Movement in Cash	124	(1,069)	(1,194)
Opening Cash	1,904	2,028	(124)
Closing Cash	2,028	957	(1,071)

Numbers may be subject to rounding

- 6.4 Budgeted cash balances at 31 March 2010 of £957m represent a reduction of £1,071m from those forecast to be held at 31 March 2009 (based on the Quarter 3 forecast). The budget will be adjusted in light of TfL's actual closing position as reported in the 2008/09 statutory accounts.

OPERATING COST REDUCTION PROGRAMME

- 7.1 In January 2008, TfL started conducting a further major review of operating costs, focusing both on the control of overheads and further exploitation of efficiencies within its operations.
- 7.2 The review has focused explicitly on identifying opportunities to reduce or remove operating cost from the business, with items prioritised for the initial phase focusing primarily on back-office and non-operational expenditure areas.
- 7.3 The result of the review has identified opportunities which will realise at least £2.4bn net savings by 2017/18, and £62m net savings in 2009/10.

Table 4: Overall TfL Efficiency Savings over Budget Period

New Efficiencies Programme (09/10-17/18)	2009/10 Budget
All Figures in £m	
Savings from cost review	151
Cost review implementation expenditure	(88)
Net Total Savings	62

- 7.4 Key areas where savings have been identified include:
- Review of the organisational structure with the aim of reducing duplication across TfL;
 - Reducing overall levels of cost for Business Support (HR, Procurement, Finance, etc.), Marketing and Strategy & Policy functions;
 - Opportunities for better managing external spend and ensuring value for money procurement (commercial arrangements, contract procurement, use of temporary staff and consultancy); and
 - Building on specific opportunities identified within modal areas.
- 7.5 The expenditure of £88m primarily reflects ongoing IM investment and some one-off implementation costs.

STAFF

- 8.1 Overall the staff numbers are increasing by 80 FTE. This is mainly due to the increased FTEs in London Underground operational staffing partially off set by reduction within other modes.

Table 5: Total Staff

Full Time Equivalent (FTE) staff	Forecast at Qtr 3 for 31 March 2009	Budget 31 March 2010	Change
London Underground and Metronet	21,428	21,699	271
Surface Transport	4,517	4,434	(83)
London Rail	273	255	(18)
Crossrail	n/a	418	n/a
Corporate Directorates	2,719	2,629	(90)
Total Staff Employed (FTE)	28,937	29,435	80

London underground is expressed as FTEs and Metronet is expressed as headcount

- 8.2 The increase within London Underground (including ex-Metronet) staffing numbers mainly relates to additional staffing to deliver additional services, most notably the Jubilee Line Upgrade timetable enhancement, King's Cross Northern Ticket Hall coming on stream. London Underground is currently undergoing an Organisational Change Process (OCP) to integrate Metronet. This is subject to on-going consultation and is not reflected in these staffing numbers.
- 8.3 The staff decrease within London Rail is primarily connected to the progression of the East London Line Extension Project.
- 8.4 Within Surface Transport, the principal staffing level decreases are in London Streets. London Streets has undergone a re-organisation which will facilitate a more comprehensive management planning approach to the delivery of Small Schemes and projects on the Transport for London Road Network. Congestion Charging and Traffic Enforcement has also undergone a restructure in order to reduce costs, eliminate duplication and improve efficiency following the merger of these two separate directorates.
- 8.5 Across the Corporate Directorates the staffing reductions are mostly within Planning, Finance and Group Marketing and Communications.
- As a consequence of the current Mayoral priorities and the pressure on TfL funding, projects that were being developed by the Major Projects Business Unit (MPBU), including the Thames Gateway Bridge, Cross River Tram, London Tramlink Extension and the Busway Transit were

terminated. The Planning directorate is undergoing a re-organisation to focus on delivery of core planning activities including the revision of the Mayor's Transport Strategy and sub-regional planning.

- The decrease within Group Marketing and Communications can largely be attributed to the reduction of call centre personnel. This is mainly due to the introduction of a new telephony system implemented as part of the Customer Services Transformation project.

RISKS AND OPPORTUNITIES

- 9.1 To assure delivery of the 2009/10 Budget, TfL senior management identifies and evaluates possible risks that may materialise and have a material impact on delivery. It also ensures that appropriate actions and resources are in place to manage those risks, and reduce the impact should any occur. Safety risk is dealt with separately as part of the management of the Safety Case, but strategic and operational risks, and opportunities are dealt with as part of the business planning and performance monitoring processes.
- 9.2 Risk management is the recognised responsibility of all managers within TfL. While all strategic risks are owned by the Commissioner, strategic risk management, in line with the policy approved by the Board, is fully integrated with the risk management arrangements in place within the modes and directorates. Activities underway, or in development, that will further mitigate the risks are also documented, including requisite action plans.
- 9.3 A number of risks have been identified to the 2009/10 Budget including:
- Downturn in the London Economy
It is TfL's practice to set group-wide assumptions on economic growth based on credible external forecasts of the time. Since the Business Plan was published the economic situation has changed significantly, and the forecast assumptions underpinning the plan have changed accordingly. The revised forecast assumptions have been factored into the 2009/10 budget and will be kept under review. Overall income levels will continue to be impacted by the continuing downturn in the London economy.
One of the most important drivers of TfL's cost and revenue is inflation, which affects (directly or indirectly) lower fare income, contract costs, wages and construction costs. The extreme variability and unpredictability of RPI over the next three years poses a real risk.
 - Ability to deliver Operating Cost Review (OCR) savings
Timely delivery of the organisational and other changes required to realise the £62m savings in 2009/10 as part of the cumulative savings target of £2.4bn by 2017/18.
 - Increase in electricity and fuel costs
Volatility in future costs, although there is some mitigation to the extent that these are borne by contractors rather than TfL directly.
 - Wage negotiations
TfL had a 3 year negotiated wage settlement which concluded in 2008/09. A risk therefore exists that future settlements will be higher than budgeted.
 - Capital Expenditure
Project expenditure is subject to issues outside TfL's direct control such as planning permission and other stakeholder agreements. In recognition of this, and the many hurdles that projects in complex environments face, TfL has included overprogramming of £246m in the budget for 2009/10. This includes an allocation of £137m to London Underground and Metronet and £58m to Surface Transport with the remainder held at a Group level.

To date, the level of overprogramming has proven to be realistic. However, as the work programme moves into a higher gear the current level of overprogramming may be seen as overly aggressive. If so, adjustments will be made during the next Business Planning round in the Autumn. Overprogramming allows TfL to maintain a full programme of committed work, yet ensuring the funds allocated are fully utilised.

Contingency and Risk Provision

- 9.4 TfL acknowledges that in a business of its size and complexity not all necessary expenditure items will be known at the time the budget is finalised. TfL therefore sets aside a general contingency budget of £34m to fund unplanned projects and unforeseen but essential expenditure that may arise during the course of the year and are not already covered by identified budgets in any one business area.
- 9.5 In addition to the central contingency budget, a provision is also set aside in London Underground's budget to cover contract claims under the PPP or PFI Contracts and within all TfL projects for specific risks.

Reserves

- 9.6 TfL, as a large trading and project delivery organisation with potential for fluctuations in both costs and income levels, needs to hold a sufficient level of reserve to enable it to maintain service delivery in unforeseen circumstances. The majority of reserves are earmarked for a specific purpose such as to cover changes in the timing of capital project delivery (e.g. due to planning application delays etc) to enable TfL to maintain a balanced 9 year plan by re-phasing funding across plan years. General reserves support the provisions and liabilities in the Balance Sheet, and provide a reserve in case of major unforeseen future circumstances.
- 9.7 In 2009/10 TfL is forecast to open with earmarked reserve and General Fund balances of £1,282m. The budget assumes a draw down of £962m over the year, to support delivery of projects re-scheduled from earlier years as mentioned above. This would leave a closing balance of £320m at 31 March 2009.

Appendix 1: Operating and Capital Budget by business unit

TfL Group (£m)	Operating Budget		Capital Budget		
	Income	Operating Expenditure	Capital Expenditure	Receipts & Reimbursements	Net Capital Expenditure
London Underground					
Traffic Revenue	(1,692)	-	-	-	-
Secondary Revenue	(133)	-	-	-	-
Operations	-	689	-	-	-
Programmes	-	1,498	-	-	-
Central Services	-	268	-	-	-
Risk	-	50	-	-	-
Capital Expenditure	-	-	590	(104)	486
Metronet Capital Expenditure	-	-	859	-	859
Overprogramming (Incl. Metronet)	-	-	(137)	-	(137)
	(1,825)	2,505	1,312	(104)	1,208
Surface Transport					
Bus Priority	-	35	8	-	8
Road Safety	-	52	11	-	11
Walking, Cycling, Accessibility & Urban Realm	-	69	11	-	11
London Buses	(1,148)	1,826	67	(21)	46
Congestion Charging, LEZ, and Enforcement	(359)	191	8	-	8
Community Safety and Enforcement	(11)	122	1	-	1
Public Carriage Office	(20)	20	1	-	1
Assisted Transport Services	-	14	-	-	-
Dial-a-Ride	-	31	1	-	1
London River Services	(2)	11	-	-	0
Victoria Coach Station	(16)	16	1	-	1
Management Support & Strategy	-	105	58	(4)	54
Director of Traffic Operations	(2)	39	47	(3)	44
Road Network Performance	(2)	12	1	-	1
Road Network Management	-	145	106	(5)	101
Overprogramming	-	(12)	(58)	-	(58)
	(1,559)	2,677	262	(34)	228
London Rail					
DLR	(76)	119	163	(9)	154
London Overground, development and HQ	(42)	182	311	(5)	306
London Trams	(18)	21	5	-	5
	(136)	322	479	(14)	465
Group Directorates					
Office of the Commissioner	-	1	-	-	-
General Counsel	-	11	-	-	-
Group Marketing & Communications	(4)	39	8	-	8
Finance	(28)	214	68	(21)	47
London Transport Insurance	(4)	-	-	-	-
Planning	-	77	-	-	-
London Transport Museum	-	6	-	-	-
Smarter Travel Unit	-	22	-	-	-
Organisational and Skills Development	-	5	-	-	-
	(37)	375	76	(21)	55
Crossrail	-	-	1,046	(8)	1,039
Net Service Expenditure before Group Items	(3,557)	5,878	3,175	(181)	2,995
Interest Income	(20)	-	-	-	-
Debt Servicing	-	166	-	-	-
Contingency & Group Items	-	59	-	-	-
Group Items	-	5	-	-	-
Group Overprogramming	-	-	(51)	-	(51)
Net Service Expenditure	(3,577)	6,109	3,124	(181)	2,943

Numbers may be subject to rounding

Appendix 2: Balance Sheet

£ m	2008/09 Forecast at Quarter Three	Movement during 2009/10	2009/10 Budget
Fixed Assets			
Tangible Assets	18,865	2,600	21,465
Current Assets			
Stocks	20	0	20
Debtors	421	(9)	412
Cash at Bank and in Hand	2,028	(1,071)	957
Current Liabilities			
Creditors	(1,894)	(112)	(2,006)
Long Term Liabilities			
Balances with Infracos	(1,639)	(180)	(1,819)
Prudential Loans	(3,017)	(1,100)	(4,117)
Creditors Due after One Year	(640)	13	(627)
Capital Grants	(8,126)	(1,987)	(10,113)
Pension Provision	(606)	-	(606)
Other Provisions	(209)	33	(176)
		-	
Total Net Assets	5,201	(1,812)	3,389
Capital and Reserves			
Earmarked Reserve	1,121	(962)	159
Pension Reserve	(606)	-	(606)
General Fund	161	-	161
Other Reserves	4,525	(850)	3,675
Total Capital Employed	5,201	(1,812)	3,389

Appendix 3: Performance Indicators

Performance Indicator	Units	Forecast 2008/09	Target 2009/10
Supporting economic development			
Excess journey time - LU	Mins	6.7	6.78
Excess wait time: high frequency routes - Bus	Mins	1.1	1.1
Passenger performance measure - moving annual average - LO	%	92.7	93.4
On time performance - DLR	%	94.9	96
Person journey time (roads) - (journey time per mile per person) cycling journeys-TLRN	Mins Index	4:24 ² 207	4:25 219
Scheduled services operated - LU	%	96.5	96.3
Scheduled services operated - Bus	%	97.2	97.5
Scheduled service operated - DLR	%	98.5	98.5
Scheduled service operated - LT	%	98.4	98
Quality of life			
Customer satisfaction survey – overall LU	Score	79	79
Customer satisfaction survey – overall Bus	Score	80	80
Customer satisfaction survey - overall DLR	Score	92	92
National passenger survey – overall LO	Score	71	73
Customer satisfaction survey overall LT	Score	86	86
Ensuring safety and security			
Reduction killed or seriously injured (London wide) from 1994-98 base – see note 1	%	49.0	52.0 ¹
Reduction killed and seriously injured (TLRN) from 1994-98 base – see note 1	%	45.5	47.5 ¹
Customer Major Injuries (per million journeys) - LU	No.	0.14	0.13
Recorded Crime (per million journeys) – LU see note 1	No.	13.3	13.3 ¹
Recorded Crime (per million journeys) – Bus see note 1	No.	12.2	12.0 ¹
Providing better transport options for all Londoners			
LU accessible: Step-free to platforms – see note 2	%	21 ²	21.5
LO accessible Step-free to platforms – see note 2	%	38 ²	39
Accessible bus stops with accessible footways – see note 2	%	45 ²	50
LU stations enhanced (Additional security, access and information provision-current PPP projection) – see note 2	%	46 ²	53
Overall satisfaction with Dial-a-Ride service	%	91	92
Tackling climate change			
Total CO2 emissions for all transport excluding aviation – see note 2	Thousand tonnes	1,860 ²	1,864
Total CO2 per m2 Head Offices – see note 2	KG/m2	N/A	125
Total NOx emissions – see note 2	Tonnes	8,102 ²	8,016
Total PM10 – see note 2	Tonnes	129.03 ²	128.51

Note 1: 2009/10 targets for recorded crime and KSI are indicative and final targets will be reported at Quarter 1.

Note 2: As performance is measured on an annual basis an YTD result cannot be provided, the target for 2008/09 is provided as a comparator to the proposed 2009/10 target.

Abbreviations List:

LT: London Tramlink

TLRN: TfL Road Network

CO2: Carbon Dioxide

NOx: Nitrogen Oxide

PM10: Particulate Matter

Appendix 4: Subjective Analysis

<i>All Figures in £m</i>	Forecast 2008/09	Budget 2009/10
Income		
Fares Revenue	(2,835)	(2,957)
Congestion Charging	(186)	(181)
Enforcement Income	(185)	(184)
PCO and VCS Fees	(34)	(34)
Advertising Income	(79)	(89)
Rental Income	(57)	(63)
Other Income	(55)	(49)
	(3,431)	(3,557)
Operating Expenditure		
Employee Expenses	1,331	1,305
Premises	177	185
PPP Payments	627	663
PFI Payments	311	339
Bus Contract Payments	1,575	1,658
CCS and Other Road Contracted Services	99	85
Asset Maintenance	131	97
Local Authority Payments	187	194
Professional Fees and Management Consultancy	96	84
Engineering Project Management and Other Technical Consultancy	71	91
Ticket Commissions	37	49
Metronet	597	599
National Rail Payments	8	11
Franchise Payments	176	194
Customer Information	56	57
Insurance	32	35
Computing Costs	99	104
Traction Current	69	71
Bad Debt Provision	80	86
Other Expenses and Savings	(102)	(30)
	5,657	5,878
Net Operating Expenditure	2,226	2,322
Capital Expenditure	2,026	2,078
Capital Expenditure - Crossrail	344	1,046
Third Party Contributions	(166)	(161)
Capital Receipts	(23)	(20)
Group Items	109	210
TOTAL NET SERVICE EXPENDITURE	4,516	5,475

Numbers may be subject to rounding

Appendix 5: Deliverables**LONDON UNDERGROUND**

£ m	Income	Operating Expenditure	Capital Expenditure
Fares Revenue	(1,692)	-	-
Advertising and Other Income	(133)	-	-
Operations	-	689	-
Programmes	-	899	-
Central Services	-	268	-
Risk	-	50	-
Track	-	-	1
Structures	-	-	35
Rolling Stock	-	-	26
Signals	-	-	7
Power	-	-	100
Communications	-	-	20
Stations	-	-	252
Accommodations	-	-	17
Information Technology	-	-	37
Overprogramming	-	-	(45)
	(1,825)	1,906	451

EX-METRONET

£ m	Income	Operating Expenditure	Capital Expenditure
Asset renewal & performance:			
Stations, lifts & escalators	-	88	188
Rolling stock & Signals	-	213	448
Track	-	86	162
Civils	-	46	39
Administration & Other	-	140	(3)
Risk	-	27	24
Overprogramming	-	-	(102)
	-	599	757

On 27 May 2008, Metronet transferred to public ownership, under London Underground's control. For reporting purposes the above tables and the preceding commentary refer to the pre-TUPE structures, consistent with the published TfL Business Plan, though all activities will be consolidated over the coming months as Metronet is integrated within a restructured London Underground.

1.0 INCOME

1.1 Fares Revenue

This represents fare income (net of Customer Charter Refunds) arising from the normal course of business, including amounts received from the London Borough Councils and County Authorities in respect of free and reduced fare travel for the elderly and disabled. The forecast amount of revenue is based on assumptions of passenger journeys (including ticket type), which is strongly related to the London economic cycle, and ticket prices which are subject to Mayoral policy.

Deliverables

Description	Units	Target
LU Passenger Journeys	Millions	1,094

1.2 Advertising and other Income

This includes income from the CBS advertising contract, as well as telecoms income. Advertising revenue is forecast according to income projections supplied as part of this contract, made up from a guaranteed basic income plus a revenue share bonus for profits in excess of that amount. LU is paid the guaranteed amount as long as it is able to meet its obligations to deliver a set area of advertising sites. Secondary income also includes income from renting LU's property portfolio, managed by Group Property and Facilities.

2.0 OPERATING EXPENDITURE¹

2.1 Operations

This activity covers the day to day delivery of customer services, including selling tickets, providing staff on station platforms and providing information and reassurance to customers. It also involves the staffing of trains with suitable operators and provides a signalling and control function as well as staff to manage service disruption; focusing on the needs of the customer and the provision of a safe, reliable, timely service. The delivery of the train service, as well as its control and regulation, also forms part of these day to day activities.

This activity also reflects the cross-functional management, co-ordination and short-term staffing needs of the works necessary to bring about a line upgrade. Included too in operations is the British Transport Police (BTP) who are responsible for maintaining security awareness and patrols, enhancing visibility, reducing disorderly conduct and notifiable crime levels.

Deliverables

Description	Units	Target
% Scheduled Service Operated – LU	%	96.3
Excess Journey Time (weighted)	Mins	6.78
Overall customer satisfaction	Score	79
Train Kilometres Operated – LU	Millions	69.6
Customer Major Injuries per million LU journeys	No.	0.13
% LU Stations with step-free access (street-platform)	%	21.5
Recorded Crimes per million journeys	No.	13.3

¹ This category also incorporates the Metronet 'Administration' activities which includes support functions such as HR, Legal, IT and Communications. These functions will be integrated within London Underground as part of the Metronet transition and Operating Cost Review.

2.2 Programmes

The Chief Programmes Officer's department is responsible for the management of Capital and non-capital project contracts. The Capital project contracts include PPP, PFI and National Rail agreements. The non-capital projects include those associated with the PPP, the general management of Procurement and Contract Services; utilities costs including gas, electricity and water.

Metronet and Tube Lines Limited are paid for the maintenance and improvement of the Underground network under the Public Private Partnership (PPP) contracts. The Metronet undertakings became part of TfL on 27 May 2008, but are still required to operate under the existing PPP contracts. The Metronet BCV Activity is made up of the Bakerloo, Central, Victoria, and Waterloo and City lines. Tube Lines Limited is responsible for the Jubilee, Northern and Piccadilly Lines. Metronet SSL is responsible for the Sub Surface Lines including the East London Line. The objective of PPP Contract Management is to ensure maximum benefit for LUL over the whole life of the PPP.

Over the life of the contracts, most of the network will receive a substantial programme of station refurbishment or modernisation and significant upgrade of train systems, coupled with improved routine and preventative maintenance. Together these will deliver a better environment, a more reliable service and shorter journey times.

In addition there is a Power PFI which provides for the operation, maintenance and renewal of the Underground power network and Connect PFI which provides for and maintains an integrated digital radio communications system and transmission services system across the Underground network.

Deliverables

Description	Units	Target
Lost Customer Hours	'000s	15.3
Critical Delivery Milestones achieved	%	TBD

Note: Milestone delivery target is based on a sliding scale, rewarding early/on-time delivery and penalising late delivery. This new methodology will be applied to each milestone relevant to this KPI.

2.3 Asset Performance

Asset Performance is responsible for first line maintenance of all track, rolling stock, signals, stations and civil assets on the Sub-Surface and Bakerloo, Central and Victoria Lines.

Track maintenance activities include inspection (e.g. track patrols), preventative (e.g. lubrication and vegetation control), corrective (e.g. defective rail removal) and heavy maintenance (e.g. spot re-sleepering, minor re-timbering, and minor re-railing). Rolling stock activities include the maintenance and overhaul of all passenger rolling stock on the Metronet lines, as well as maintaining the depot plant and buildings. Signals activities include train-stops and points maintenance; and civils work maintains tunnels, embankments and bridges in a safe condition, including inspecting and surveying assets where the condition is unknown. Stations activities include the maintenance of Station premises and structures, CCTV and communications equipment, fire systems, lifts and escalators and station cleaning; largely managed through maintenance contracts with third party suppliers.

2.4 Risk

Budgets are constructed to take account of forecast expenditure and includes an allowance for those uncertain costs, which are initially budgeted as "risk". Risk expenditure represents the amount that is expected to be incurred in a given year based on the risk portfolio, probabilities and impacts estimated by the business.

LU and Metronet continuously review levels of risk, taking into account latest experience. Each risk is recorded within the Risk Management System (ARM) and each is regularly monitored and reviewed to update cause and effect, impacts, treatment and mitigation strategy.

2.5 Central Services ¹

Central services cover the support functions including Strategy and Service Development, Employee Relations, Engineering, Legal & Contract Reviews, Managing Director, Safety Quality & Environment and the Finance and Support Office which includes the departments of Finance, Human Resources and Information Management which support and enable the core operations, initiatives and investment programmes; as well as developing the three key areas of change management: people, process and technology.

Deliverables

Description	Units	Target
LU Commercial :		
Forecast Accuracy – Operating Expenditure	%	2.5
Forecast Accuracy – Capital Expenditure	%	5.0
OCR Savings	£m	23.9
LU People :		
% Women Staff	%	22.0
% BAME Staff in senior management	%	9.5
% Disabled Staff	%	3.9
ESS People Index	Index	72

2.6 2012 Games Operations

In addition to the investment in key capital schemes that TfL is committed to delivering to support the 2012 Games, TfL will also be delivering significant additional operations.

Deliverables

Description	Date
Traffic Demand Level and Event Parameter Defined	Jun-09
Service Strategy Document Issued	Sep-09
Venue Stations Plans Developed	Dec-09

3.0 CAPITAL PROJECTS

Gross capital expenditure represents expenditure on capital investment that is managed directly by London Underground and Metronet. It does not include indirectly managed investment through Tubelines.

The key deliverables shown below identify the projects that will be active during the year. Where a project has a key milestone during the year, this has been highlighted. It should be noted that not all active projects have key milestones during 2009/10.

3.1 Track

¹ Note: Central Service directorates are described here according to the pre-TUPE structures, consistent with the published TfL Business Plan, though all support directorates are being reorganised as part of an ongoing Organisational Change Process as Metronet roles are integrated within a restructured London Underground

The Underground has 1,140 km of track over a route of 409 km to a radius of almost 45 km from central London. A well-maintained track (which includes ballast, sleepers, drainage, etc) is essential to deliver a safe and reliable service. Managed through the PPP, this will involve major track replacement works. In addition, LU is investing to improve capacity by providing improvements to junctions, crossovers, sidings and termini. Additional crossovers and sidings provide improved flexibility and recovery from disruptions by providing more opportunities to reform the train service.

Deliverables

Description	Units	Target
JNP Track Tube Reconstruction	Metres	500
JNP Track Enhanced Track Replacement	Metres	1,000
SSL Track Ballasted Track Replacement & Re-ballast	Metres	18,680
SSL Track Points & Crossings	No.	11
BCV Track Ballasted Track Replacement & Re-ballast	Metres	1,415
BCV Track Points & Crossings	No.	5
BCV Track Class I (Expected trackform life of 40 years)	Metres	2,429

3.2 Structures (civils)

The 312 km tunnels, embankments, cuttings and 1,104 bridges and viaducts that comprise the civil infrastructure are as important as the track assets. Managed through the PPP, this will involve regular upkeep including fence repairs, painting of structures, and management of line side foliage and maintenance of over 1,000 drainage pumps. LU is also pursuing tunnel cooling options in order to mitigate the effect of rising temperatures on the network through the Cooling the Tube Project (CTP).

Deliverables

Description	Date
Northolt to South Ruislip - Embankment Stabilisation	Oct-09
Perivale to Greenford - Cutting stabilisation	Jul-09
CTP - Victoria Line - Mid Tunnel Vent Tranche #1 - First Site Brought into Beneficial Use	Oct-09
CTP - Victoria Line - Mid Tunnel Vents Tranche #2 - VPI4 Contract Awarded (x3 sites)	Jun-09
CTP - Victoria Line - MTV Tranche #2 - First Start on Site	Dec-09
CTP - Victoria Line - Green Park Station - Installation of Phase I Boreholes Complete	Feb-10

3.3 Rolling Stock

The LU rolling stock fleet currently comprises almost 4,000 cars, which last year travelled around 70 million km in customer service. This activity covers the long term programme for the refurbishment of newer trains and replacement of older trains.

3.4 Depots

LU's 4,000 rail cars are maintained at 18 major depots. Initial investment is focused on safety improvements (such as walkways), renewal of rails, replacement of manually operated ground levers for points with powered controls and installation of new facilities for train maintenance such as wheel lathes. Later investment will be focused around improvements required to accommodate new fleets.

3.5 Signals

A safe, high capacity signalling system is essential for a metro service. Current signalling systems on the Underground range from traditional two-colour line side signals, to forms of automatic control on the Victoria Line and more recently, the Central Line. The PPP provides improvements in basic maintenance to improve poor service reliability and, in the longer term, new signalling systems will be introduced as part of the line upgrade programmes.

3.6 Line Upgrades

Over the next 20 years, the majority of LU lines will be upgraded. A line upgrade involves a co-ordinated renewal of assets to increase overall capacity. Upgrade works typically include some combination of improvements to rolling stock, track structures or power supply.

Upgrade works typically include some combination of improvements to:

- Rolling Stock, depots and sidings
- Signalling, service control and regulation
- Track and civil engineering infrastructure
- Power supply and distribution.

Description	Date
SSL Upgrade - Train Delivery: First train delivered to Neasden via West Ruislip	Nov-09
SSL Upgrade - Signalling: Phase 1a Immunisation Works - Baker Street northwards (Key Date 1&2)	Nov-09
SSL Upgrade Strategic Programme - Issue the SSL Automatic Train Control ITT	Aug-09
Victoria Line Upgrade - Power supply Upgrade Complete (Existing Scope)	Jun-09
Victoria Line Upgrade - Start Trialling T2 In Traffic Hours With Passengers (V2.2)	Oct-09
Victoria Line Upgrade - Full Approval To Operate Production Trains On The Victoria Line (V2.3)	Nov-09
Victoria Line Upgrade - All Track Works complete (Track Quality Improvement / Low Loss Conductor Rail)	Jan-10
Jubilee Line Upgrade - TBTC Contract: J2/3 Ready for Revenue Service - Seltrac PM Mode	Sep-09
Jubilee Line Upgrade - TBTC Contract: JTC Delivery	Mar-10
Northern Line Upgrade - 50% of Trains Converted	Jan-10
Piccadilly Line Upgrade - Select Rolling Stock Supplier	Dec-09

3.7 Power

A programme of major investment in power assets commenced in the late 1990s. The aim was to switch the Underground's power supply from internal generation to the national grid, renew and maintain high voltage power assets, and provide new power control equipment on most lines. With this work essentially complete, the focus is now on providing the power capacity to support investment in line upgrades, rolling stock, communications and other assets. Generally, this is being achieved through the provision of new or more spacious substations and transformer rooms, cable reinforcement and the installation of more energy efficient conductor rails.

Deliverables

Description	Date
Victoria Line Power Upgrade - Overall Completion	Dec-09
SSL Power Upgrade - Approval of baseline contractor programme for Package I	Jul-09
SSL Power Upgrade	TBD
Jubilee Line Power Upgrade - Power On	Sep-09

3.8 Communications

The telephone and radio are the principal means of communication used on the Underground. The radio systems on a number of lines are life-expired and exhibit poor reliability. Installation of a new, modern communications network is provided through the Connect PFI contract. The new radio and transmission network is capable of handling telephone, IT, CCTV, PA, more than 12,000 radios, and other functions over a fibre optic architecture that will become the backbone for data transmission across the company. The successful roll out of the Connect system has enabled the successful parallel installation of the Airwave radio system providing the emergency services with radio coverage at all 125 below-ground Tube. This programme also includes further investment in information systems to improve the communication of service information to customers.

Deliverables

Description	Date
Upgrade EBTS to New Airwave Components - Additional Coverage 46 Stations Complete	Sep-09
Connect VN1019 Tubelines Video Cut-Over - Installation Complete 1-20 (of 80 stations)	Jun-09
Connect VN1019 Tubelines Video Cut-Over - Present Plan for Batch 2,3 and 4 to be Delivered into Service	Jul-09
Connect VN1019 Tubelines Video Cut-Over - Installation Complete 21-40 (of 80 Stations)	Oct-09
Connect VN1018 Metronet Video Cut-Over - Installation Complete 26-50 (of 100 Stations)	Aug-09

3.9 Stations

The stations element of the Investment Programme includes four main strands:

- Station Enhancements programme (PPP) - will lead to improvements to 250 LU-owned stations including the renewal of dated station assets, as well as the modernisation or refurbishment of selected stations.
- Lifts & Escalators programme (PPP) - will bring the fleets of lifts and escalators back to a state of good repair and overcome the backlog of investment.
- Accessibility (LU) - stations will benefit from some accessibility improvements as part of the enhancement programme but additional major investment is required to deliver step free access.
- Congestion Relief programme (LU) - aims to address severe congestion at certain times of the day, leading to crowd control measures at some stations and, in the extreme, station closures at peak times and limitations on the operable train service.

Deliverables

Description	Date
Piccadilly Circus Escalators I to II Refurbishment - Escalator 8 Returned to Service	Aug-09
Bank Escalators E6 to I5 Replacement - Escalator I5 Returned To Service	Dec-09
Pimlico Escalator No I and 3 Refurbishment - Escalator I Returned to Service	Aug-09
Bank Escalators E6 to I5 replacement- Escalator I4 Returned To Service	Jan-10
Hainault Station Modernisation - Delivery Into Service	May-09
Brixton Station Modernisation - Delivery into Service	Jan-10
Earls Court Station Modernisation - Delivery into Service	Dec-09
Canary Wharf Escalator E7 Module 3 Refurbishment - Return to Service	Feb-10
Heathrow Terminal 1,2,3 Escalator I & 2 Major Refurbishment - Return to Service	Dec-09
Oval Station Refurbishment - Delivery into Service	Sep-09
Edgware Enhanced Station Refurbishment	Aug-09
Paddington (H&C) Congestion Relief - Stage D (Final Report) Signoff	Dec-09
Victoria Station Upgrade - TfL Financial Approval for main works	TBD
Marble Arch Station Modernisation - Start closure for South escalator barrel ceiling works	May-09
Notting Hill Gate Station Modernisation - Start on Site Works	Apr-09
Green Park SFA - Start on Site	Jul-09
Kingsbury SFA - Start on Site	Sep-09
Osterley SFA - Start on Site	Mar-10
Southfields SFA - Start on Site	Jul-09
Stratford Station Upgrade ODA Programme - Start Install New Lift No.6	Aug-09
Stratford Station Upgrade ODA Programme - Start Fit Out Platform 3A	Jan-10
Bank 4 & 5 Escalator Programme - Escalator 4 Returned to Service	Aug-09
Former Silverlink Stations Upgrade - Comms Works Complete: Activity Code A63480	Nov-09
Heathrow T123 SFA - TLL Issue Compliance Report	Oct-09
Tottenham Court Road Congestion Relief - Funding Approval for Full Project	Feb-10
Tottenham Court Road Congestion Relief - Start on Site Main Construction	Feb-10
Bank Masterplan - RIBA Stage B Feasibility Report Review Complete	Jun-09
Bank Masterplan- FGM Financial Approval stage C design	Aug-09
Bond Street - Invitation to Tender Issued for Main Contract Works	Aug-09

3.10 Safety/Security

A programme of resilience work is in place to enhance protection of LU customers, staff and assets. Safety improvements are considered as part of all asset projects but the Investment Programme includes a number of specific projects for the improvement of safety and security.

Deliverables

Description	Date
SSR SPAD Reduction Works FCI & OB45	Jul-09

3.11 Interchanges

LU is leading a number of schemes that provide significant improvements to interchange between different modes, such as Kings Cross and Victoria station.

Description	Date
Victoria Asbestos Removal & Finishes - Delivered into Service (Vic Line Ticket Hall Temporary Ceiling)	Jun-09
Kings Cross CTRL - Completion of Escalator Installation & Commissioning	Sep-09
Kings Cross CTRL - Northern Ticket Hall open to public	Dec-09

3.12 Extensions

This programme delivers short extensions to the LU network but also includes LU's works in support of other large capital projects.

Deliverables

Description	Date
Crossrail - Review of Operational Cost Review	Jul-09

3.13 Accommodation

Despite significant investment in recent years, operational staff accommodation remains an area where LU's investment backlog is most evident, with much of the accommodation in current use falling well below acceptable standards. The provision of acceptable staff accommodation is also a critical enabler for the delivery of the line upgrades.

Deliverables

Description	Date
Brixton Operations Centre - Practical Completion (PRC)	Jun-09
High Barnet Train Crew Accommodation - Practical Completion (PRC)	Sep-09

3.14 Information Technology

LU is making significant investment in IT systems to support the delivery of real time information (see Communications). In addition, further investment is being made to support LU's business capability.

Deliverables

Description	Date
Trackernet stabilisation - Implementation of Resilient Data Feeds	Nov-09
Contract Performance Database (CuPID) - Completion of agreed PPP scope	Jan-10
Victoria Line Upgrade Trackernet Development - Readiness to accept 'Live' Test Data	Jan-10

SURFACE TRANSPORT

£m	Income	Operating Expenditure	Net Capital Expenditure
Bus Priority	-	35	8
Road Safety	-	52	11
Walking, Cycling, Accessibility & Urban Realm	-	69	11
London Buses	(1,148)	1,826	46
Congestion Charging, LEZ, and Enforcement	(359)	191	8
Community Safety and Enforcement	(11)	122	1
Public Carriage Office	(20)	20	1
Assisted Transport Services	-	14	-
Dial-a-Ride	-	31	1
London River Services	(2)	11	0
Victoria Coach Station	(16)	16	1
Management Support & Strategy	-	105	54
Director of Traffic Operations	(2)	39	44
Road Network Performance	(2)	12	1
Road Network Management	-	145	101
Overprogramming	-	(12)	(58)
	(1,559)	2,677	228

4.0 INCOME

4.1 Fares Revenue

The Bus Network Income activity covers fares revenue including Travelcard apportionment and revenue from concessionary agreements. Revenue from fares is generated from the sale of on-bus tickets, from roadside ticket machines and sales through ticket outlets such as Ticket Stops and LUL stations. Fares changes are decided annually by the Mayor and generally take place in January. A key driver is to deliver target levels of fares revenue whilst ensuring that fares are affordable for all sections of society, and to provide targeted fare concessions so that disadvantaged and potentially excluded groups have access to the bus network. Concessions include: free travel for over 60s and young people in full time education, discount travel for students, 16 and 17 year olds who are working and those on the New Deal programme. Recently introduced is discounted travel for people on income support. The freedom pass concession has been extended to 24 hours.

Deliverables

Description	Units	Target
Bus Passenger Journeys	Millions	2,274
Bus Network Income	£millions	1,124.6

4.2 Congestion Charging

The income from the Congestion Charging Scheme is made up of registrations, charge payments, Penalty Charge Notices and further enforcement processes. It is based on existing assumptions around the charge cost and vehicle entry/circulation within the zone.

4.3 Low Emission Zone

This represents income from the Low Emission Zone, which seeks to discourage the most polluting vehicles from entering London by levying a charge on large vehicles that do not meet Euro III particulate standards.

4.4 Road Network Compliance (formerly Traffic Enforcement)

The income from Road Network Compliance is made up of Penalty Charge Notices and further enforcement processes from the camera enforcement of the Red Route and Bus Lane network. Congestion Charging Enforcement income is included in the Congestion Charging income.

4.5 CSEP

CSEP's income comes from two sources: Bus Enforcement and On-Street Enforcement. Bus Enforcement's Revenue Protection Inspector activity on the bus network results in income from issuing penalty fares and prosecuting court cases for failure to have the proper ticket. The income related to On-Street Enforcement is from the Penalty Charge Notices issued by traffic wardens and PCSOs patrolling the Red Route and Bus Lane network.

4.6 Other

Other income is received from licensing fees received by the Public Carriage Office, the revenue generated by the operation of Victoria Coach Station, London River Services and other minor income sources.

Deliverables

Description	Units	Target
Passenger Journeys - London River Service	Million	2.2
No of Coach Departures – Victoria Coach Station	'000	195

5.0 OPERATING EXPENDITURE

5.1 London Buses

The Bus Network activity covers the management of all the contracts for the operation of bus services. This includes the current bus network and routes being re-tendered, planned changes, measures to improve service reliability, new bus routes/links and initiatives such as improved bus staff training.

Deliverables

Description	Units	Target
Scheduled Services Operated	%	97.5
Bus Km operated	Million	488
Excess Wait Time High Frequency Routes	Minutes	1.1
On Time Performance Low Frequency Routes	%	79
On Time Performance Night Buses	%	86
Buses At Euro III	%	78
Customer Satisfaction Survey – Overall	Score	80
Percentage of Radio Installations Completed (subject to iBus system limitations)	%	100
Central Network Radio Availability	%	98.5
Oyster Card Reader Reliability	%	99

5.2 Congestion Charging and Traffic Enforcement (CC&TE)

CC&TE includes the operation of the Congestion Charging and Low Emission Zone schemes, as well as Road Network Compliance (formerly known as Traffic Enforcement). Congestion Charging and Low Emission Zone expenditure relates to the management and maintenance of all on street camera and communications infrastructure, signage and highway marking, the provision of the customer contact centre, discount registration process and exemption management, customer payment channels including retail outlets, website provision, penalty charge notice issue and processing. The Congestion Charging and Low Emission Zone operation is delivered through competitively procured outsourced contracts which are managed and monitored by TfL.

Road Network Compliance is the enforcement operation for Red Route, parking, moving vehicle and bus lanes on the TLRN. The expenditure relates to the management and maintenance of on street camera and highway infrastructure, the identification, validation and issue of penalties for contraventions identified on the TLRN by TfL officers.

London Road User Charging (LRUC) is revenue spend associated with delivery of the LRUC Re-Let project. It includes the project management costs, TfL management costs, IBM milestone payments due during the implementation of the LRUC Contract, which replaces the existing Capita Core Services contract with effect from November 2009. For specific deliverables associated with this project, refer to capital projects section, 6.12.

Deliverables

Description	Units	Target
CC & LEZ Call Centre Queuing Time	Seconds	30
CC - Customer satisfaction overall	%	76
Low Emission Zone - Phase 1 compliance	%	96
Low Emission Zone - Phase 2 compliance	%	94
Accurate Penalty Notice Issue	%	95

5.3 Community Safety, Enforcement & Policing (CSEP)

CSEP has responsibility for bus enforcement and transport policing for TfL. CSEP's Bus Enforcement Revenue Protection Inspectors protect one of TfL's core income streams and protect resources for TfL to invest in improved transport services. Their visible uniformed presence provides reassurance to passengers and operator staff as well as discouraging crime and antisocial behaviour. CSEP's Transport Policing has responsibility for strategic policing and crime, anti-social behaviour and disorder reduction issues within TfL, collaborating with other agencies such as the Metropolitan Police Service to deliver visible policing and anti-social behaviour reduction projects.

Deliverables

Description	Units	Target
Level of Irregularity on One-Person-Operated (OPO) Routes (12 Month Rolling Average) †	%	1.4
Level of Irregularity on Open-Boarding Routes (12 Month Rolling Average) †	%	8.3
Recorded Crimes Per Million Passenger Journeys - Bus Network	#	12.0
Recorded Crimes Per Million Passenger Journeys - LU & DLR Network	#	13.3
CSS - Personal Safety & Security - On Buses‡	Score	85
CSS - Perception Of Safety & Security - At Bus Stop/Shelter‡	Score	81
CSS - Perception Of Safety & Security - On LU Train ‡	Score	82
CSS - Perception Of Safety & Security - At LU Station‡	Score	80

† Ticket irregularities are consistent with the measures formerly known as fare evasion. This approach is being taken to ensure consistency with previously reported results.

*Provisional targets have been set by CSEP, to be confirmed following availability of 2008/09 full-year results.

‡ Provisional targets have been set by CSEP, to be confirmed following availability of 2008/09 full-year results. These measures will be reported for 2009/10 but will be replaced by a safety perceptions indicator currently being developed by CSEP.

Description	Date
Complete Rollout of 440 MPS Officers	Jun-09
Deliver supporting structure for Payback London**	Jun-09
Produce the 2009/10 TfL Community Safety Plan	Aug-09

**Dependent on GLA implementation of Payback London scheme

5.4 Public Carriage Office (PCO)

The role and responsibility of the PCO is to meet the Mayor's general duty for safe transport. This is achieved primarily by licensing and regulating London's taxi drivers, taxis and its private hire operators.

Deliverables

Description	Units	Target
Time to get a private hire driver licence: percentage within 10 weeks	%	90
Taxi User Customer Satisfaction	Mean score out of 100	84
Private Hire User Customer Satisfaction	Mean score out of 100	83

Description	Date
Low Carbon Programme	Mar-10
E-Business application and licensing services established	Mar-10

5.5 Assisted Transport Services (ATS)

The role and responsibility of Assisted Transport Services (ATS) is to meet the Mayor's general duty for safe and accessible door-to-door transport for disabled and elderly people in respect of taxis and private hire, primarily, by managing the TfL contribution to the London Taxicard Scheme and funding the TfL Capital Call Scheme.

Deliverables

Description	Units	Target
Number of Taxicard trips	Millions	1.7
% of registered users using Taxicard	%	31

5.6 Dial- a-Ride

Dial-a-Ride is a membership service which provides free and an accessible door-to-door transport for mobility impaired Londoners who are unable to use existing forms of public transport.

Deliverables

Description	Units	Target
Dial-a-Ride - Number of Journeys	Millions	1.4
Overall satisfaction with Dial-a-Ride service	Score	92
Satisfaction with Dial-a-Ride Booking Service	Score	80

5.7 Bus Priority

This covers the developing and delivering of sustainable bus priority measures such as bus lanes, traffic signal priority & junction improvements. These actions all seek to make bus journeys faster and more reliable by reducing the effects of traffic congestion. Details of Bus Priority's deliverables are contained in the capital projects section.

5.8 Walking, Cycling and Accessibility

Key activities associated with walking, cycling and accessibility seek to create and promote connected, safe, accessible and attractive environments for cyclists, pedestrians and disabled people. This is in order to ensure more trips are undertaken by foot/cycle with longer distance trips undertaken through a combination of walking/cycling and public transport, and to ensure that the street network better meets the needs of disabled people and the principles of the Disability Discrimination Act. Activities aim to deliver the overall targets of a 400% increase in cycling by 2025 and a 10% increase in walking by 2015.

Deliverables

Description	Units	Target
Complete implementation of significantly upgraded walking routes	No.	2
Year end target for cycling Journeys (TLRN) (Index)	Index	219
Year end target for the % of bus stops with accessible footways	%	50

5.9 Road Safety

TfL is responsible for working with our partners to achieve the Mayor's casualty reduction targets. The four main areas are: casualty data analysis and research; implementing road safety engineering measures on Borough roads and the TLRN; developing campaigns to improve road safety for groups including children, young drivers, cyclists and motorcyclists; working with partners to install maintain and manage the safety cameras.

Deliverables

Description	Units	Target
Reduction in KSI (Londonwide) from 1994 - 1998 base A target 50% reduction to be achieved by 2010.	%	52
Reduction in Children KSI from 1994 - 1998 base A target 60% reduction, to be achieved by 2010, has been exceeded.	%	68

5.10 East Thames Buses

East Thames Buses (ETB) provides the capability for market intervention in the event of the failure of the contract bus operators. ETB currently operates a number of routes in Central and South East London. East Thames Buses contributes to the deliverables associated with the Bus Network.

5.11 London River Services

London River Services owns and operates eight passenger piers on the Thames between Millbank and Greenwich. It also owns the three Woolwich vehicle ferries and their associated terminals and facilities.

Deliverables

Description	Units	Target
London River Service - Passenger Journeys (inc multi stop)	Millions	2.2
Woolwich Ferry - % scheduled hours	%	95

5.12 Victoria Coach Station

Victoria Coach Station operates the major London Coach terminus which supports all forms of coach activities, including scheduled express and commuter services, day tours, coach holidays and private hire. It aims to provide a modern and high standard of interchange facilities for an estimated 10million passengers passing through the coach station each year.

Deliverables

Description	Units	Target
Coach Departures	Thousands	195
Customer Satisfaction Survey - overall satisfaction	Score	83

5.13 Management Support and Strategy

This includes all the support functions within Surface Transport such as IM, Finance and HR and Strategy. The Strategy Directorate initiate and deliver a diverse range of projects, such as the East London Transit scheme and strategic communication campaigns on behalf of TfL. Strategy is also comprised of the London Freight Unit and the Surface Transport Communications which oversees engagement with Surface Transport's key stakeholders.

Deliverables

Description	Units	Target
Total of all TfL, GLA Group and boroughs' own and contracted fleets that will be signed-up to Freight Operator Recognition Scheme (FORS).	%	75
Completion of DSP (Delivery and Servicing Plan) pilots	No.	40
Year end target for depot sign-up to FORS	No.	500

Description	Units	Target
Customer Satisfaction Survey – Information	Score	76

Description	Date
Define overall communication and stakeholder activities for ST business areas, functions and/or projects and plan communications going forward including coordination and management of all communications in relation to the Mayor's objective of smoothing traffic flow	Mar-10
Plan, prepare and deliver to time and budget 5 strategic campaigns on behalf of TfL	Mar-10

5.14 London Streets

London Streets includes the maintenance and operation of London's traffic signals and the management of the Transport for London Road Network. London Streets seeks to continue to improve the coordination of road works and street works, and facilitate the Mayoral and TfL aspirations to improve the management of congestion in London.

London Streets also includes the management of the A13 DBFO programme. This consists of monitoring and checking the works carried out under the A13 DBFO contract and the services provided by the DBFO Company. Road Management Services (A13) plc was awarded the Design, Build, Finance and Operate (DBFO) contract in April 2000, which was inherited by TfL in July 2000. The contract included the design and construction of five major new schemes along the 24km length of the project road between Butcher Row in the west and Wennington in the east, the subsequent reconstruction of various other structures and the operation and maintenance of the A13 and A1261/A1203 for a period of 30 years.

The following includes measures used to ensure effective street management.

- Traffic signals timing reviews are carried out to ensure that green times are at their optimum – minimising delay and balancing the needs of all road users. There are approximately 3000 sets of Urban Traffic Control (UTC) system controlling the traffic signals in London. To achieve the 3 year review cycle therefore requires that at least 900 UTC reviews are conducted per annum.
- All UTC cells availability is monitored. High cell availability contributes significantly to ensuring that the central UTC system is physically controlling and coordinating the green times at 3000 signals, thereby ensuring minimal delay to the travelling public. The 08/09 target for UTC cell availability was 99.7%.
- Availability of Site Fault Management (SFM) system is monitored to ensure minimum disruption of the network. SFM is an electronic system through which faults on TfL's entire traffic control system infrastructure are managed and through which signals and other key, on-street, traffic control infrastructure are maintained. Any SFM system down time, especially during the peak periods, could result in delays in the rectification of faults, resulting in severe network disruption.
- The Vehicle Actuation (VA) timing review programme is undertaken to ensure that the timings at VA sites are updated periodically to match traffic demand. This ensures that junctions are working efficiently and that timings conform to the latest standards. The benefits are smoothed traffic flow, reduced delays, queues and carbon emissions.
- Variable Message Sign enables drivers to make better-informed decisions on the route they are taking, mode being used, and time of travel – preventing congestion from increasing on affected routes and preventing journey time reliability from declining. Maintaining the equipment's

availability at or above 96% is crucial to encouraging improved and more efficient movement of vehicles.

- Over-height Vehicle Detection (OVD) systems aim to prevent congestion resulting from bridge bashing, thus preventing journey time reliability from declining. This level of performance (95%) represents marginal but continuous improvement and is regarded under the Traffic Control Maintenance and Related Services contract.
- Safety cameras enable control of London's traffic by providing a deterrent to traffic violation and recording offenders. Revenue is generated by TfL from these cameras, thus ensuring that availability is at or above 98% contributes to this end.
- Ensuring traffic signals are operating at or above 99.1% availability maintains journey time reliability and road safety.
- Ensuring CCTV cameras are operating at or above 95% increase the visibility of London's network provided to the London Traffic Control Centre (LTCC). This consequently enables LTCC staff to manage the network appropriately and where possible react to planned and unplanned events and incidents to mitigate congestion from building. Maintaining camera availability also prevents potential loss of enforcement revenues from bus lanes, parking and moving traffic offences detected through monitoring and surveillance cameras.

Deliverables

Description	Units	Target
Traffic Signals timing reviews by March 2010	No.	900
UTC Across All UTC Cells - system availability	%	99.8
Site Fault Management (SFM) - system availability	%	99.7
Number of Vehicle Actuation (VA) timing reviews on TLRN sites	No.	25
Variable Message Sign (VMS) availability	%	96.0
Overheight Vehicle Detection (OVD) availability	%	95.0
Safety Camera availability	%	98.0
Traffic Signals availability	%	99.1
Monitoring and surveillance camera availability	%	95.0
A13 DBFO - % street lights working as planned	%	98.0
A13 DBFO % emergency call outs attended within 1 hour	%	98.0
% street lights working as planned	%	98.0
% emergency call outs attended within 1 hour	%	98.0
% Category 1 defects made safe within 24 hours	%	96.0
TLRN Carriageway in need of major repair	%	6.7
TLRN Footway in need of major repair	%	6.0

Description	Date
Deliver a permitting system for TfL within the context of the common London Scheme	Mar-10
Deliver and ongoing programme of work that contributes to ensuring reliability of journey times on the ORN (Olympic Route Network)	Mar-10
Develop a suite of tools that measure progress towards the Mayoral aspiration of smoothing traffic flow	Mar-10

6.0 CAPITAL PROJECTS

6.1 London Buses

This activity includes building new or replacement bus garages, the construction, expansion or refurbishment of various bus stations, stands and shelters, better and more resilient radio coverage across the bus fleet with reliable Real Time Information for customers through i-bus.

Deliverables

Description	Date
West Ham (Steph Rd.) - Completion of permanent bus parking area	Feb-10
West Ham (Steph Rd.) - Completion date (opening of bus garage)	Mar-10
Award Countdown contract to successful bidders	May-09
Start development of Central System Infrastructure, including web and mobile SMS - To occur after the satisfactory completion of CDR (Critical Design Review)	Aug-09
Final Acceptance milestone for iBus	May-09
Legacy radio system turned off	Aug-09
Control rooms fitted for operation from Palestra	Sep-09
Control room declared operational by centre managers	Sep-09
Completion of the internal approval process for the award of the new Roadside Ticketing maintenance & operation contract	Jun-09
New Roadside Ticketing maintenance & operation contract commences operation	Oct-09

Description	Units	Target
Bus shelters renewed	No.	350
Installation of new shelters	No.	20

6.2 Bus Priority

Bus priority measures consist of bus lanes, some with a contra flow, facilities for buses only (e.g. prohibited turns for other traffic), signal schemes and other traffic management and engineering measures along busy bus routes.

Key activities include

- Implementation on Route 38 and the progression of the third Generation Bus Priority (3GBP) Programme. Implementation on Route 38 aims to substantially complete schemes at Bloomsbury Way, Essex Road and Upper Street to deliver journey time savings. 3GBP aims to improve or maintain service reliability, minimise delays and protect buses from traffic congestion, as well as incorporating safety benefits and improvements for other road users including pedestrians and cyclists.
- Selective Vehicle Detection provides bus delay savings of an average six seconds per bus, resulting in network efficiency, journey time reductions and passenger reliability benefits. SVD works by detecting enabled buses as they approach traffic lights and alters the sequence of lights to significantly reduce the time the bus is held up by a red signal.

Deliverables

Description	Date
TLRN Schemes - Substantial completion of 5 physical improvements measures	Mar-10
3GBP Route Development - Complete handover to Road Network Management to commence detailed design on the Contra-flow at Battersea Bridge Road (Route 345)	Feb-10

3GBP Route Development - Substantially complete, including operational and enforceable, Deptford Bridge Deals Gateway Phase 3 on 3GBP Route 177	Nov-09
Route 38 - Substantially complete, including operational and enforceable, Bloomsbury Way contra-flow	Dec-09
Route 38 - Substantial completion of schemes, including operational and enforceable, at Essex Road and Upper Street	Mar-10
Selective Vehicle Detection (SVD) – 500 SVD sites completed system acceptance	Mar-10

Description	Units	Target
TLRN Schemes – Modifications of bus stops to meet bus stop accessibility standards	No.	30
Complete 3GBP Project Deptford Bridge to deliver an expected journey time savings on Route 177 (average saving per bus in the peak)	Seconds	10

6.3 Walking, Cycling and Accessibility

Key activities associated with walking, cycling and accessibility seek to create and promote connected, safe, accessible and attractive environments for cyclists, pedestrians and disabled people. This is in order to ensure more trips are undertaken by foot/cycle with longer distance trips undertaken through a combination of walking/cycling and public transport, and to ensure that the street network better meets the needs of disabled people and the principles of the Disability Discrimination Act. Activities aim to deliver the overall targets of a 400% increase in cycling by 2025 and a 10% increase in walking by 2015.

Deliverables

Description	Units	Target
Complete implementation of new, relocated or improved crossing and junction facilities for pedestrians	No.	12
Complete implementation of significantly upgraded walking routes	No.	2
Complete implementation of cycle route on TLRN	Kms	16

Description	Date
Legible London - Complete design of 3 pilot schemes	Apr-09
Olympic Cycle Network - Complete design of 8 new or improved cycle greenway routes (shared with walking), cycle parking and route signage.	Dec-09
Olympic Cycle Network - Commence implementation of 8 new or improved cycle greenway routes (shared with walking), cycle parking and route signage.	Jan-10
Olympic Walking Routes - Complete design of 8 new or improved walk greenway routes (shared with cycling) and route signage.	Dec-09
Cycle hire scheme - Contract Award	Jun-09
Cycle hire scheme - Go Live on website	Mar-10
Description	Date
Mayoral announcement- Formal launch of 12 Cycle Highways to be delivered by 2012	Jul-09
Commence construction of 2 Cycle Highways to be delivered in May 2010	Oct-09

6.4 Road Safety

TfL is responsible for working with our partners to achieve the Mayor's casualty reduction targets. The four main areas are: casualty data analysis and research; implementing road safety engineering measures on Borough roads and the TLRN; developing campaigns to improve road safety for groups including children, young drivers, cyclists and motorcyclists; working with partners to install maintain and manage the safety cameras.

London Safety Camera Partnership aims to annually install cameras and has a commissioning programme for sites with more than 4 KSI in the previous 3 years. Additionally, this scheme seeks to take forward projects using time-over-distance cameras in 20mph zones and on main roads, as approved by the LSCP Board.

Road Safety also commissions road safety schemes at sites on the TLRN where there are relatively high collision rates. The number of schemes in any year will be related to their size and cost.

Deliverables

Description	Units	Target
London Safety Camera Partnership (LSCP)	No. of cameras	5
Road Safety Schemes on the TLRN	No. of small schemes	20

Description	Date
Publish annual target monitoring report – 'Towards the Year 2010, Monitoring Casualties in Greater London'	Jul-09
Publish annual report 'Collision and Casualties in Greater London'	Jul-09

6.5 Dial-a-Ride

Dial-a-Ride is a membership service which provides free and an accessible door-to-door transport for mobility impaired Londoners who are unable to use existing forms of public transport. Capital investment includes the purchase of new vehicles.

Deliverables

Description	Date
Replacement of 30 large vehicles for the Dial-a-Ride fleet	Mar-10

6.6 London Streets

London Streets aims to bring assets such as carriageways, footways, bridges, tunnels, signals on the Transport for London's Road Network (TLRN), up to, and also maintain them in, a state of good repair.

Capital Maintenance involves the ongoing investment and maintenance of TfL's 2400 lane km of carriageway, 1100 km of footways, 1,800 structures and other associated assets including drainage systems, street furniture and street lighting of the TLRN. Resurfacing, reconstructing and repair works are planned and programmed pending results of annual condition surveys, which ensure that works are prioritised. Extensive renewal, upgrading and improvements to bridges, tunnels, lighting and other equipment, enables TfL to meet its obligations set out in the Management of Highway Structures, Code of Practice.

Deliverables

Description	Units	Target
Area of carriageway resurfaced	m ²	255,000
Area of footways resurfaced	m ²	60,000

Number of lighting units replaced	No.	1,000
Total number of tunnel safety schemes completed	No.	12
Number of schemes to achieve a reduction in the total number of structures with special measures	No.	32
Removal of Pedestrian Guard Railing	Km	35

6.7 Major routes & safety improvements

Selected projects include route improvements to the A406 North Circular Bounds Green and at Tottenham Hale. Safety enhancements include the Hanger Lane and Western Avenue schemes which see the introduction of a new carriageway and bridges over railway lines.

Deliverables

Description	Date
Hanger Lane - South Bridge Caisson Commencement – all approvals in place	May-09
Hanger Lane - Waldegrave Caisson Commencement – all approvals in place	Jul-09
Gants Hill - Contract Award	Aug-09
Gants Hill - Start of Works	Nov-09
Brixton Central Square - Contract Award	Jun-09
Western Avenue - Footbridge Construction Commencement	Jul-09
Western Avenue - Substantial Completion and Commission of Footbridge	Dec-09
Tunnel Safety Upgrade - Start development of Supply Chain Briefs	Jun-09
Tunnel Safety Upgrade - Completion of the in-year programme	Mar-10
Kender Street Triangle - Contract Award	Sep-09
Delivery of the TLRN Capital Renewals programme - details are contained section 5.14 & 6.6)	Mar-10
A406 Henly's Corner - Memorandum of Understanding signed	Jun-09
A406 Henly's Corner - Publication of advert in the Official Journal of the European Union	Nov-09
Tottenham Hale - Appointment of Detailed Design Consultant	Aug-09
Tottenham Hale - Submission of Planning Application	Dec-09
A406 Bounds Green - Advanced Demolition Works, Award contract	Oct-09
A406 Bounds Green - Advanced Statutory Undertakers (SU) Works, Complete advance SU diversions	Mar-10
Blackwall Tunnel Northbound Refurbishment - Award Contract	May-09
Blackwall Tunnel Northbound Refurbishment - Completion of advanced works	Jun-09

6.8 Traffic Operations

Directorate of Traffic Operations (DTO) manages traffic congestion through real-time traffic management, which ensures the network is optimised through the traffic control system to safely balance the needs of all road users including freight operators, motorists, bus passengers, cyclists and pedestrians. DTO's infrastructure, services and systems underpin many other TfL functions, enabling the provision of transport and traffic management services to benefit the travelling public.

- DTO aims to integrate additional Borough CCTV cameras to the TfL network. An average of 20-30 additional cameras are being identified as beneficial to TfL in each of the boroughs, which ultimately (if rolled out across all London boroughs) would lead to a 100% increase in CCTV coverage without any additional cameras being installed.
- The Split Cycle Offset Optimisation Technique (SCOOT) Disaster Recovery System provides a supplementary, fall-back UTC control system, which can control and coordinate c.500 of London's most strategically important traffic signals in the event of a full/catastrophic UTC computer system failure. However, there are approximately 3000 set of signals controlled via UTC so, each year, the SCDR controlled signals are reviewed, to ensure that the most critical sites, that would be essential to control under full UTC system disaster conditions, are covered.
- SCOOT has been identified as a priority. Work will be undertaken to further define a programme of conversion for signals not operating this technique
- The TLRN Signals Modernisation Programme currently modernises sites on an 18 year life cycle. The criteria for the programming of sites for the Signals Modernisation Programme are based upon 4 main elements, Controller age, Site fault reliability, Strategic importance and Accident Statistics.
- The purpose of the TLRN Signals Modernisation Programme is to modernise "life expired" signal equipment in order to increase reliability of traffic signal sites. This will in turn provide benefit to all road users, will reduce "down time" of signals and contribute to smoothing the traffic flow.
- Delivery of Variable Message Signing modernisation, OVD modernisation and CCTV modernisation programme are determined by the obsolescence of the equipment, maintainability and fault rate.

Deliverables

Description	Date
Completion of CCTV core network implementation	Feb-10
ELTRACS control system software upgrade (release 34) complete	Jul-09
ELTRACS control system software upgrade (release 35) complete	Nov-09
Equipment communication migration to Internet Protocol (IP) complete	Dec-09
Eltracs IP - Network end device install and commission with sign off	Oct-09
Eltracs IP - Acceptance and handover complete with sign off	Dec-09
Pedestrian Countdown - Project Board approval/sign off of the manufactured units relating to the production of laboratory based demonstration units from a variety of manufacturer's complete*	Oct-09
Pedestrian Countdown - Receipt of final report summarising outcomes and analysis of off-street trials which relate to live off-street trials completed to examine pedestrian behaviour with countdown*	Mar-10
Sign off of the contract between TfL and the suppliers, TCC Stage 2	Nov-09
Description	Date
Conclusion of the deployment of V15 software to the 4 live (UTC) traffic control cells	Feb-10
Complete development of software upgrade to core UTC system (V16) - sign off acceptance certificate by TfL Product Manager	Mar-10

*(Note: These milestones are subject to successful on-going negotiations with the DfT for approvals)

Description	Units	Target
Integration of additional Borough CCTV cameras to the TfL network	No.	90
SCDR - Split Cycle Offset Optimisation Technique (SCOOT) Disaster Recovery System: Review and upgrade of fallback systems completed for a number of outstation transmission sites	No.	270
Delivery of TLRN signal modernisations sites	No. of sites	50
Delivery of VMS modernisation	No. of sites	6
Delivery of OVD modernisations	No. of sites	3
Delivery of CCTV modernisations	No. of sites	6

6.9 Road Network Performance (RNP)

A key deliverable for RNP in 2009/10 is to deliver activities that support journey time reliability on the Olympic Route Network (ORN). Consultation has commenced on the ORN and the first consultation which will be led by the Department for Transport, outlines which roads are proposed for inclusion. This will be followed next year by further thorough consultation, led by the Olympic Delivery Authority (ODA), working with TfL and other key delivery partners, about the specific measures to be used on each of these roads.

Deliverables

Description	Date
Detailed design report for legacy schemes signed off by ORN Technical Manager	Mar-10

6.10 Low Emission Zone

The future phases of LEZ are suspended pending public consultation.

6.11 Road Network Compliance (formerly Traffic Enforcement)

The Digital Traffic Enforcement System (DTES) project will replace the analogue CCTV cameras required for the Road Network Compliance operation and the refresh of the existing associated back office systems. The system will replace current systems and processes with an integrated digital technology solution, reducing processing times and improving operational efficiency. The costs include project management costs and the relevant contractual milestone payments due to the system provider, SEA.

Deliverables

Description	Date
Offence Viewing and Decision System (OVDS) operational	Nov-09

6.12 London Road User Charging (LRUC) Re-Let

The contracts for the Congestion Charging scheme and Low Emission Zone (LEZ) expire in November 2009. These will be re-let and implemented to enable the operation of the Congestion Charging scheme and LEZ for five years from November 2009. The Re-Let programme will also enable the introduction of customer accounts and will support the delivery of a more flexible operation.

Deliverables

Description	Date
Release 1 - go live of new system for Congestion Charging and Low Emission Zone	Nov-09

Description	Units	Target
Performance Indicators in the Service Level Agreement are being met and that any Service Failure Deductions for Jan 2010 are not more than 10% of the Monthly Operational Charges	%	10

6.13 Bus Transit

The East London Transit (ELT) runs from Ilford through to Dagenham Dock (ELT phase 1a), via Barking and Barking Riverside (ELT Phase 1b).

Deliverables

Description	Date
ELT Phase 1a - Construction completed – including all stops and shelters, road infrastructure and urban realm improvements	Jan 10
ELT Phase 1a - Services commence	Feb-10
ELT Phase 1b - Detailed design complete	Oct-09
ELT Phase 1b - Start preparation of tender documents	Sept-09

LONDON RAIL

£ m	Income	Operating Expenditure	Capital Expenditure
DLR	(76)	119	154
London Overground, development and HQ	(42)	182	306
London Trams	(18)	21	5
	(136)	322	465

7.0 INCOME**7.1 Fares Revenue**

DLR's fares revenue includes the main franchise, the Lewisham extension and the extension to London City Airport. London Rail also includes Overground and tram fares revenue. These fares are based on assumptions of passenger growth and Mayoral fare policy.

Deliverables

Description	Units	Target
London Rail Passenger Journeys – DLR	Millions	71.0
London Rail Passenger Journeys – London Overground	Millions	34.2
London Tramlink Passenger Journeys	Millions	27.5

8.0 OPERATING EXPENDITURE**8.1 DLR**

The DLR franchise activity covers the continuing operations of the DLR, specifically train operations covering the entire network and maintenance for all rolling stock, stations and track (except the maintenance costs for the Lewisham and London City Airport extensions which are on a PFI basis).

Deliverables

Description	Units	Target
Scheduled Service Operated	%	98.5
On time performance	%	96
CSS: Overall satisfaction	Score	92
DLR Train Kilometres Operated	Km millions	3.7

8.2 London Rail Core

This includes the London Overground network, consisting of the North London Line (TfL took over this concession from Silverlink in November 2007), and central London Rail activities. London Overground is run on a franchise basis by LOROL (London Overground Rail Operators Limited). This also includes the project to gate stations on the National Rail network as part of the expansion of Oyster.

Deliverables

Description	Units	Target
Passenger Performance Measure - Moving Annual Average	%	93.4
National Passenger Survey - Overall	Score	73
Overground Train Kilometres Operated	Km millions	2.0

8.3 London Trams

London Tramlink is responsible for the management of the concession that operates the Tram network.

Deliverables

Description	Units	Target
Scheduled Service Operated	%	98.0
CSS: Overall satisfaction	Score	86
Tram Kilometres Operated	Km millions	2.6

8.4 2012 Games Operations

In addition to the investment in key capital schemes that TfL is committed to delivering to support the 2012 Games, TfL will also be delivering significant additional operations.

Deliverables

Description	Date
DLR - Safety and Security Plan Agreed	May-09
DLR - Traffic Demand Level and Event Parameter Defined	Dec-09
NLL Olympic Passenger Timetable Completed	Dec-09

9.0 CAPITAL PROJECTS**DLR****9.1 Rolling Stock**

The acquisition of new rolling stock to service the Olympics and to meet increased capacity requirements on extended or upgraded lines.

Description	Date
Woolwich Arsenal / 3 Car Railcars - 24th Railcar Delivered	May-09
Woolwich Arsenal / 3 Car Railcars - All 24 cars in service	Oct-09
Olympic Additional Railcars - First railcar delivered	Dec-09
Olympic Additional Railcars - 7th Olympic Railcar Delivered	Mar-10
Stratford International Railcars - First SIE Railcar Delivered	Jun-09
Stratford International Railcars - Final SIE Railcar Delivered	Nov-09
Stratford International Railcars - All (9) Railcars in Service	Dec-09

9.2 DLR Line Upgrades

Major Investments include:

Expansion of the DLR especially 3 car Bank/Lewisham, Delta Junction, 3 car North Route, Woolwich Arsenal and West route signalling improvements, which will increase capacity and resilience and reduce timetable constraints.

Deliverables

Description	Date
3 Car North Route - Construction work complete	Jun-09
3 Car Bank-Lewisham - Complete Westferry Station	Jul-09
3 Car Bank-Lewisham - Complete New South Quay Station	Sep-09
3 Car Bank-Lewisham - Construction work complete (Packages 1, 2 and 7)	Jan-10
Delta Junction Grade Separation - Construction Work Complete	Apr-09
Delta Junction Grade Separation - 3 Car Service Capacity Available	Feb-10
3 Car Poplar-Woolwich Arsenal - Construction Work Complete	Aug-09
West Route Signalling Improvements - Commence Installation	Oct-09
West Route Signalling Improvements - New Software Operational	Jan-10
3 Car East Route - Award Construction Contract	Sep-09
3 Car East Route - Start of Construction Works	Nov-09

9.3 DLR Stations

This is a range of station enhancements to improve capacity, Oyster servicing on DLR ticket vending machines (TVM) and service quality and ambience.

Deliverables

Description	Date
All new Ticket Vending Machines installed on DLR Network	Mar-10

9.4 DLR Line Extensions

The extension of the Railway from King George V dock under the Thames to Woolwich, encouraging a modal shift from cars of ~0.5m passenger journeys per annum and the regeneration of Woolwich.

Deliverables

Description	Date
Stratford International DLR Extension - Platforms 12a and 12b Commissioned Into Service	May-09
Stratford International DLR Extension - Network Rail Infrastructure Decommissioned	Jun-09
Star Lane Station Construction Work Complete (SIE Package 6 Works)	Oct-09
Canning Town Station Construction Work Complete (SIE Package 6 Works)	Nov-09

9.5 DLR Safety and Security

This activity includes major investments in DLR safety/security, including asset maintenance and resilience projects.

Deliverables

Description	Date
West Route Resilience - Royal Mint St Junction Remodelling	Feb-10
Tower Gateway Station Resilience - Tower Gateway Station Operational Date	Apr-09

9.6 London Overground, London Rail development and Headquarters

Major Investments in this area are in the London Overground, principally in the East London Line between Dalston Junction and West Croydon and Crystal Palace. This will involve a total renovation and an extension of the existing line. Further expenditure will include new rolling stock (see cover).

Deliverables

Description	Date
East London Line Extension - Complete Crossrail Enabling works at Whitechapel	Jun-09
East London Line Extension - Complete Dalston Podium Slab	Jul-09
East London Line Extension - Approve Safety Management System	Sep-09
East London Line Extension - Establish Infrastructure Maintenance Depot	Oct-09
East London Line Extension - Test Running Commences	Jan-10
NLR/ELR Rolling Stock - Delivery of NLR fleet	Dec-09
NLR/ELR Rolling Stock - Delivery of ELR fleet	Mar-10

9.7 LR Line Upgrades

The standard of the existing North London Railway service that TfL acquired in 2007 was poor. This expenditure is to bring the stations and infrastructure up to the required standard and to reduce operating costs.

Deliverables

Description	Date
North London Railway Infrastructure Project - Commence No.1 Lines Blockade	Apr-09
North London Railway Infrastructure Project - Commence All Lines Blockade	Dec-09
North London Railway Station Upgrade - Commence Phase 3 Refurbishment Works	Jun-09
North London Railway Station Upgrade - Completion of Installation of first 4 Station phase 3 enhancements.	Dec-09

9.8 LR Major Modernisation

This activity includes investment in expanding the Oyster network to include all rail services in London, and to improve revenue protection on London Overground by installing gatelines.

Deliverables

Description	Date
London Wide Oyster Implementation - Phase 2 Implementation Complete	Sep-09
NLR/ELR Gating installation complete for existing ELR stations	Jun-09

CROSSRAIL

£ m	Income	Operating Expenditure	Capital Expenditure
Crossrail	-	-	1,039

10.0 Crossrail

Crossrail will deliver a new railway service from Maidenhead and Heathrow in the west to Shenfield and Abbey Wood in the east, providing a peak service of 24 trains per hour between Liverpool St and Paddington. The trains will run through new infrastructure in central London, with new Underground stations at Paddington, Bond St, Tottenham Court Road, Farringdon, Liverpool St, Whitechapel, Isle of Dogs and Woolwich. Also delivered will be well-lit, CCTV monitored central stations provide a safe, secure and step free environment. Trains will have wide doors, dedicated space for wheelchairs and CCTV-monitored carriages.

Deliverables

Description	Date
Start of enabling works	2009
Start of main construction	2010
First service commences	2017

GROUP DIRECTORATES

These directorates support the core operational business, initiatives and investment programmes of TfL, with a range of activities. These activities (see below) include Finance; Marketing; Customer Services; Planning (including Transport Planning); Human Resources; Employee Relations; Engineering; Communications; Safety; Quality & Environment. In addition there are a number of other specific activities which are the responsibility of central directorates.

£ m	Income	Operating Expenditure	Capital Expenditure
Office of the Commissioner	-	1	-
Planning	-	77	-
Skills and Organisational Development	-	5	-
Group Marketing & Communications	(4)	45	8
General Counsel		11	-
Finance	(28)	214	47
Smarter Travel Unit		22	
London Transport Insurance	(4)	-	-
	(37)	375	55

OPERATING EXPENDITURE

11.1 Office of Commissioner

Consists of the Commissioner's support team.

11.2 Commissioners Delivery Unit

The Commissioners Delivery Unit includes the TfL Policy unit which takes the lead on Climate Change issues for the GLA group and the Chief of Staff Role.

11.3 Planning

Planning is responsible for ensuring that the direction of transport in London meets the city's economic, quality of life, safety and security, improving transport for all and climate change challenges. This includes working with the GLA on changes to the London Plan and developing the Mayor's Transport Strategy (MTS) and other strategic plans; producing analysis for the MTS and supporting policies; developing and maintaining, running the strategic London-wide transport models (LTS and Railplan); developing and maintaining new models for the 5 London Regions; ensuring planning frameworks are underpinned by robust analysis and leading the relationship with Government, London Boroughs, the LDA and other stakeholders to ensure effective engagement with TfL on planning matters.

Planning provides TfL's primary interface with the London Boroughs, and is responsible for managing Local Implementation Plans (LIPs) and progressing transport strategies for each of the 5 London regions and as well as providing advice to the Mayor on the transport aspects of referred Planning Applications and securing Section 106 funding. Planning also coordinates and develops improvements at multi-modal interchanges; coordinates TfL wide views on design and consents; and is the lead for optioneering new schemes emerging from the MTS and Regional Plans.

Deliverables:

Description	Date
Publication of Travel in London Report (No. 1)	Apr 09
Publication of Assembly & Functional Body draft MTS	Apr-09
Inform boroughs of formula based LIPs budget allocations for 2010/11	May-09
Delivery of Central London Regional Transport Model	Jun 09
Completion of Initial Feasibility Study of alternative Thames Gateway River Crossings	July 09
Completion of Initial Feasibility Study of alternatives to Cross River Tram	Jul-09
Commence public consultation on MTS	Sep-09
LIPs 2 - Issue Guidance for formal consultation	Sep-09
Delivery of North London Regional Transport Model	Oct 09
Complete submission of planning applications for the cycle hire scheme	Dec-09
Publish final MTS	Feb 10
Publish and consult on Variation Order for WEZ (subject to final MTS decision)	Mar 10
Publish Travel in London Report	Mar-10

11.4 Organisational and Skills Development

This consists of the Group HR function and TfL Equality and Inclusion teams. The focus of Group E&I remains on meeting Mayoral and TfL's commitment to remove the barriers to accessing our transport services, employing a workforce that is reflective of the diverse population of London, and in ensuring those who provide services on our behalf have a similar commitment to ending inequality and social exclusion.

11.5 Group Marketing & Communications

Marketing and Communications has two overarching responsibilities:

- To help TfL understand its stakeholders and get our messages across clearly and consistently. Doing this successfully will lead to increased understanding of what TfL is delivering and transport's vital role in London's and the UK economy, we maintain TfL's reputation for successful delivery and sustain the case for heavy public investment in London's transport system.
- To provide 'off-system' customer services and information either through the call centres and Travel Information Centres, or via web enabled services.

Marketing and Communications is split into four divisions, each addressing audiences critical to TfL's success:

- Press Office which is one of the busiest in the country operating 24 /7 and handling around 60,000 enquiries from local, national and international media with questions ranging from the operational (works and closures, incidents) to policy governing all areas of transport strategy.
- Public Affairs and Stakeholder Engagement is responsible for prioritising stakeholder engagement to reflect TfL's business priorities, for managing business critical processes such as TfL's responses to Mayor's Questions and the overall management of TfL's relationship with the London Assembly.
- Group Marketing is responsible for developing an integrated marketing plan for TfL, reflecting corporate and Mayoral priorities, working in collaboration with the business and acting as a

gatekeeper on Marketing spend. It develops and implements a range of customer information, safety and promotional programmes using advertising (including our own holdings) customer literature, maps, signage, design and the management of the TfL website and database. Its research unit supports these activities with Customer insights and a range of services to evaluate information effectiveness and overall Business performance.

- Customer Services provide a whole range of 'off system' customer services dealing with contacts and calls from customers when they are not actually travelling on the transport network. The Travel Information Call Centre give over three million callers a year information to help them travel efficiently, while our Travel Information Centres at key transport hubs serve two million people a year providing information and selling £18m tickets. The Oyster Call Centre handles almost 900,000 calls and deals with around £100m in web and agent ticket sales. Journey Planner provides more than 650mn solutions a year helping customer to plan their journey effectively, and the Lost Property Office, the one stop shop for things lost on the Underground, Buses and Taxis handles about 185,000 lost items a year.

Deliverables

Description	Units	Target
Journey Planner solutions provided	Million	609

11.6 General Counsel

General Counsel is responsible for a range of corporate governance, legal and assurance functions. General Counsel provides a secretariat function for the TfL Board, Committees and Panels. It provides legal advice to TfL, coordinates information and data compliance and is responsible for Group Health, Safety and Environment assurance including TfL's Sustainability Unit and Internal Audit function. Expenditure on legal services provided to the TfL Group is recharged to the modes.

Deliverables:

Description	Date
Review the TfL Corporate structure and complete the implementation of all requirements of the Companies Act 2006	Jun-09
Achieve compliance with BS25999 for Business Continuity arrangements for non operational management and support activities	Mar-10
Develop and deliver a resourcing strategy for Crossrail internal audit work	Sep-09
Complete a comprehensive review of the Group HSE Management System	Sep-09
Implement the findings of the comprehensive review of the Group HSE Management System	Mar-10

11.7 Finance

The Finance directorate is responsible for the overall funding and allocation of TfL expenditure, including performance reporting, statutory accounting, insurance, pensions and the Finance Service Centre. It manages the Oyster card system and associated ticketing developments and manages the TfL borrowing programme, property development, property revenue income and treasury functions. In addition it provides other services on behalf of other areas of TfL. Activities include: Information Management, Facilities which is responsible for providing and maintaining all of TfL's head office business premises and associated facilities management; HR including the HR Service Centre providing recruitment, administration and training on behalf of TfL and Procurement providing group-wide policies including the GLA sustainable procurement unit.

Deliverables:

Description	Date
Increase spend with diverse suppliers	Mar-10
Develop a Green IT strategy to support TfL's target of reduction in carbon emissions by 60% (2025)	Mar-10
Complete rollout of End User Computing project to 95% of all head-office buildings	Jul-09
Data Centre 2 Operationally Ready	Aug-09
Reader vanguard on live system	Oct-09
Enterprise Platform Ready for Service	Sep-09
Develop and deliver a variable price model for internal customers	Mar-10
Commence delivery on ONE LONDON GLA functional delegations	Mar-10
Occupation of North Greenwich building (phases 1 and 2)	Dec-09
Reader installation starts on TfL estate	Mar-10:
Resolve 90% of IM incidents within their applicable Service Level Agreement	Mar-10
Deliver £56m IMSIP benefits together with other modes	Mar-10

11.8 2012 Games Operations

In addition to the investment in key capital schemes that TfL is committed to delivering to support the 2012 Games, TfL will also be delivering significant additional operations.

Deliverables

Description	Date
Journey Planner Improvement Programme Completed	Jan-10
TRIP Phase I Delivered	Mar-10
Security Proposition Paper Approved	Jun-09
Formal Technical and Commercial Decision for Ticketing	Jul-09
Smarter Travel Business Case Sign Off	Sep-09
Safety Mitigation Plan Defined	Mar-10
Accessibility - Citizen Jury	Jun-09
Disability Equality Schemes Identified	Dec-09
Resilience Accessibility Conference for Disabled People	Mar-10

12.1 CAPITAL PROJECTS**12.2 Group IM**

There is a range of capital investments designed to support the TfL group's information system needs, including the delivery of substantial efficiency savings. These include document management systems and investment in core IM infrastructure.

12.3 Finance

The Finance directorate includes property development, which manages various opportunities to realise capital income from disposal of commercial and residential sites in TfL ownership. The Group Property and Facilities team manages land acquisition and all operational property works, and lets and manages retail, commercial and residential premises held by TfL. The team also provides facilities management services involving accommodation acquisition and planning, workspace design, building operation and maintenance. The Accommodation Strategy involves consolidating head office sites into lower cost units within easy reach of each other.

Deliverables

Description	Date
Issue contract for ITSO implementation including reader development and testing	Apr-09
Reader vanguard on live system	Oct-09
Reader installation starts on TfL estate	Apr-10
Oyster pay as you go launched on National Rail	Nov-09

12.4 Marketing and Communications

GM&C is responsible for coordinating marketing messages across TfL, and for managing the customer interface by providing information via the web, mobile phones and telephone, and in person. GM&C is overseeing the delivery of a number of upgrades to its communication systems to improve the quality and availability of customer information to make London's transport system easier to use and help London become more liveable.

Deliverables

Description	Date
Travel and Recreation Information Programme (TRIP) – Phase I Design Stage complete	May 09
Roll out of Oyster CRM	Jun 09
Journey Planner – improvements and enhancements to drive up usage	Aug 09
Customer Contact Centre Transformation Programme – telephony and workforce management	Sept 09
Replace 'Sherlock' – Lost Property Office database	Dec 09
Intranet Improvements	Jan-10