

TRANSPORT FOR LONDON

BOARD

SUBJECT: OPERATIONAL AND FINANCIAL PERFORMANCE AND INVESTMENT PROGRAMME REPORTS – THIRD QUARTER 2011/12

DATE: 2 FEBRUARY 2012

1 PURPOSE AND DECISION REQUIRED

1.1 The following performance monitoring reports are attached for the Third Quarter of 2011/12 (18 September 2011 – 10 December 2011):

(a) Appendix 1 – Operational and Financial Performance report; and

(b) Appendix 2 – Investment Programme report.

1.2 The Board is asked to note the reports.

1.3 As a result of timing constraints for the production of the reports, they were not available for consideration by the Finance and Policy Committee at its meeting on 19 January 2012.

2 RECOMMENDATION

2.1 The Board is asked to NOTE the reports.

3 CONTACT

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Operational and Financial Performance Report

Third Quarter, 2011/12

Purpose of Report: For the Managing Director, Finance, to inform the Finance and Policy Committee, the TfL Board and other stakeholders of TfL's financial and operational performance every quarter.

This report covers Quarter 3 (18 September 2011 – 10 December 2011) comprising operating Periods 7-9.

TfL performance summary

Service: TfL passenger demand was higher than target and the same quarter last year on all modes of transport in Quarter 3. On London Underground, a record for the number of passenger journeys in a four week period was set in Period 7 and successively broken in Periods 8 and 9 leading to the highest number of passenger journeys in a 12 week quarter. The week ending Saturday, December 10 was also a record-breaker, with a new weekly high of 24.9 million passenger journeys. London Rail also exceeded all previous 12 week quarterly passenger journey numbers, with the opening of the Stratford International Extension and Westfield Stratford City shopping centre creating greater than expected demand on the Docklands Light Railway and London Overground. Due to higher than average temperatures, there were more cycle journeys made on the TfL Road Network. Reliability on London Underground, Trams and London Buses was better than target in Quarter 3. London Overground topped the National Passenger Performance Measure table in Periods 7 and 8 and continues to improve.

Financial performance: The full-year forecast for operating income is £89m above budget, an increase of around 2 per cent reflecting higher than budgeted RPI, higher passenger demand on London Underground and London Rail and favourable Travelcard apportionment factors. The full-year forecast for operating expenditure, at £5,446m, is £249m lower than budget, mainly due to timing differences including early achievement of one-off efficiency savings and a re-phasing of non-capital project expenditure. Group items are forecast to be £227m above budget as explained on page 14. The overall Margin is forecast to be £112m better than budget. As discussed at the last quarter, these funds have been allocated to expenditure in future years of the Business Plan.

Net capital expenditure (excluding Crossrail) in the full year is forecast to be £1,631m, £261m below budget. This is primarily due to project re-profiling, including the Northern line upgrade (incorporated in the forecast at Quarter 1), track works, major power works and the Future Ticketing Project. Overall capital expenditure budgets remain unchanged so this funding will be required in future years.

Crossrail capital expenditure is forecast to be £180m lower than budget for the full year, mainly reflecting re-phased expenditure on tunnelling and stations work. Crossrail funding is ring-fenced for the Crossrail project.

Savings: Savings of £669m have been secured this year to date on a gross basis. Just over £1bn of savings are forecast to be delivered in the full year, £170m more than target. Forecasts are slightly higher than the position at the end of Quarter 2, reflecting continuing over-delivery against target in Rail and Underground, resulting from a mixture of early achievement of some Investment Programme items and over-achievement of operating cost savings, and also in Surface Transport.

Staff: At the end of Quarter 3, TfL (excluding Tube Lines) employed 24,786 full time equivalent (FTE) staff (excluding those on maternity leave). This was 1,002 fewer than budget, largely due to limited recruitment in anticipation of the outcome of Project Horizon.

London Underground

Operational Performance

London Underground Performance	Units	Quarter 3 2011/12			Full Year 2011/12		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
Passenger Journeys	m	282.3	5.5 ○	12.3	1,147.0	14.0 ○	39.7
% Scheduled Services Operated	%	97.1	0.4 ○	3.9	96.8	0.1 ○	1.2
Excess Journey Time (Weighted)	Mins	6.02	(0.19) ○	(1.79)	6.10	(0.10) ○	(0.40)
Overall CSS Q3 2012	Score	80	1 ○	1	79	- ○	-
LU and DLR: recorded crime per million passenger journeys Q3 2012	#	9.1	(2.4) ○	(2.8)	11.0	(0.5) ○	(0.6)

○: better than or equal to target; ◐: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding.

CSS: Customer Satisfaction Survey

- 1.0 In the third quarter of 2011/12, London Underground (LU) passengers made 5.5 million more journeys than target. The growth seen in the first two quarters has continued into the third quarter. Period 9 saw the highest number of LU passenger journeys made in a four week period and Quarter 3 the highest number in a 12 week quarter. Therefore, the full-year forecast has increased and there are predicted to be 14.0 million (1.2 per cent) more passenger journeys than target.
- 1.1 LU operated 0.4 per cent more of the scheduled services than target in Quarter 3 and more than the same quarter last year (which was affected by several days of industrial action). The full-year forecast remains above target by 0.1 percentage points.
- 1.2 Excess Journey Time (EJT) in Quarter 3 averaged 6.02 minutes. This was 0.19 minutes better than target and better than the same quarter last year (which was affected by several days of industrial action).
- 1.3 The LU Customer Satisfaction Survey (CSS) scored 80 at Quarter 3. This was 1 point above target and the same quarter last year. This is the first time a score of 80 has been recorded over the historically busy Quarter 3 time period, and was recorded during a period of record passenger volumes.
- 1.4 In Quarter 3, there were 9.1 recorded crimes per million journeys on the LU and Docklands Light Railway (DLR) networks. This measure remains better than target in the year to date and is also lower than the same quarter last year.
- 1.5 At the end of Quarter 3, LU employed 18,355 FTE staff, 516 (2.8 per cent) fewer than budget. This is mainly due to delayed recruitment in operational areas. The variance to budget is increased by significant attrition that occurred after the 2011/12 budget was set.

Financial Performance

London Underground £m	Year to date				Full Year 2011/2012					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Operating Income	(1,475)	(1,418)	(57)	○	(2,130)	(2,055)	(76)	○	(2,113)	(18)
Operating Expenditure (net of third party contributions)	1,191	1,285	(94)	○	1,805	1,909	(104)	○	1,862	(57)
Net Operating	(284)	(133)	(151)	○	(326)	(146)	(180)	○	(251)	(75)
Net Capital Expenditure	685	779	(95)	○	1,036	1,087	(51)	○	1,030	6
Net Service Expenditure	401	647	(246)	○	710	941	(231)	○	779	(69)

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding.

- 1.6 Operating income in the year to date was £57m higher than budget, mainly driven by fares income due to record demand and favourable movements in Travelcard apportionment factors, which in themselves are a reflection of ticket usage. New demand records were established in each 4-week period in Quarter 3. An increase of £6m in other revenue is largely property rental income. The above improvements are reflected in the full-year forecast, which has been increased by a further £18m this quarter and is now £76m better than budget. The forecast also includes the lower than expected January 2012 fares increase.
- 1.7 Operating expenditure, net of third party contributions, was £94m lower than budget in the year to date. This includes savings in Operations mainly as a result of staff numbers remaining below budget, in Strategy due to lower consultancy and legal costs, and in staff and other costs across the Support Directorates. Compensation continues to be received from Crossrail and Thameslink for disruption caused to LU by their activities, notably at Blackfriars and Farringdon. Savings in central overheads principally arise from early realisation of efficiencies. The operating expenditure variance also includes timing variances in the non-capital elements of the investment programme, notably Asset Stabilisation, Information Management and Olympic Readiness projects, and savings on decommissioning of old Victoria line rolling stock. These factors have been reflected in the Quarter 3 forecast, which is £104m below budget and £57m lower than at Quarter 2.
- 1.8 Net capital expenditure in the year to date was £95m lower than budget. The budget for track work pre-dated agreement of the Balfour Beatty contract work programme, resulting in re-phasing of expenditure. There has also been a temporary suspension of ballasted track replacement (BTR) works following issues with weekend engineering work in October. The Sub-Surface Rail (SSR) power programme is below budget following successful resolution of claims and a re-phased programme. Delays in acceptance of 'S' stock trains due to quality issues (which have been addressed through approved modifications and increased testing), and phasing of signalling work following letting of the Automatic Train Control (ATC) contract are the main reasons for an underspend to date on the SSR Upgrade programme.
- 1.9 The full-year forecast for net capital expenditure is £51m below budget, indicating some recovery from the year-to-date position notably on the SSR upgrade as a result of expenditure being re-phased into the final quarter of the year. The forecast also makes provision for expenditure on LU's reliability improvement programme, which was not anticipated in the budget.

Tube Lines

Tube Lines £m	Year to Date				Full Year 2011/2012					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Operating Income	(10)	(10)	-	○	(12)	(14)	2	●	(12)	-
Operating Expenditure (net of third party contributions)	231	265	(33)	○	350	376	(26)	○	353	(3)
Net Operating	222	255	(33)	○	338	362	(24)	○	342	(3)
Net Capital Expenditure	122	291	(169)	○	193	372	(179)	○	202	(10)
Net Service Expenditure	344	546	(202)	○	531	734	(203)	○	544	(13)

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding.

- 2.0 Operating expenditure in the year to date was £33m lower than budget, mainly due to a later start of Jubilee line rolling stock overhaul works, delays on the Piccadilly line rolling stock life extension works and re-phasing of the station services programme. This was partially offset by increased track and escalator works. The Quarter 3 full-year forecast is £26m lower than budget partly due to these reasons, and also revised phasing of system upgrade costs to 2012/13 and savings across headquarters departments.
- 2.1 Year-to-date net capital expenditure was £169m lower than budget, mainly due to re-phasing of the Northern line upgrade (incorporated in the forecast at Quarter 1), the track work programme, civils work and lift and escalator works.
- 2.2 In the full year, net capital expenditure is forecast to be £179m lower than budget, mainly reflecting the re-phasing of the Northern line upgrade to match the closure programme, as well as infrastructure cost savings and deferrals.
- 2.3 At the end of Quarter 3, Tube Lines employed 2,483 FTE staff, 172 (6.9 per cent) more than budget. This was mainly due to the transfer of staff from Alstom, in relation to maintenance. Compared to Quarter 2, the variance has increased due to vacancies being filled.

London Rail

Operational Performance

London Rail Performance	Units	Quarter 3 2011/12			Full Year 2011/12		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
DLR							
Passenger Journeys	m	21.8	1.8 ○	2.4	85.8	3.7 ○	7.5
% Scheduled Services Operated	%	97.7	(0.3) ▶	0.7	97.8	(0.2) ▶	0.3
On-time performance	%	97.1	0.1 ○	0.2	97.2	0.2 ○	(0.2)
Overall CSS Q3 2012	Score	82	1 ○	2	82	1 ○	-
London Overground							
Passenger Journeys	m	26.2	N/A	N/A	102.2	24.5 ○	N/A
PPM London Overground (MAA)	%	96.3	2.3 ○	2.1	95.8	1.8 ○	0.9
Overall CSS Q3 2012	Score	82	4 ○	3	80	2 ○	-
Trams							
Passenger Journeys	m	7.1	0.3 ○	0.3	28.6	0.5 ○	0.7
% Scheduled Services Operated	%	99.4	1.4 ○	0.7	98.0	- ○	(1.2)
Overall CSS Q3 2012	Score	83	(3) ▶	(2)	86	- ○	-

○: better than or equal to target; ▶: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding. CSS: Customer Satisfaction Survey PPM (MAA): Passenger Performance Measure (Moving Annual Average)

Note: There are no quarterly targets shown for London Overground passenger journeys because, until recently, journey data was derived from the revenue settlement process and proved to be inaccurate. The new train fleet has been equipped with 'loadweigh', which measures the weight of the train when loaded and from which the number of passengers can be directly derived. This has been used to estimate journeys from Period 1 and will be used to set targets going forward.

- 3.0 Docklands Light Railway (DLR) passengers made 8.8 per cent more journeys than target in Quarter 3, and 12.1 per cent more journeys than the same quarter last year. This is due to greater than expected demand following the opening of the Stratford International Extension and Westfield Stratford City shopping centre. The full-year forecast is 4.5 per cent above target.
- 3.1 In Quarter 3, DLR delivered a lower percentage of scheduled services compared to target but 0.7 percentage points more than Quarter 3 2010/11. The full-year forecast has been amended to 0.2 percentage points below target due to signalling software issues, despite improvement throughout the quarter.
- 3.2 DLR On-time performance was higher than target and the same quarter last year. The full-year forecast remains above target.
- 3.3 The DLR CSS result for Quarter 3 was higher than target and the same quarter last year. The scores for 'Personal safety during journey' and 'Freedom from Graffiti on train' remained high. The above target results have led to a full-year forecast 1 point better than target.
- 3.4 Demand on London Overground (LO) continues to grow, as a result of recent capacity enhancements and the opening of Westfield Stratford City shopping centre. The LO forecast is now 102.2 million passenger journeys for the full year.
- 3.5 The LO passenger performance measure (PPM) is the percentage of trains arriving at their destination within five minutes of the time stated in the timetable. In Quarter 3, the PPM moving annual average (MAA) continued to improve, Quarter 3 being the highest for a 12 week quarter in LO recorded history.

- 3.6 The LO CSS score for Quarter 3 was 4 points higher than target and 3 points higher than the same quarter last year. Satisfaction with Personal safety and 'Trains running on time' remain particularly high. Significant improvements against last year can be seen in scores for the 'number of trains on the route' and the condition of stations, demonstrating the continuing recognition of network and reliability improvements made on London Overground.
- 3.7 In Quarter 3, Tram passengers made more journeys than target and the highest number of passenger journeys in a 12 week quarter. Trams have forecast there will be 1.8 per cent more journeys than target in the full year.
- 3.8 Trams operated more scheduled services than target and the same quarter last year. More than 99 per cent of scheduled services operated in Periods 7, 8 and 9 mainly due to improved rolling stock performance.
- 3.9 The Trams CSS score of 83 for Quarter 3 was 3 points lower than target and 2 points lower than the same quarter last year. Quarter 3 was 3 points lower than the previous quarter reflecting lower scores in the customer perception of 'State of Repair', 'Cleanliness' and 'Reliability Time waited/Journey Time'. Further details are under investigation with the TfL Customer Research & Insight team and an action plan will be developed to address any specific local issues.
- 3.10 At the end of Quarter 3, LR employed 224 FTE staff, which was (2.1 per cent) fewer staff (FTE) than budget.

Financial Performance

London Rail £m	Year to Date				Full Year 2011/2012					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Operating Income	(152)	(140)	(12)	○	(224)	(205)	(19)	○	(220)	(5)
Operating Expenditure (net of third party contributions)	218	229	(11)	○	320	336	(16)	○	334	(14)
Net Operating	66	89	(23)	○	95	131	(35)	○	114	(19)
Net Capital Expenditure	129	107	21	●	198	186	12	●	265	(67)
Net Service Expenditure	195	197	(2)	○	294	317	(23)	○	379	(85)

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding.

- 3.11 Operating income in the year to date was £12m higher than budget, primarily driven by greater than anticipated passenger demand on the London Overground and on the Docklands Light Railway (DLR), following capacity enhancement work and the opening of the Stratford International Extension and Westfield Stratford City shopping centre. This is also reflected in the full-year forecast variance to budget.
- 3.12 In the year to date, operating expenditure net of third party contributions, was £11m lower than budget. This mainly relates to lower than expected train service agreement costs associated with train cleaning, lower London Overground rolling stock lease costs due to favourable interest rates and reduced costs due to the acquisition of two DLR Private Finance Initiatives (PFIs), City Airport Rail Enterprises (CARE) and Woolwich Arsenal Rail Enterprises (WARE). The Quarter 3 full year forecast reflects these variances. The movement from the Quarter 2 forecast is mainly due to the acquisition of the two DLR PFIs.

- 3.13 Net capital expenditure in the year to date was £21m higher than budget, and the full-year forecast is £12m higher than budget. These variances are mainly due to the purchase rather than lease of new trams, a revised Emirates Air Line forecast and additional DLR infrastructure requirements. The full-year variance against the previous forecast is mainly due to the re-phasing of London Overground Infrastructure expenditure into 2012/13.

Crossrail

Crossrail Financials £	Year to Date				Full Year 2011/2012					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Net Service Expenditure	586	693	(106)	○	909	1,089	(180)	○	899	10

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding.

- 4.0 Crossrail capital expenditure in the year to date was £106m lower than budget, due to the delayed award of some station contracts, a slower ramp up in the expenditure on the tunnelling contracts and lower land and property expenditure. The Quarter 3 forecast is £180m lower than budget for the same reasons. In addition, during the year, the cost of a number of contract awards has been lower than anticipated.
- 4.1 At the end of Quarter 3, Crossrail employed 449 FTE staff, 69 (15.4 per cent) more FTE staff than budget. Programme reviews demonstrated that additional staff, compared to the number stated in the budget, would facilitate a more effective delivery.

Surface Transport

Operational Performance

Surface Transport Performance	Units	Quarter 3 2011/12			Full Year 2011/12		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
London Buses							
Passenger Journeys	m	567.3	12.7 ○	15.9	2,339.0	35.0 ○	50.0
% Scheduled Services Operated	%	97.3	0.6 ○	0.9	97.6	0.3 ○	0.2
Excess Wait Time	Mins	1.1	(0.2) ○	(0.1)	1.1	- ○	0.1
Overall CSS Q3 2012	Score	80	1 ○	2	80	1 ○	-
London Buses: recorded crime per million passenger journeys Q3 2012	#	8.9	(1.3) ○	(1.3)	9.9	(0.3) ○	(0.6)
Performance - Other Areas							
Number of trips - Dial a Ride	m	0.3	- ○	-	1.4	- ○	0.1
Cycling levels on the TLRN*	Index	286	14 ○	31	277	15 ○	27
TLRN Journey Time Reliability (am peak)	%	88.1	0.2 ○	0.7	89.2	0.2 ○	0.4
Overall CSS - Dial a Ride Q3 2012	Score	91	(2) ●	1	92	(1) ●	1
Overall CSS - Congestion Charging Q3 2012	Score	82	(2) ●	7	82	(2) ●	5**
KSI Londonwide - % reduction (from 05-09 baseline) June - Aug 2011	%	(30.8)	(6.3) ○	(12.2)	(31.9)	(9.5) ○	(14.5)

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding.

CSS: Customer Satisfaction Survey

KSI: Killed and seriously injured

TLRN: TfL Road Network

*Cycling levels on the TLRN - Indexed (March 2000 = 100)

**The last year score of 77 is the result from the March 2011 survey.

- 5.0 In Quarter 3, bus passenger journeys were 2.3 per cent up on target and 2.9 per cent up on last year. Last year, Quarter 3 was affected by severe weather in Period 9, dampening journeys, which was partially offset by LU Industrial Action increasing bus passenger journeys.
- 5.1 In Quarter 3, the proportion of scheduled services operated by London Buses was better than target. Initiatives to protect routes from anticipated delays arising from planned major roadworks, together with improved control of services and lower levels of traffic congestion, were the main factors. Nevertheless, significant disruption to bus services was caused by large demonstrations on 9 and 30 November 2011 and by roadworks at Hammersmith, Newgate Street (St.Paul's) and Bexleyheath. The proportion of services not operated for staffing and mechanical reasons was better than forecast.
- 5.2 Excess wait time (EWT) was better than target in Quarter 3. This was mainly due to improved traffic conditions and enhanced control of services.
- 5.3 In Quarter 3, the London Buses Customer Satisfaction Survey (CSS) score was one point higher than target, and two points higher than the third quarter last year. The forecast for the full year is 80, which is higher than target and in line with the CSS score for 2010/11.
- 5.4 Incidents of recorded crime on London Buses were 1.3 crimes per million journeys lower than target and Quarter 3 in the prior year. The reduction in overall bus crime has been largely down to the ongoing work by the TfL-funded Safer Transport Command (STC) and its Safer Transport Teams in each of the Capital's boroughs. The effectiveness of the STC was underpinned by TfL's support for

intelligence-led policing, problem solving, and prevention driven by the rigorous performance framework in place to ensure a high level of service delivery.

- 5.5 The number of completed Dial-a-Ride trips during the quarter was on target and full year completed trips are forecast to meet target.
- 5.6 In Quarter 3, the average index of cycle flows on the TfL Road Network was 286, equal to an average sample weekly cycle count of 170,378, which is 5.1 per cent higher than target and 11.9 per cent higher than the same quarter last year. Investment in cycling facilities, Cycle Superhighways and the Cycle Hire Scheme alongside mode shift changes and the higher than average temperatures of between 1.5°C and 2.9°C warmer than the 1971-2000 average, in Quarter 3, have contributed to the increase in cycling observed compared to the same quarter in the previous year. Based on the growth in the index over the last year, the full-year forecast has been revised upwards to 277, which represents a 5.7 per cent improvement compared to budget.

The index of cycle flows on the TfL Road Network (TLRN) measures the growth in cycle flows recorded by automatic cycle counters at a sample of 60 locations on the TLRN. The index was set to 100 in March 2000, when the average sample weekly cycle count was 59,552. (NB: the sample count figures are not equal to the total amount of cycling taking place on the TLRN).

- 5.7 Journey time reliability (JTR) on the TLRN is defined as the percentage of journeys completed within an allowable excess of five minutes for a standard 30 minute journey during the am peak. In Quarter 3, JTR on the TLRN of 88.1 per cent was 0.2 percentage points better than target. Implementation of Split Cycle Offset Optimisation Technique (SCOOT) on some of the TLRN corridors, the continued year-on-year reductions in flow and lower counts of significant disruption incidents in the am peak are the main contributors to the improvement. The JTR was 0.7 percentage points better than the same quarter last year where there has been an overall improvement in the JTR this year. Also last year, traffic volumes, and therefore the JTR, were adversely affected by the LU Industrial Action.
- 5.8 Overall Customer Satisfaction for Dial-a-Ride in the Quarter was 91, the same as last quarter and better than the same quarter last year. However, the challenge of improving on the 2010/11 full year level by 2 points has not been achieved and the level is two points below the target of 93. Customer satisfaction is being adversely impacted by the continuing increase in demand for the service due to changes to Taxicard and reduction or withdrawal of some other non-statutory door to door transport services by other organisations. The increases in demand have resulted in an increase in refusals and consequently reduced satisfaction with the booking process.
- 5.9 Results from Wave 4 of the Congestion Charging (CC) CSS, which took place during October and November, show an improvement against previous results. Overall Satisfaction was 82 for general customers (up 5 points from the previous survey, which took place in March 2011) and 75 for fleet managers (up 12 points from the previous survey). Satisfaction with the overall quality of CC Auto Pay service remains high with a mean score of 87.
- 5.10 The number of killed and seriously injured London-wide showed a reduction of 30.8 per cent in Quarter 3 compared to the 2005-09 baseline and was an improvement on the reduction target of 24.5 per cent. The full-year forecast is set at a reduction of 31.9 per cent against a reduction target of 22.4 per cent.

5.11 There were 3,411 FTE staff in Surface Transport at the end of Quarter 3, 275 (8.1 per cent) lower than budget. The variance is due to driver vacancies in Dial-a-Ride, the result of restructures and staff reduction programmes (including Taxi and Private Hire and Roads) and vacancies being held ahead of the results of Project Horizon.

Financial Performance

Surface Transport £m	Year to Date				Full Year 2011/2012					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Operating Income	(1,176)	(1,194)	17	▶	(1,700)	(1,715)	15	▶	(1,708)	8
Operating Expenditure (net of third party contributions)	1,754	1,792	(38)	○	2,607	2,637	(31)	○	2,633	(27)
Net Operating	577	598	(21)	○	907	923	(16)	○	925	(19)
Net Capital Expenditure	142	147	(5)	○	198	220	(22)	○	214	(15)
Net Service Expenditure	719	745	(26)	○	1,105	1,143	(38)	○	1,139	(34)

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ▶ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding.

- 5.12 Operating income in the year to date was £17m below budget. This is mainly due to reduced bus network income (from passengers switching to cheaper ticket types and Travelcard apportionment factors), timing differences on one-off receipts (e.g. Green Bus funding) and lower Barclays Cycle Hire income. These shortfalls were partially offset by increased Congestion Charging and Traffic Enforcement (CC&TE) income as a result of higher overall volumes. The full-year forecast at Quarter 3 reflects the full-year effect of the underlying in-year trends and the lower than expected January 2012 fares increase.
- 5.13 Operating expenditure in the year to date was £38m lower than budget. This was largely due to in-year timing differences, including re-phasing of planned expenditure on Barclays Cycle Superhighways, Low Emission Zone (LEZ) phases 3 and 4, and other Road maintenance and development schemes. In addition, savings were achieved in Bus Network and Performance (savings delivered on contract tendering, bus ticket machine maintenance and ticket commission costs), Traffic Real Time Operations and support cost savings across Surface Transport.
- 5.14 The full-year operating expenditure forecast at Quarter 3 is £31m lower than budget. This is largely due to re-phasing of project spend into future years in areas such as marketing for Olympic Travel Demand Management, and operational cost savings identified across Surface. These were partially offset by new activities, including additional 2012 Games expenditure, which will be funded by the Olympic Delivery Authority (ODA) with the funding held at TfL Group level, and temporary bridge strengthening works on the Hammersmith Flyover.
- 5.15 The full-year operating expenditure forecast is £27m lower than the forecast at Quarter 2. Re-phasing of spend into future years of £15m includes various Better Routes and Places schemes such as Olympic Travel Demand Management. The balance is mainly due to the identification of further operational cost savings, such as reduced bad debt in CC&TE and lower Taxicard activity due to restrictions on usage introduced by the boroughs.

- 5.16 Net capital expenditure in the year to date was £5m lower than budget. This was due to in-year timing changes, including the upgrading of traffic signals with Split Cycle Offset Optimisation Technique (SCOOT) and signals modernisation. Slippages into future years included TLRN Capital Development and Countdown II. These have been partially offset by work brought forward on TLRN carriageway renewals to be completed before the 2012 Games.
- 5.17 The net capital expenditure full-year forecast at Quarter 3 is £22m lower than budget. This is due to savings on a range of projects, including the Blackwall Tunnel northbound refurbishment and A406 Bounds Green safety and environmental improvements, and the net impact of slippages into future years offset by the acceleration on carriageway renewals.
- 5.18 The net capital expenditure full-year forecast at Quarter 3 is £15m lower than at Quarter 2 and is mainly due to re-phasing of projects to future years, including A406 Bounds Green, Countdown II and traffic signal modernisation.

Corporate Directorates

Corporate Directorates £m	Year to Date				Full Year 2011/2012					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Operating Income	(40)	(27)	(14)	○	(54)	(43)	(11)	○	(51)	(3)
Operating Expenditure (net of third party contributions)	214	282	(68)	○	365	437	(72)	○	381	(16)
Net Operating	173	255	(82)	○	311	394	(83)	○	330	(19)
Net Capital Expenditure	7	18	(11)	○	6	28	(22)	○	(3)	9
Net Service Expenditure	180	274	(93)	○	317	422	(105)	○	327	(10)

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding.

- 6.0 Operating income in the year to date was £14m higher than budget. This was mainly driven by additional income from advertising and Oyster Card Schemes, increased property rental income and an unbudgeted tax rebate. These factors also drove the Quarter 3 full-year forecast variance from budget.
- 6.1 Year-to-date operating expenditure was £68m lower than budget. This was due to phasing variances in core IM projects, ticketing projects and the Accommodation Strategy. There were lower staff costs across all areas largely due to vacancies pending the outcome of the Horizon project, which was also underspent. Fewer staff and the Horizon re-organisation resulted in lower expenditure on training and recruitment. In Planning, River Crossings and analysis work were re-profiled to future years. Factors featuring in the year to date contributed to the Quarter 3 full-year forecast variance from budget, along with the savings from Project Horizon related staff reductions.
- 6.2 The operating expenditure full-year forecast is £16m lower than forecast at Quarter 2. This is mainly due to the re-profiling of IM project costs, lower costs in ticketing projects and a lower insurance claims forecast, partly offset by the earlier payment of Horizon voluntary severance costs than previously assumed. Horizon savings have been recognised and there is lower spend on training, recruitment and HR projects.
- 6.3 Net capital expenditure was £11m lower than budget in the year to date. This was mainly driven by higher income from unbudgeted property sales and better than expected proceeds from some budgeted sales. Due to delays and re-phasing, there was lower expenditure on the Future Ticketing Project (FTP), IM capital projects and the Payment Card Industry Data Security Standard (PCI DSS) project. These were partly offset by property sales slippage.
- 6.4 Net capital expenditure in the full year is forecast to be £22m lower than budget. This is mainly due to the re-profiling of projects in Fares and Ticketing and IM, compensation for the demolition of LU properties to make way for Crossrail and higher property sales income, partly offset by the re-profiling of property sales.
- 6.5 The full-year net capital expenditure forecast is £9m higher than at Quarter 2. Property sales income of £32m has been re-profiled. This has been partially offset by compensation for LU

property demolition, higher estimated property sales values and re-profiling of expenditure on ticketing projects.

- 6.6 In the Corporate Directorates, there were 2,374 FTE staff, 275 (11.7 per cent) fewer than budget at the end of Quarter 3. This reflected fewer permanent staff in all areas, partly offset by higher than budgeted temporary workers, pending the outcome of Project Horizon.

Group Items

Group Items	Year to date				Full Year 2011/2012					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Interest Income	(9)	(11)	2	●	(11)	(15)	4	●	(12)	1
Debt Servicing	187	208	(21)	○	270	304	(34)	○	270	-
Exceptional Items	277	-	277	●	277	-	277	●	217	60
Contingency/Other Group Items	1	37	(36)	○	33	54	(20)	○	38	(4)
Total Group Items	457	235	222	●	569	342	227	●	512	57

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ● Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding.

- 6.7 The Interest Income year-to-date and full-year variances are caused by lower than expected rates being received on TfL cash balances, arising from falling UK Government Gilt rates.
- 6.8 Lower debt service expenditure in the year to date and full year are due to the acquisition of high coupon Tube Lines Finance loan notes (see exceptional items in paragraph 6.9), which will be replaced with TfL debt at lower rates.
- 6.9 Unbudgeted Exceptional Items of £277m have been incurred. These costs relate to the acquisition of the Tube Lines loan notes and the City Airport Rail Enterprises and Woolwich Arsenal Rail Enterprises (CARE and WARE) concessions. Despite this upfront cost these acquisitions create significant cash flow benefits out to 2021 due to TfL's ability to issue replacement debt at a lower rate using its AA+ credit rating. The £60m increase in the full-year forecast relates to acquisition of the CARE and WARE concessions which were agreed after the Quarter 2 forecast.
- 6.10 Contingency/Other Group Items variances are primarily due to the release of unused contingency.

Savings

Savings £m	Actual YTD	Forecast at Q3	Target	Variance	Status
Corporate and Group Wide	125	176	173	3	○
Rail and Underground	372	557	438	119	○
Surface Transport	173	275	226	49	○
Gross	669	1,008	838	170	○
Implementation Costs	(7)	(44)	(46)	1	○
Net	663	964	792	172	○

Tables may be subject to rounding

The status indicates that the in year delivery is ahead of target representing early delivery of some savings with the overall programme currently on track to deliver the promised savings by 2017/8.

- 7.0 On a gross basis, over £1bn of savings are forecast for the full year, £170m more than target. This shows a further improvement (of £31m) on the full year position since the Quarter 2 forecast.
- 7.1 Rail and Underground continue to exceed the efficiency targets for the current year. Year-to-date savings at Quarter 3 were £372m, £93m higher than the phased target. The forecast for year end is £119m ahead of target. This represents a further improvement since the Quarter 2 forecast. Over-delivery continues to arise from a mixture of early achievement of some items in the Investment Programme and over-achievement of operating cost savings (most notably on Continuous Savings Exercise (CSE) expenditure controls and vacancies).
- 7.2 The final deliverables for the C-Change Project (the initiative to ensure the Automatic Train Control contract for the Sub-Surface Upgrade delivers its efficiency commitment) were completed last quarter. However, all items remain under continuous review to ensure they effectively deliver promised benefits.
- 7.3 Surface Transport is forecasting £275m of savings for the full year, against a target of £226m, £16m better than forecast at Quarter 2. This is due to CSE initiatives of £10m, which include CCTV maintenance savings with the transition from an analogue to digital network, and in-year bus network contract savings. In addition, there are project delivery savings of £11m and ongoing payroll savings of £6m. The remaining increase of £22m derives from other small incremental savings generated in forecast reviews.
- 7.4 Implementation costs are forecast to be £1.5m less than budget, although the year to date position is below this allocation. However, there are known costs due to be incurred during Quarter 4, including Project Horizon implementation costs.

Balance Sheet

Transport for London Group Balance Sheet at end of Quarter 3 £m	Actual	Variance to Budget
Fixed Assets – (higher) / lower than budget	24,942	404
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	640	(315)
Cash – (higher) / lower than budget	2,236	(114)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,174)	(105)
External Borrowings – higher / (lower) than budget	(6,642)	174
Provisions – higher / (lower) than budget	(1,918)	(53)
Total Net Assets – (higher) / lower than budget	16,084	(9)

Tables may be subject to rounding

- 8.0 Fixed assets were £404m lower than budget, mainly due to lower activity expenditure of £106m in Crossrail and £259m in the rest of TfL (see Appendix 2). The remaining variance arises in respect of depreciation and disposals, mainly in London Underground.
- 8.1 Stock, debtors and payments in advance were £315m above budgeted levels. However, temporarily held within this, pending finalisation of all accounting entries, is £250m in respect of the purchases of the WARE and CARE entities. This represents the cash cost of acquisition and debt repayment to date, less the estimated value of goodwill written off of £125m. When the accounting entries are complete, the £250m will largely reduce the level of the finance lease creditor held in Docklands Light Railway Ltd. Excluding this, the underlying variance is £65m, of which some £41m is due to changes in the milestones in respect of ODA funding receivable. The remaining variance represents normal trading variances across the Group.
- 8.2 Cash is £114m above budget. This is due to lower net capital spend of £365m, lower revenue activity of £88m and higher net borrowings of £174m. Offsetting this are the payments relating to the purchases of WARE and CARE, totalling £376m, lower than budgeted grant of £53m, mainly for the Crossrail project (to be received later in the year) and working capital movements of £84m.
- 8.3 Creditors are £105m lower than budget, spread across all companies and reflecting lower than planned activity levels to date.
- 8.4 Borrowings are £174m higher than budget to date reflecting the earlier than planned borrowing to help fund the acquisition of the WARE and CARE entities.
- 8.5 Provisions are £53m below budget, mainly due to accelerated payments for property purchases in respect of the Crossrail project (£41m), allied to other small movements across the Group.

Forecast

Transport for London Group Balance Sheet Forecast for the Year End £m	Forecast at Q3	Variance to Budget
Fixed Assets – (higher) / lower than budget	25,498	372
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	482	(116)
Cash – (higher) / lower than budget	2,437	(289)
Creditors and Receipts in Advance-higher / (lower) than budget	(2,801)	(453)
External Borrowings – higher / (lower) than budget	(7,125)	375
Provisions – higher / (lower) than budget	(1,858)	(56)
Total Net Assets – (higher) / lower than budget	16,633	(167)

Tables may be subject to rounding

- 8.6 The forecast for fixed assets is £372m below budget, due to lower fixed asset additions of £437m (see Appendix 2). This is partially offset by variances arising from changes to disposal and depreciation forecasts, mainly in London Underground.
- 8.7 Stock, debtors and payments in advance are forecast to be £116m higher than budget. £78m of this is in the Corporate Centre, primarily in respect of invoiced and accrued grant income (£38m for ODA and £9m for ITSO) and higher Joint Facility Ticketing debtors of £25m due to a change in the mix of sales outlets. The remaining variance reflects timing and other trading changes across the Group.
- 8.8 Cash is now forecast to be above budget by £289m. This is due to lower net service expenditure (including Crossrail) of £553m (see Appendix 2), as well as higher grant receipts and increased direct borrowings (see below) offset by the payments for WARE and CARE of £376m and other working capital movements.
- 8.9 Creditors and receipts in advance are expected to be £453m lower than budgeted at year end, reflecting the settlement of the WARE and CARE lease creditors within Docklands Light Railway (£326m). The remaining variance reflects the expected reductions in activity over the remaining periods.
- 8.10 TfL's borrowings are now forecast to be £375m higher than budget. As a result of the refinancing of the Tube Lines (Finance) Plc debt, scheduled debt repayments on the old borrowings will not now be made, resulting in an increase in forecast borrowing. The forecast also now includes additional borrowing of £326m to be used to repay the lease creditors in DLR in respect of WARE and CARE. This transaction will be undertaken under the guidance of Annex C of the 2010 funding agreement letter, which permits TfL to swap finance leases in the subsidiaries with direct borrowings in the Corporation.
- 8.11 Provisions are forecast to be £56m below budget mainly due to revised assumptions on Crossrail related property purchases, whereby increased acquisitions in the year of £9m are offset by accelerated compensation payments of £65m. Other small forecast movements across the Group are largely offsetting.

Appendix One: Operational Summary

2011/12		Quarter 3			Full Year		
Key Performance Indicator	Units	Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
Service Demand							
Passenger Journeys - London Underground	m	282.3	5.5 ○	12.3	1,147.0	14.0 ○	39.7
Passenger Journeys - DLR	m	21.8	1.8 ○	2.4	85.8	3.7 ○	7.5
Passenger Journeys - Trams	m	7.1	0.3 ○	0.3	28.6	0.5 ○	0.7
Passenger Journeys - London Overground	m	26.2	N/A	N/A	102.2	24.5 ○	N/A
Passenger Journeys - Buses	m	567.3	12.7 ○	15.9	2,339.0	35.0 ○	50.0
Number of Trips - Dial a Ride	m	0.3	- ○	-	1.4	- ○	0.1
Cycling levels on the TLRN*	Index	286	14 ○	31	277	15 ○	27
Supporting Development and Growth							
% Scheduled Services Operated - LU	%	97.1	0.4 ○	3.9	96.8	0.1 ○	1.2
% Scheduled Services Operated - DLR	%	97.7	(0.3) ▶	0.7	97.8	(0.2) ▶	0.3
% Scheduled Services Operated - Trams	%	99.4	1.4 ○	0.7	98.0	- ○	(1.2)
% Scheduled Services Operated - Buses	%	97.3	0.6 ○	0.9	97.6	0.3 ○	0.2
Excess Journey Time (Weighted) - LU	Mins	6.02	(0.19) ○	(1.79)	6.10	(0.10) ○	(0.40)
On-time performance - DLR	%	97.1	0.1 ○	0.2	97.2	0.2 ○	(0.2)
PPM London Overground (MAA)	%	96.3	2.3 ○	2.1	95.8	1.8 ○	0.9
Excess Wait Time - Buses	Mins	1.1	(0.2) ○	(0.1)	1.1	- ○	0.1
TLRN Journey Time Reliability (am peak)	%	88.1	0.2 ○	0.7	89.2	0.2 ○	0.4
Quality of Life							
Overall CSS - London Underground Q3 2012	Score	80	1 ○	1	79	- ○	-
Overall CSS - DLR Q3 2012	Score	82	1 ○	2	82	1 ○	-
Overall CSS - Trams Q3 2012	Score	83	(3) ▶	(2)	86	- ○	-
Overall CSS - London Overground Q3 2012	Score	82	4 ○	3	80	2 ○	-
Overall CSS - Buses Q3 2012	Score	80	1 ○	2	80	1 ○	-
Overall CSS - Dial a Ride Q3 2012	Score	91	(2) ▶	1	92	(1) ▶	1
Overall CSS - Congestion Charging Scheme Q3 2012	Score	82	(2) ▶	7	82	(2) ▶	5**
Ensuring Safety and Security							
KSI Londonwide - % reduction (from 05-09 baseline) June - Aug 2011	%	(30.8)	(6.3) ○	(12)	(31.9)	(9.5) ○	(15)
LU and DLR: recorded crime per million passenger journeys Q3 2012	#	9.1	(2.4) ○	(2.8)	11.0	(0.5) ○	(0.6)
London Buses: recorded crime per million passenger journeys Q3 2012	#	8.9	(1.3) ○	(1.3)	9.9	(0.3) ○	(0.6)

○: better than or equal to target; ▶: within 5% of target; ●: 5% or more worse than target
 Tables may be subject to rounding.

CSS: Customer Satisfaction Survey

PPM (MAA): Passenger Performance Measure (Moving Annual Average)

KSI: Killed and seriously injured

*Cycling levels on the TLRN - Indexed (March 2000 = 100)

**The last year score of 77 is the result from the March 2011 survey

Appendix Two: Financial Summary

£m	YTD				Full Year					
	Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
Fares income	(2,438)	(2,389)	(49)	○	(3,533)	(3,460)	(73)	○	(3,519)	(14)
Other income	(416)	(399)	(16)	○	(588)	(572)	(16)	○	(584)	(4)
Total operating income	(2,853)	(2,788)	(65)	○	(4,121)	(4,032)	(89)	○	(4,103)	(18)
Operating expenditure (net of third party contributions)	3,608	3,853	(245)	○	5,446	5,696	(249)	○	5,563	(117)
Operating margin	755	1,065	(310)	○	1,325	1,664	(338)	○	1,460	(135)
Interest income & debt servicing	179	198	(19)	○	259	289	(30)	○	258	1
Exceptional items	277	-	277	●	277	-	277	●	217	60
Contingency/Other Group items	1	37	(36)	○	33	54	(20)	○	38	(4)
Total Group items	457	235	222	●	569	342	227	●	512	57
Margin	1,212	1,300	(88)	○	1,894	2,006	(112)	○	1,972	(78)
Capital income (including property sales)	(18)	(22)	3	●	(40)	(44)	5	●	(57)	18
Capital expenditure	1,160	1,419	(259)	○	1,754	2,011	(257)	○	1,852	(97)
Third party contributions	(58)	(54)	(4)	○	(83)	(74)	(9)	○	(86)	3
Net capital expenditure (excl Crossrail)	1,084	1,343	(259)	○	1,631	1,893	(261)	○	1,708	(77)
Net service expenditure (excl Crossrail)	2,296	2,644	(348)	○	3,526	3,899	(373)	○	3,680	(155)
Capital expenditure: Crossrail	586	693	(106)	○	909	1,089	(180)	○	899	10
Net service expenditure: TfL	2,882	3,336	(454)	○	4,435	4,988	(553)	○	4,580	(145)

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Operating income

Year to date 2010/2011	Operating Income £m	Year to date				Full Year 2011/2012					
		Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
(1,315)	London Underground	(1,475)	(1,418)	(57)	○	(2,130)	(2,055)	(76)	○	(2,113)	(18)
(34)	Tube Lines	(10)	(10)	-	○	(12)	(14)	2	●	(12)	-
(1,173)	Surface Transport	(1,176)	(1,194)	17	▶	(1,700)	(1,715)	15	▶	(1,708)	8
(132)	London Rail	(152)	(140)	(12)	○	(224)	(205)	(19)	○	(220)	(5)
(52)	Corporate Directorates	(40)	(27)	(14)	○	(54)	(43)	(11)	○	(51)	(3)
(2,707)	Total Operating Income	(2,853)	(2,788)	(65)	○	(4,121)	(4,032)	(89)	○	(4,103)	(18)

Underspend/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ▶ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Operating expenditure

Year to date 2010/2011	Operating Expenditure - Net of third Party £m	Year to date				Full Year 2011/2012					
		Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
1,302	London Underground	1,191	1,285	(94)	○	1,805	1,909	(104)	○	1,862	(57)
170	Tube Lines	231	265	(33)	○	350	376	(26)	○	353	(3)
1,758	Surface Transport	1,754	1,792	(38)	○	2,607	2,637	(31)	○	2,633	(27)
217	London Rail	218	229	(11)	○	320	336	(16)	○	334	(14)
209	Corporate Directorates	214	282	(68)	○	365	437	(72)	○	381	(16)
3,656	Total Operating Expenditure	3,608	3,853	(245)	○	5,446	5,696	(249)	○	5,563	(117)

Underspend/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ▶ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Capital expenditure

Year to date 2010/2011	Net Capital Expenditure £m	Year to date				Full Year 2011/2012					
		Actual	Budget	Vs budget	Status	Forecast at Q3	Budget	Vs budget	Status	Forecast at Q2	Forecast Q3 v Q2
809	London Underground	685	779	(95)	○	1,036	1,087	(51)	○	1,030	6
115	Tube Lines	122	291	(169)	○	193	372	(179)	○	202	(10)
183	Surface Transport	142	147	(5)	○	198	220	(22)	○	214	(15)
134	London Rail	129	107	21	●	198	186	12	●	265	(67)
(4)	Corporate Directorates	7	18	(11)	○	6	28	(22)	○	(3)	9
1,236	Net Capital Expenditure (excl Crossrail)	1,084	1,343	(259)	○	1,631	1,893	(261)	○	1,708	(77)
426	Crossrail	586	693	(106)	○	909	1,089	(180)	○	899	10
1,662	Net Capital (TfL)	1,670	2,036	(365)	○	2,540	2,982	(442)	○	2,607	(67)

Underspend/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ▶ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Appendix Three: Balance Sheet

Balance Sheet	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast at Q3	Budget	Variance
£m						
Non Current Assets	24,942	25,346	404	25,498	25,870	372
Current Assets						
Stocks	39	35	(4)	43	35	(8)
Revenue and Capital Debtors	453	157	(296)	234	163	(71)
Prepayments and Accrued income	148	133	(15)	145	108	(37)
Cash and Investments	2,236	2,122	(114)	2,497	2,208	(289)
Current Liabilities						
Trade Creditors & Accruals	(1,055)	(1,171)	(116)	(1,021)	(1,155)	(134)
Receipts in Advance	(315)	(314)	1	(344)	(327)	17
Capital	(355)	(343)	12	(321)	(344)	(23)
Long Term Liabilities						
Creditors	(54)	(56)	(2)	(56)	(56)	-
Finance Lease Creditors	(1,395)	(1,395)	-	(1,059)	(1,372)	(313)
External Borrowings	(6,642)	(6,468)	174	(7,125)	(6,750)	375
Other Provisions	(305)	(358)	(53)	(245)	(305)	(60)
Pension Provision	(1,613)	(1,613)	-	(1,613)	(1,609)	4
Total Net Assets	16,084	16,075	(9)	16,633	16,466	(167)
Capital and Reserves						
Earmarked Reserves	1,866	1,384	(482)	1,866	1,580	(286)
Pension Reserves	(1,547)	(1,547)	-	(1,547)	(1,547)	-
General Fund	154	154	-	154	154	-
Capital Adjustment Account	13,891	14,344	453	14,571	14,718	147
Other Reserves	1,720	1,740	20	1,589	1,561	(28)
Total Capital Employed	16,084	16,075	(9)	16,633	16,466	(167)

Cash and Investments:						
CRL Sponsor funding account	1,255	1,165	(90)	1,102	1,123	21
Other	981	957	(24)	1,395	1,085	(310)
Total as above	2,236	2,122	(114)	2,497	2,208	(289)

Tables may be subject to rounding

Appendix Four: Cash summary

Cash Summary In / (Out) Flow £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast at Q3	Budget	Variance
Margin (from Appendix 2)	(1,212)	(1,300)	(88)	(1,894)	(2,005)	(111)
Working Capital Movements	242	350	108	(53)	276	329
Cash Spend on Operating Activities	(970)	(950)	20	(1,947)	(1,729)	218
Net Capital Expenditure (from Appendix 2)	(1,084)	(1,343)	(259)	(1,631)	(1,894)	(263)
Crossrail (from Appendix 2)	(586)	(693)	(107)	(909)	(1,089)	(180)
Impact of WARE and CARE acquisition	(376)	-	376	(376)	-	376
Working Capital Movements	(256)	(231)	25	(240)	(200)	40
Cash Spend on Capital Activities	(2,302)	(2,267)	35	(3,156)	(3,183)	(27)
Funded by:						
Grants and Precept	3,138	3,191	53	4,747	4,690	(57)
Borrowings Raised	1,526	100	(1,426)	2,312	425	(1,887)
Borrowings Repaid	(1,223)	(19)	1,204	(1,526)	(62)	1,464
Total Funding	3,441	3,272	(169)	5,533	5,053	(480)
Net Movement in Cash	169	55	(114)	430	141	(289)

Tables may be subject to rounding

Appendix Five: Fares avoidance and impact on revenue

Background

The calculation of fare evasion figures is based on a large number of factors, including estimates of potential lost revenue based on the types of tickets and journeys undertaken by passengers, the records of revenue enforcement officers, the number of penalty charges issued, patronage figures and levels of detected evasion.

Differences in definition, data collection methodology and transport-system characteristics mean that the figures in the tables below do not provide a like-for-like comparison between the transport modes.

1. London Underground

	Quarter 3 2011/12	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
London Underground Passenger Ticket Irregularity	2.2%	N/A	2.6%	2.3%

Surveys of Passenger Ticket Irregularity are conducted three times a year (February, May and November). The survey is carried out by revenue control staff and is designed to provide a representative sample of all lines, locations and times. There was therefore no survey covering Quarter 2.

The last survey was conducted in November 2011 on the tickets of approximately 45,000 passengers, with 2.2 per cent indicating some ticket irregularity (on a weighted basis). The net revenue loss from ticket irregularity was calculated at 0.8 per cent (after subtracting fares collected, penalty fares receipts and Oyster revenue collected at the gates).

2. Bus Network

	Quarter 3 2011/12	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
Bus Passenger Ticket Irregularity	1.5%	1.6%	1.7%	1.8%

Bus Enforcement carries out regular independent Passenger Ticket Irregularity surveys on the London bus network. These surveys are conducted by a third-party contractor quarterly – in February, May, August and November – on all bendy, and former bendy, bus routes and on 32 randomly selected one-person-operated routes.

The results for November 2011 show that, on a 12-month rolling average basis, the overall Bus Network ticket irregularity rate was 1.5 per cent. The reduction from Quarter 2 to Quarter 3 reflects the reducing number of bendy bus routes in operation and the increasing use of intelligence-led deployment of revenue officers.

It is anticipated that the withdrawal of bendy bus routes will continue to reduce overall revenue loss, with an estimated full-year saving of £7.4m being derived from the full withdrawal programme.

3. London Overground

	Quarter 3 2011/12	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
London Overground Revenue Loss	2.2%	1.7%	2.3%	1.6%

A survey is carried out on a quarterly basis - in March, June, September and November, by a market research company. The survey results for November 2011 show an increase in the proportion of revenue loss to 2.2 per cent.

4. DLR

	Quarter 3 2011/12	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
DLR Passenger Ticket Irregularity	0.9%	0.8%	0.9%	1.7%

Ticket irregularity is measured each period using data collected by revenue protection inspectors during station blocks at a representative sample of locations. The most recent data available is for Quarter 3, which was 0.9 per cent of total ridership, a slight deterioration on Quarter 2. The decrease over the year has been driven by an increased focus on this area by the franchise operator, Serco.

5. Tramlink

	Quarter 3 2011/12	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
Tramlink Passenger Ticket Irregularity	1.4%	1.4%	1.3%	1.3%

Ticket irregularity is measured each period using data collected by revenue protection inspectors boarding a sample of services. In Quarter 3, this was 1.4 per cent of total ridership, the same as for the previous quarter.



Investment Programme **Report**
Third Quarter 2011/12

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Transport for London

Investment Programme Report

Third Quarter, 2011/12 (18 September 2011 – 10 December 2011)

I. Programme Highlights

The key highlights from the third quarter of 2011/12 were:

- Sub-Surface Railway Upgrade – Old Dalby test track and S8 train available for Automatic Train Control testing
- Sub-Surface Railway Upgrade – Power Upgrade Work Package 2, first sub-station in beneficial use
- Victoria Line Upgrade – full service for new rolling stock operational under new service control centre
- Bond Street Station Upgrade – start structural demolition
- Cooling the Tube Programme - all Victoria line tranche 3 mid-tunnel vents sites brought into beneficial use
- Track Renewal Programme - Deep Tube class 1 renewal (expected trackform life of 40 years), 1,268m achieved
- Underground General Renewals – concept approval for Tunnel Cleaning Train
- Tube Lines Track Replacement – 1,500m installed
- New South London Line - Network Rail work Package 2 track modifications completed
- Blackwall Tunnel Northbound – construction complete

Post quarter events include:

- Sub-Surface Railway Upgrade - all Metropolitan line assets handed over to maintenance (excluding depots, sidings and power)

Cover picture:

Essential safety works on the northbound Blackwall Tunnel were completed in Quarter 3. The tunnel re-opened to full service on 11 November 2011 after works to bring the 114-year-old tunnel up to date finished more than a year ahead of schedule.

2. Projects (over £50m) and Programmes (over £10m per annum)

TfL's Investment Programme contains a range of programmes and projects over £50m, in addition to a multitude of smaller activities. These are delivered by TfL directly, through partners in the London boroughs, or through long-term partnerships with the private sector such as Private Finance Initiatives (PFI).

This main body of this report covers discrete projects with a total cost greater than £50m and programmes spending over £10m per annum. For each project, key milestones are listed with a forecast date compared against the March 2011 baseline. If appropriate, milestones listed as deliverables for the year in the 2011/12 Budget document are included.

Committed schemes and milestones listed in Annex B of the 2010 Spending Review funding settlement letter are included in this report. The milestones contained in Annex B are identified in the project pages with the note '(Annex B: date)' listed after the description.

Key to RAG status:

Status	Discrete Projects	Annualised Programmes
●	On time or early	100 per cent of target achieved
▲	Between 1 and 89 days late	>75 per cent of target achieved
■	Greater than 90 days late	<75 per cent of target achieved

This report focuses on the delivery of investment projects. For discussion on wider financial performance, see the Quarter 3 Operational and Financial Report.

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

Underground

Sub-Surface Railway Upgrade

Spend to end Q3 2011/12 £m	EFC £m
1,715.8	4,175.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Metropolitan line enabled for use by S8 stock	31/03/2011	23/05/2011	Completed
All Met line assets handed over to Maintenance (excl depots, sidings & power)	31/12/2010	31/12/2011	Completed
Roll out of new air-conditioned trains on Met line complete (Annex B:2013)	31/12/2013	31/12/2013	●
Roll out of new air-conditioned trains on Circle and H&C lines complete (Annex B:2014)	31/12/2014	31/12/2014	●
Roll out of new air-conditioned trains on District lines complete (Annex B:2016)	31/12/2016	31/12/2016	●
Full signalling upgrade across the SSR network complete (Annex B:2018)	31/12/2018	31/12/2018	●
SSR upgrade complete delivering 33 per cent capacity increase (Annex B:2018)	31/12/2018	31/12/2018	●
Rolling Stock	Current Plan Date	Actual/Forecast Date	RAG
Trains - 42 S8 trains available for passenger service	31/03/2012	28/04/2012	▲
Automatic Train Control (ATC)	Current Plan Date	Actual/Forecast Date	RAG
Complete Service Control Centre building	23/07/2011	23/07/2011	Completed
ATC – Service Control Centre building available for ATC contractor	12/11/2011	15/10/2011	Completed
ATC - Programme baseline complete	12/11/2011	07/10/2011	Completed
ATC - Concept design approved (Gate A)	12/11/2011	05/08/2011	Completed
ATC - Old Dalby test track and S8 train available	10/12/2011	26/09/2011	Completed

Underground

ATC - Completion of end state track layout	31/12/2018	31/12/2018	●
Depots	Current Plan Date	Actual/Forecast Date	RAG
Neasden: New lifting and maintenance facility piling complete	17/09/2011	06/09/2011	Completed
Neasden: Signalling main commissioning complete	15/10/2011	15/10/2011	Completed
Ealing Common and Upminster Depots - Approval to issue design and build contracts	12/11/2011	08/11/2011	Completed
Ability to lift S stock trains in the new Lifting Maintenance Facility at Neasden Depot	31/03/2013	31/03/2013	●
Infrastructure	Current Plan Date	Actual/Forecast Date	RAG
Infrastructure ready for route clearance – Edgware Road – Notting Hill Gate	25/06/2011	15/06/2011	Completed
Infrastructure ready for route clearance - Paddington - Hammersmith	25/06/2011	15/06/2011	Completed
Infrastructure ready for route clearance - Baker Street- Aldgate	23/07/2011	20/05/2011	Completed
Hammersmith Depot - phase C1.3 to support timetable and stabling requirements	20/08/2011	09/07/2011	Completed
Hammersmith Depot - phase C1.4 to support timetable and stabling requirements	11/12/2011	08/12/2011	Completed
Infrastructure ready for route clearance - Whitechapel – Barking	20/08/2011	20/08/2011	Completed
Edgware Road signalling modifications for S7 complete	04/02/2012	28/01/2012	●
Infrastructure ready for integration testing OS5 (Baker St to Aldgate)	03/03/2012	08/06/2012	■
Infrastructure ready for integration testing OS8 Part 1 (Paddington to Baker St)	03/03/2012	27/09/2012	■
Infrastructure ready for integration testing OS9 (Paddington to Hammersmith)	31/03/2012	16/04/2012	▲

Underground

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

The programme is on budget and on schedule to achieve its planned delivery date. One or two minor issues have affected interim milestones, but the programme remains on course to pass its key 2010 Spending Review Annex B milestones on time.

Rolling Stock

By 31 December 2011, 28 new trains had been accepted by London Underground, of these, 22 are in London and accepted for service. 17 are planned to be offered for service each weekday, and are providing peak and off-peak services along the full length of the Metropolitan line. The remainder of the trains accepted for service are providing training, maintenance and repair cover. Three further trains are being used for infrastructure testing.

Operational use has uncovered a number of minor reliability issues that require modification of the trains. As a result, there has been a re-phasing of trains being delivered to London, and consequently there has been a minor slip in the forecast of 42 new trains in service. Commissioning of the Upminster simulator building was completed in the quarter on schedule. When fitted out, this facility will allow District line drivers to start training and familiarisation for new seven car trains (S7 trains) that will start rolling out in 2014.

Automatic Train Control (ATC)

Surveys of railway assets have been conducted to validate asset information in support of the ATC contractor's works. Good progress has been made this period with all surveys completed on schedule between Uxbridge and Rayners Lane. The building for the new control centre at Hammersmith was commissioned on schedule and has been made available to the signalling supply contractor for fit-out work.

Following award of the signalling supply contract in the previous quarter, the scope and schedule of the supporting works have been re-baselined.

Depots

Development of Neasden depot is being implemented to accommodate the new train stock. The delivery of this work is through three major works contracts: civil engineering – delivered by BAM Nuttall; power – delivered by Balfour Beatty and signalling – delivered by Thales. The Neasden power supply contract is substantially complete, on time and to budget. The contract is expected to be closed out in February 2012.

The new Neasden Depot signalling system was successfully commissioned into service in October 2011. Decommissioning of the old signalling system has now commenced. The main works contract to modify the Ealing Common and Upminster depots for use by new train stock was awarded this quarter and mobilisation has started.

At Hammersmith Depot, works to enable stabling of the new S7 train stock are being completed to permit timetable changes that support the migration of trains.

Underground

Infrastructure

Route clearance testing for the S7 trains continues to ensure they can run safely on existing infrastructure. This quarter, test trains have run successfully on lines shared by the District, Circle & Hammersmith and City services. Integration testing of new infrastructure is forecast as behind schedule due to delays to One Person Operator (OPO) CCTV installations and signalling works. Action plans to recover lost time are being implemented, and there will be no impact on the Annex B milestone for fleet roll out.

All legacy track circuits must be treated such that they are not susceptible to electrical interference (Electro-Magnetic Compatibility) from the new trains, in a process known as “immunisation.” In the quarter, the Wimbledon branch signalling immunisation design was completed and 32 of 36 signalling immunisation sites commissioned. The four remaining sites have been successfully commissioned post quarter.

Christmas closures also allowed the Edgware Road signalling modernisation works to take place. Significant preparatory works have been carried out during the past quarter to prepare for this work. Reputed to be one of the most complex signalling projects in the history of LU, it was commissioned ahead of schedule. Signalling installation works were also completed to plan at the East end of the District Line, between Becontree and Upminster.

In December 2011 (immediately following the end of the quarter), all new Metropolitan line assets were successfully handed over from the project and are now under the responsibility of the Asset Performance Directorate.

A total of 62 kilometres of ‘low loss’ conductor rail has been installed to date. This will provide the additional power required for the future high volume service without the need for further, more expensive sub-stations.

Underground

SSR Major Power Works (Signalling)

Spend to end Q3 2011/12 £m	EFC £m
2.9	48.1

This project will provide the main power supplies for the Sub-Surface Railway signalling (local distribution of signalling power is covered elsewhere).

Good progress was made in the quarter. Scope and timing discussions with the Automatic Train Control (ATC) project continued, and began to reveal opportunities to obtain savings by collaborative value engineering. Installation of minor items as additions to the scope of works already on site continued. Design and preparation for the start of the major work continued.

SSR Major Power Works (Traction)

Spend to end Q3 2011/12 £m	EFC £m
239.2	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
SSR Power Upgrade work package 4 - delivery of switchgear to site Edgware Road	20/08/2011	31/07/2011	Completed
Package 1 - Hammersmith Depot power capacity to commence stabling available	01/11/2011	30/01/2012	■
Power to support 53 S8 and three S7C trains in service available	25/01/2012	04/11/2011	Completed
SSR Power Upgrade work package 2 - first sub-station in beneficial use	04/02/2012	02/12/2011	Completed
Package 1 - Metropolitan line power capacity to support full S8 train fleet in service available	29/02/2012	13/02/2012	●
SSR Power Upgrade work package 1 - all Metropolitan line sub-stations required to support the introduction of S8 trains in beneficial use	31/03/2012	01/03/2012	●
SSR Power Upgrade package 6- 132kv feed from St Johns Wood to Lisson Street, completion of excavation	31/03/2012	09/12/2011	Completed
SSR Power Upgrade work - package 3 contract award	31/03/2012	16/03/2012	●
SSR Power Upgrade – programme close	15/06/2018	15/06/2018	●

Underground

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

The power supply capacity is in place to support the entire S8 train fleet in operation in pre-Automatic Train Control (ATC) mode on the Metropolitan Line. Works continue to upgrade the capacity on the Metropolitan line to meet post-ATC loads, and to upgrade capacity on the Circle line. Good progress was made on the new power intake from the National Grid, but the associated cabling to connect to existing sub-stations encountered severe delays because of problems with the cable routes. Post quarter, it has been established that despite efforts to mitigate these delays, this work will now span beyond the Games period. There is still a good margin of time between availability of increased capacity and when it is needed.

Commissioning of the upgraded supply capacity at Hammersmith Depot was heavily delayed because of poor performance by the contractor. Post quarter, commissioning was achieved in early January 2012. There have been no “knock-on” delays.

Tendering for the capacity upgrade on the District line (East) continued to programme and tender award is scheduled for February 2012.

Underground

Victoria Line Upgrade Programme

Spend to end Q3 2011/12 £m	EFC £m
967.1	1,028.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Start to control Victoria line operations from the new service control centre (VD)	20/08/2011	19/04/2011	Completed
40 production trains accepted for service	20/08/2011	26/06/2011	Completed
Asset replacement migration start	20/08/2011	27/05/2011	Completed
Full service 09TS operational under DTG-R and new SCC (V4.0 - JTC1)	15/10/2011	25/09/2011	Completed
All production trains accepted for service	07/01/2012	22/12/2011	Completed
Asset replacement migration stages complete	03/03/2012	03/03/2012	●
Demonstration of line upgrade capability (V5.0 - JTC2)	26/04/2012	26/04/2012	●
Victoria line upgrade programme completion (V6.0) (Annex B:2013)	07/04/2013	07/04/2013	●

The Victoria line upgrade is a “total” line upgrade including new rolling stock, signalling, control equipment, depot and track works. The programme remains on target and below authority to complete ahead of the contractual completion date of August 2013. System reliability growth, including mitigating the effect of passenger interactions, remains the primary focus.

One additional 09 tube stock train was accepted for service in the quarter. The final train was delivered into service post quarter on 22 December 2011 as planned, bringing the fleet’s total number to 47.

The fourth of eight asset replacement stages, where old signalling and other assets are replaced with new equipment, was completed successfully with no subsequent reliability issues. This was largely the result of close working between LU and the supply chain and expedient implementation of lessons learnt across all aspects of the commissioning programme. Completion of asset replacement is now the major area of delivery for the programme.

Post quarter, it has been established that the asset replacement migration stage completion will be delivered in April 2012 due to re-balancing of the scope between stages in order to de-

Underground

risk late hand-back of closures arising from technical issues relating to the new track circuit set up. This will not impact the programme completion date.

The milestone to have a full service of 09 tube stock trains operational under Distance To Go Radio (DTG-R) and the new service control centre was achieved this quarter on 25 September 2011.

Project ATLAS has been launched this quarter. The project focuses on prioritisation and resolution of Victoria line reliability issues as part of the LU network-wide Games readiness and reliability initiative. Primary work streams include modifications to the 09 tube stock doors and Passenger Emergency Alarms, which are the largest contributing factors to passenger delays.

Underground General Renewals

Spend to end Q3 2011/12 £m	EFC £m
77.3	283.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Central line train refresh – start on site	23/07/2011	17/05/2011	Completed
Tunnel Cleaning Train - concept approval for Tunnel Cleaning Train	12/11/2011	17/10/2011	Completed
Tranche 2 - Depot security enhancement (Central line) - contract award (Triangle and Parsons Green)	08/11/2011	08/11/2011	Completed

This is a portfolio of projects to upgrade and improve rolling stock, signalling systems and other train system assets that are not covered by the line upgrades.

92 Tube Stock Refresh

The 92 tube stock refresh project has completed 41 trains and three cab ends.

Battery Loco Life Extension

The completion of the first Battery Loco was achieved on target in the quarter.

New Tunnel Cleaning Train

The new Tunnel Cleaning Train motor power unit contract was awarded and the work has commenced. The milestone to have concept approval for the tunnel cleaning train was achieved on 17 October 2011.

Underground

Victoria Station Upgrade

Spend to end Q3 2011/12 £m	EFC £m
146.6	584.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Primary traffic management stage 1 commences [Allington Street (east link) closed]	23/07/2011	03/05/2011	Completed
Elliott House demolition starts	20/08/2011	16/05/2011	Completed
Commence widening of Network Rail to LUL ticket hall stairs (Sussex stairs)	31/03/2012	23/11/2011	Completed
Ground treatment complete	11/11/2014	19/08/2014	●
Hand-back north ticket hall worksites to Land Securities	23/10/2016	29/07/2016	●
Commence south ticket hall main works	12/11/2012	17/09/2012	●
Complete north ticket hall piling	06/12/2013	11/10/2013	●
Delivery into service (Annex B: 2018)	04/06/2018	12/02/2018	●

The Victoria Station Upgrade project will deliver:

- a new underground north ticket hall at the junction of Bressenden Place and Victoria Street, with an entrance at street level;
- a capacity increase in the existing Victoria line ticket hall (south ticket hall);
- nine new escalators;
- a new interchange tunnel connecting the two ticket halls;
- new lifts providing step-free access between street, ticket hall and Victoria line platform levels;
- new lifts providing interchange between the Victoria line and District and Circle lines platforms; and
- improved access and new lifts between the National Rail and Underground stations.

The project remains on schedule and within budget. Terminus Place has now been closed to buses to establish a worksite for site offices. Demolition of Elliott House is complete to foundation level, and the widening of the Sussex Stairs (from the Victoria line ticket hall to the Network Rail station) has commenced ahead of programme. Jet grouting works are progressing to plan, with eight grout columns completed to date.

Underground

Green Park Station Upgrade

Spend to end Q3 2011/12 £m	EFC £m
45.9	48.1

Milestones	Current Plan Date	Actual/Forecast Date	RAG
On-site station staff training commences (Train020)	21/05/2011	19/05/2011	Completed
Bring into use step-free access works	12/11/2011	29/08/2011	Completed
Site works complete - south demobilisation completed	31/03/2012	31/03/2012	●
Finish on site snagging complete	22/05/2012	22/05/2012	●

This project provides step-free access at Green Park station, providing a key interchange for mobility impaired passengers travelling to 2012 Games events using the Underground.

The step-free access (SFA) scheme was delivered into service on 29 August 2011, ahead of programme and significantly below budget. The remaining external landscaping works are continuing: all hard landscaping is complete and soft landscaping is progressing to plan. There has been an increase of scope to include Cooling the Tube trench works, but the project remains on plan to be fully complete and clear of site by the end of May 2012.

Underground

Paddington Station Upgrade

Spend to end Q3 2011/12 £m	EFC £m
28.1	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Issue Invitation to Tender for final fit-out	17/09/2011	08/08/2011	Completed
Prestige gateline installed	03/03/2012	02/03/2012	●
LU Start on site - station fit-out final scheme	28/05/2012	24/05/2012	●
Final fit-out brought into use (practical completion)	28/05/2013	22/03/2013	●
Acceptance of mandatory asset information deliverables by LU	06/08/2013	06/06/2013	●
LU fit-out work complete (Annex B:2014)	01/11/2014	23/04/2013	●

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

The project remains on schedule and within budget. The contract for the final fit-out design and technical support package (part of the construction management delivery route) has now been awarded. The northern station entrance has now opened. Crossrail is progressing with its programme for critical taxi ramp works. A £3m Section I 06 financial contribution to the scheme has been received from the City of Westminster.

The achievement of the Prestige gateline milestone is dependent upon the timely completion of Crossrail works.

Underground

Tottenham Court Road Station Upgrade

Spend to end Q3 2011/12 £m	EFC £m
214.9	479.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Commence Northern line platforms and passageways closure	23/07/2011	02/04/2011	Completed
Complete construction of diaphragm walling for Goslett Yard main box	20/08/2011	06/05/2011	Completed
Completion of jacking works to Escalator 3	12/11/2011	30/06/2011	Completed
Completion of Goslett Yard box	30/09/2013	01/08/2013	●
Completion of phase 1 (partial opening of the new plaza ticket hall)	31/03/2015	09/02/2015	●
Completion of the project (Annex B:2016)	31/12/2016	29/12/2016	●

The congestion relief scheme includes an upgraded and enlarged ticket hall, three new entrances, additional escalator access to the Northern line platforms, improved circulation space, step-free access throughout and an interchange with Crossrail.

The project remains on schedule and within budget. The Northern line platforms were returned to service on plan on 28 November 2011. During the works, which started in April, long lengths of the platforms had to be removed and the segments that support the tunnel replaced. In total, iron segments from 195 rings in the tunnel lining have been replaced with over 1,000 tonnes of brand new, specially manufactured tunnel segments.

Central line interchange tunnels are now over 75 per cent complete, and backfilling of the Northern line escalator box has commenced. At Goslett Yard, the roof slab and waterproofing has commenced and the installation of geo-thermal piles has been completed.

Underground

Bond Street Station Upgrade

Spend to end Q3 2011/12 £m	EFC £m
99.0	285.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Contract access milestone Escalators 1 and 2	20/08/2011	03/06/2011	Completed
Start structural demolition	04/02/2012	12/10/2011	Completed
Complete Oxford Street water main diversion works	04/02/2012	30/03/2012	▲
Demolition complete	25/09/2012	24/07/2012	●
Start of main tunnelling operations (Annex B: 2013)	15/07/2013	02/04/2013	●
Tunnelling set up decommissioned	28/09/2015	12/06/2015	●
Practical completion (Annex B: 2017)	28/04/2017	03/03/2017	●

Bond Street station is a key interchange between the Jubilee and Central lines. Long term demand and congestion are forecast to increase further as a result of growth in employment and leisure travel and the completion of Crossrail in 2018. The scheme provides:

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

The project remains on schedule and within budget. The Oxford Street water main diversion works have been delayed due to the need to repair damage to an existing 30" cast iron main and clear site compounds ahead of the busy Christmas shopping season. The project will return in January 2012 to complete the works.

Demolition of 354-358 Oxford Street is now down to the fourth floor, and the piling to 2 Stratford Place progresses to plan. Escalator 1 and 2 trusses have been installed, aligned and levelled.

Underground

Bank Walbrook Square

Spend to end Q3 2011/12 £m	EFC £m
18.6	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Design concept approved	30/04/2011	04/04/2011	Completed
Delivery into service (Annex B: 2015)	31/12/2015	17/02/2016	▲

The Bank Walbrook Square project will provide easier access to streets south and south-west of the station, reduce congestion on the Waterloo & City line platforms, and provide step-free access to the Waterloo & City line. LU is making a fixed contribution to the funding of the construction of the station box shell, which will be delivered by the developer (Bloomberg). LU will fit out the station box to complete the new entrance. The project schedule is dependent on the developer.

The integration of the new LU station entrance with the revised Bloomberg over-site development continues. The design is progressing, with the aim of achieving a suitable design that is acceptable to both parties by late January 2012. If a suitable design can be agreed in a timely manner, the 2015 delivery into service date should still be achievable.

Underground

Bank Station Upgrade

Spend to end Q3 2011/12 £m	EFC £m
10.9	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
RIBA stage D general arrangement scheme layout freeze	04/02/2012	12/12/2011	●
RIBA D design accepted - phase complete	04/10/2012	17/07/2012	●
Transport Works Act Order - grant of powers	12/11/2014	20/08/2014	●
Start on site	21/07/2015	25/02/2015	●
Ticket hall delivery into service	14/09/2021	22/10/2020	●
Beneficial use (Annex B: 2021)	31/12/2021	20/08/2021	●

The Bank Northern line congestion relief project will relieve current and expected congestion in Bank station by having a new southbound running tunnel and platform with the existing platform utilised as a concourse area. By mitigating increasingly frequent congestion of the Northern line/DLR area, station closures will be reduced.

The project remains on schedule. The RIBA D (scheme) design is progressing to plan. Workshops have been held to present the construction programme for the now “frozen” preferred scheme option. Over-site development options to suit alternative land assembly configurations are being developed ahead of a decision on the preferred land take.

Underground

Station Condition Renewal

Spend to end Q3 2011/12 £m	EFC £m
390.2	691.1

This comprises projects primarily to keep stations fit for purpose. It also includes minor station upgrades, some of which are third party funded works and budgetary provisions for future station capacity schemes. Planned funding for Finsbury Park, Highbury & Islington and Vauxhall stations, along with a general provision for congestion relief schemes, are included in this programme.

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Notting Hill Gate station modernisation – Project Management Framework (PMF) Stage 5 gate review	05/05/2011	05/05/2011	Completed
Marble Arch station modernisation - PMF Stage 5 gate review	17/07/2011	14/07/2011	Completed
Heathrow Terminals 1, 2, 3 Step Free Access - complete all works in line with T5 agreement	05/02/2012	03/02/2012	●
Highbury & Islington Event Mitigation Project - start on site	07/05/2012	15/09/2011	Completed
Highbury & Islington Event Mitigation Project - beneficial use practical completion	15/11/2012	08/05/2012	●
Highbury & Islington Event Mitigation Project - finish on site (snagging complete)	06/12/2012	07/06/2012	●
Highbury & Islington Event Mitigation Project - mandatory asset information deliverables accepted by LU	03/01/2013	30/08/2012	●
Former Silverlink Stations Upgrade - project close out	21/12/2012	21/12/2012	●

At Cannon Street station, the Terrazzo floors are being installed and the new switch room has been energised. The contract for the water ingress remedial works has been awarded.

At the Earl's Court development, a successful trial pit to determine the condition of the structural steel beams was undertaken at Earl's Court I Exhibition Centre.

At Heathrow T123, a permanent Ticket Office main structure was completed on 23 December 2011.

Underground

Cooling the Tube Programme (Phase 1)

Spend to end Q3 2011/12 £m	EFC £m
166.5	213.1

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Mid-tunnel vents tranche 3 - all fans and associated equipment available	06/07/2011	20/04/2011	Completed
Out-of-service fans - phase 4 Clapham sub-station/Weston Rise - approved detailed design	25/07/2011	10/08/2011	Completed
Tranche 2 - All Victoria line mid-tunnel vents sites handed over to maintenance	20/08/2011	28/06/2011	Completed
Out-of-service fans - phase 4 - first start on site	19/01/2012	19/01/2012	●
All Victoria line tranche 3 mid-tunnel vents sites beneficial use	04/02/2012	11/10/2011	Completed
Out-of-service fans - phase 4 - all fans available for beneficial use	19/09/2012	01/10/2012	▲
Strategic programme management – stage gate 6 review meeting	16/3/2018	16/3/2018	●

This is a long-term programme to control ambient temperatures on the Underground to stop them increasing as the train service increases. Without intervention, temperatures will rise as more energy is dissipated within the tunnels due to increased train service capability delivered by the deep-tube line upgrades.

Work to upgrade ventilation capacity on the Victoria line is now complete with the exception of minor enhancements to remote control facilities.

Tendering for the restoration of two long-disused fans on the Northern line continued. Post quarter, the contract has now been let and site set-up has commenced. Stripping out of the old fans will start in January 2012. The intent is to accelerate the works to ensure that the new fans are working before the Games.

During the quarter, the possibility of delivering station-based tunnel cooling at Green Park and Oxford Circus before the Games was examined. These works had previously been “budget constrained” back to 2015/16. Post quarter, contracts have now been placed with the objective of delivering before the Games.

Underground

Crossrail and Third Parties

Spend to end Q3 2011/12 £m	EFC £m
134.3	249.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Barbican interlocking machine room - deliver into service	22/05/2011	22/01/2011	Completed
CER Equipment ready for installation into new location at Liverpool Street to be provided by CRL	25/06/2011	25/04/2011	Completed
Complete LU enabling works for shield removal at Blackfriars	25/06/2011	13/04/2011	Completed
Support Hertfordshire County Council in the submission of its best and final bid to DfT for Croxley Rail Link	30/09/2011	16/08/2011	Completed
Support Hertfordshire County Council in the submission of its TWAO for Croxley Rail Link	26/11/2011	16/08/2011	Completed
LU acceptance of Staged Design Compliance Certificate for Whitechapel main station fit out prior to contract award	31/12/2011	16/02/2012	▲
LU acceptance of Staged Design Compliance Certificate for Liverpool Street main station fit out prior to contract award	31/01/2012	16/03/2012	▲
Submission of TWAO for Northern Line Extension (jointly with Treasury Holdings)	02/02/2012	30/08/2012	■
LU support complete for Crossrail trial running stations (central section)	31/12/2018	31/12/2018	●

This project provides LU support and infrastructure protection to the Crossrail Programme delivered by Crossrail Limited (CRL). The majority of the expenditure is reimbursed by CRL.

LU and Crossrail agreed an outline plan on closing out the outstanding issues relating to the Staged Design Completion Certificates. The detailed plan is now under development. Agreement has been reached that LU will lead on delivering integrated Station Operation Rooms for all five LU-Crossrail station complexes.

Underground

Sterilisation of the Liverpool Street Station platform was completed, allowing construction of the new substation and switch room to commence. New pumps were installed at Royal Oak Portal enabling Crossrail tunnelling to commence.

The milestone for submission of the Transport and Works Act Order (TWAO) for the Northern Line Extension has slipped due to financial uncertainty generated by subsidiaries of Treasury Holdings going into administration. Discussions are ongoing regarding TfL taking over promotion of the TWAO and progressing the application to a point where a TWAO application could be submitted (and seeking to recoup the costs of this). The actual submission date depends on the outcome of these discussions, but is likely to be at the end of 2012.

Track Renewal (BCV/SSR)

Spend to end Q3 2011/12 £m	EFC 2010/11 £m
73.1	117.1

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Ballasted track replacement and re-ballast metres - 9,976m achieved	02/10/2011	04/02/2012	■
Points and Crossings - 14 units achieved	02/10/2011	05/09/2011	Completed
Track drainage - 5,369m replaced	02/10/2011	13/02/2012	■
Deep Tube class I renewal (expected trackform life of 40 years) - 1,268m achieved	02/10/2011	01/10/2011	Completed
Ballasted track replacement and re-ballast metres - 15,456m achieved	31/03/2012	23/06/2012	▲
Points and Crossings - 18 units achieved	31/03/2012	12/05/2012	▲
Track drainage - 8,874m replaced	31/03/2012	26/05/2012	▲
Deep Tube class I renewal (expected trackform life of 40 years) - 2,457m achieved	31/03/2012	17/02/2012	●

Following the Ballasted Track Renewal (BTR) overrun in October, the Track Partnership (TP) possession works were suspended and a recovery plan was scoped. Quality and reliability of these works are of paramount importance and the new plan will help ensure this is achieved. This has progressed well to support the recommencement of works, with enhanced site management arrangements, though resumption was deferred to ensure customers have the most complete service possible during the works on the Hammersmith Flyover. The

Underground

suspension, and previous contractor delays, impacted milestone delivery for both Ballasted Track Renewal and Track Drainage.

Renewal of 17 out of 18 points units has been achieved. The remaining unit is planned to be completed in May 2012.

Whitechapel Stage 7a Commissioning for Crossrail Enabling Works was completed on time. The Track Delivery Unit (TDU) delivered 587m of Deep Tube Renewals (DTR) and installed 3,832m of Extra Low Loss Composite Conductor Rails (ELLCCR) with the removal of 6,157m of scrap rail from various sites across the LU network in line with the plan.

As a result of a greater focus on efficiency and innovation, and following the resolution of the Safe System of Work for track renewals in asbestos contaminated areas on the Central line, the TDU have accelerated production and will exceed this year's targets.

Civils (BCV/SSR)

Spend to end Q3 2011/12 £m	EFC to 2010/11 £m
12.1	19.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Chiswick Park to Acton Town - practical completion	25/06/2011	24/06/2011	Completed
Chiswick Park to Turnham Green - practical completion	20/08/2011	18/07/2011	Completed
Chalfont & Latimer to Amersham embankments 10, 11 & 12- practical completion	17/09/2011	24/08/2011	Completed
Civils Pumps Programme 2011 to 2013 - start on site – first of five internal work sites (West Ruislip)	11/10/2011	25/08/2011	Completed
Amersham to Chalfont and Latimer embankments 1, 2 & 3 - practical completion	28/11/2011	14/11/2011	Completed
Civils Pumps Programme 2011 to 2013 - six station pump renewals completed	30/11/2011	30/11/2011	Completed
Civils Pumps Programme 2011 to 2013 - practical completion - last of eight sites	07/11/2012	24/12/2012	▲

The Civils Programme is on plan and below budget with all milestones set for 2011/12 completed. The last milestone in the table above is currently amber, but the programme will recover over the next year.

Underground

In the quarter, projects to upgrade six pumps systems and to stabilise three embankments at Amersham were completed on programme as above. To date, 12 projects have achieved practical completion this year against a plan of ten.

Recently delivered projects include stabilisation of two embankments at Barkingside, delivered directly by Civils Projects staff acting as the principal contractor. This delivery method proved very cost effective and flexible, and will be used again in projects planned for summer 2012. The first projects under the new earth structures framework were let in the quarter, one each to the two contractors, Cementation Skanska and Clancy Docwra.

Other works have progressed well on bridges and structures projects at bridge MR60 near Northwood and brick tunnel TL53 at Baker Street and will be completed early in the next quarter.

Thameslink

Spend to end Q3 2011/12 £m	EFC £m
32.5	47.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Thameslink Blackfriars OPO (one person operation) works start on site	11/10/2011	11/08/2011	Completed
Thameslink Farringdon - LU works complete including Connect and Prestige	06/01/2012	09/12/2011	●
Thameslink Blackfriars - LU ready to bring station back into operation	10/01/2012	26/02/2012	▲
LU support complete for Thameslink key output 2 – 24 trains per hour (London Bridge)	31/12/2018	31/12/2018	●

This project provides LU support and infrastructure protection to the Thameslink Programme delivered by Network Rail (NR). All of the expenditure is reimbursed by NR.

Farringdon Station integrated ticket hall opened on time and the LU building works are now due for completion in February 2012.

A revised programme was received from Network Rail (NR) for Blackfriars Station, confirming that the new station Entry into Service date is 26 February 2012, following trial operations. The Network Rail programme for Blackfriars is tight and any slippage may jeopardise the opening date. LU and NR are working together to develop the maintenance arrangements prior to hand-back to LU.

Underground

Deep Tube Programme

Spend to end Q3 2011/12 £m	EFC £m
1.3	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
PMF Gate 1 outcome definition - DTP initial studies scope definition approved	12/12/2011	08/12/2011	Completed
Procurement strategy complete and agreed by LU Executive'	25/11/2011	22/11/2011	Completed
Completion of testing and trials strategy	22/11/2011	22/11/2011	Completed
PMF Stage Gate 2 feasibility - approval DTP system level design	17/04/2012	17/04/2012	●
Delivery of prototype for a low energy, higher capacity train for Piccadilly and Bakerloo lines [subject to agreement on borrowing headroom] (Annex B: 2015)	31/12/2015	31/12/2015	●

The Deep Tube Programme will deliver new trains and railway control systems to the Bakerloo, Piccadilly, Waterloo & City and Central lines to replace life-expired assets, increase capacity, reduce journey times and minimise temperature impacts.

The second Scope Definition Reviews (SDR 1.2) were held over a period of two weeks at the end of November and early December 2011, and were completed on schedule. The procurement strategy and the test and trials strategy have been completed, signed and issued as planned.

Tube Lines

Tube Lines Station Upgrades

2011/12 Spend to end Q3 £m	EFC 2011/12 £m
0.3	1.7

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Finsbury Park – delivery into service	08/02/2011	08/02/2011	Completed
Heathrow Terminals 1, 2, 3 – delivery into service	20/12/2011	20/03/2012	■

To avoid duplication with the London Underground pages, only work elements covered by the PPP contract are reported in this section.

On the Heathrow Terminals 1, 2, 3 Station Modernisation Enhancement Project, the roof was re-covered during the quarter. The completion of Heathrow Terminals 1, 2, 3 Station Modernisation is integrated into the SFA project works, which have encountered several issues that have extended the project completion to March 2012.

On the Platform Humps project, the following work was completed:

- Hump installation at King's Cross Northern line, Heathrow Terminal 4 and large island hump at Heathrow Terminals 1, 2, 3;
- Completed initial feasibility surveys for Euston, West Finchley and Hendon; and
- Commenced design works on temporary humps solution for King's Cross Piccadilly line, Green Park Jubilee and Piccadilly line and materials procured for Heathrow Terminals 1, 2, 3 and Heathrow T4.

Tube Lines

Tube Lines Lifts and Escalators (L&E)

2011/12 Spend to end Q3 £m	EFC 2011/12 £m
7.3	14.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Bounds Green E3 Refurbishment – Return to Service (BIU)	28/05/2011	03/05/2011	Completed
Leicester Square E3 Refurbishment – Return To Service (BIU)	28/05/2011	13/05/2011	Completed
North Greenwich E2 Refurbishment – Return To Service (BIU)	28/05/2011	13/05/2011	Completed
West Ham E1 Refurbishment – Return To Service (BIU)	25/06/2011	27/05/2011	Completed
Southwark E6 Refurbishment – Return To Service (BIU)	17/09/2011	12/08/2011	Completed
Leicester Square E2 Refurbishment – Return To Service (BIU)	15/10/2011	26/09/2011	Completed
West Ham E3 Refurbishment – Return To Service (BIU)	15/10/2011	04/10/2011	Completed
Stratford E1 Replacement – Return To Service (BIU)	12/11/2011	23/12/2011	▲
Stratford E2 Like For Like Refurbishment – Return To Service (BIU)	07/01/2012	23/12/2011	●
Southwark E4 Refurbishment – Return To Service (BIU)	07/01/2012	19/12/2011	●
Leicester Square E1 Refurbishment – Return To Service (BIU)	03/03/2012	01/02/2012	●
North Greenwich E8 Refurbishment – Return To Service (BIU)	03/03/2012	15/02/2012	●

The 2011/12 Lifts and Escalator programme is progressing to plan. During the quarter, the following works were undertaken:

- North Greenwich E3;
- Leicester Square E2;

Tube Lines

- West Ham E3;
- North Greenwich E1;
- North Greenwich E10;
- North Greenwich E9; and
- West Ham E5.

A total of five escalators commenced site works during Quarter 3 and are progressing to programme:

- Stratford E1 and E2;
- North Greenwich E8;
- Leicester Square E1; and
- St Johns Wood E1.

Post quarter, the following escalators have been returned to service:

- Southwark E4 (completed 19 December); and
- Stratford E1 (completed 22 December) and E2 (completed 24 December).

Tube Lines Track

2011/12 Spend to end Q3 £m	EFC 2011/12 £m
15.3	28.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
JNP Track replacement, install 1,500m	17/09/2011	17/09/2011	Completed
JNP Enhanced Track replacement, install 983m	17/09/2011	30/03/2012	■
JNP Tube reconditioning, complete 850m	10/12/2011	17/10/2011	Complete

The 2011/12 Track programme is progressing to plan. During the quarter the following volume of works were completed:

- 688m of tube reconditioning;
- 700 pit-block renewals;
- 303m track re-ballast; and
- 47 sleeper interventions.

The Planned Enhanced Track Replacement closure for August 2011 was cancelled at LU's request to support the Chiltern line works. An alternative closure was offered for October 2011 which was subsequently cancelled. The current requested closure date is now March 2012.

Tube Lines

Tube Lines Civils

2011/12 Spend to end Q3 £m	EFC 2011/12 £m
5.0	10.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
JNP Drainage renewal, complete 1,000m	17/09/2011	17/09/2011	Completed
JNP Drainage renewal, complete 2,400m	31/03/2012	31/03/2012	●
JNP Earth structure renewal, complete 300m	17/09/2011	17/09/2011	Completed
JNP Earth structure renewal, complete 600m	31/03/2012	31/03/2012	●

The 2011/12 Civils programme is progressing to plan. During the quarter the following volume of works was completed:

- 744m of JNP drainage renewal;
- 129m of JNP earth structure remediation;
- bridgework repairs at Finchley and repair of a major crack area at Mill Hill East;
- all painting work on bridges NT28 (Burnt Oak to Collingdale) and NT13 (Brent Cross to Golders Green); and
- commenced CCTV and jetting works at Neasden to Wembley Park.

Tube Lines

Tube Lines Jubilee Line Upgrade Works

2011/12 Spend to end Q3 £m	2011/12 EFC £m
15.4	93.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
JLU – J5 section commissioned and revenue service started	15/04/2010	25/06/2011	Completed

Average Jubilee line journey times are now 1 minute and 33 seconds better than they were before the implementation of Train-Based Transmission Control (TBTC), seeing the best ever performance since the extended Jubilee line opened. The initial introduction of TBTC improved journey times by 35 seconds and the implementation of timetable 11 (the first timetable designed to exploit the benefits of TBTC) has resulted in a further 58 second improvement. Neasden reliability issues – Tube Lines have issued a new Training Information Notice (TIN) to enable Signal Control Centre staff to be updated on Mixed Mode Area. Work is underway to agree on the most appropriate way to deliver this training.

During the quarter, TBTC software version 2.43.61 was installed in Vehicle Control Centre (VCC) areas three and four, which includes the Intermediate Stopping Points, a key component for achieving Journey Time Capability (JTC).

JTC testing was carried out between Stratford to Stanmore in December. The test results have confirmed that Tube Lines has beaten the target of 13.91 minutes with an achieved result of 13.88 minutes.

Tube Lines

Tube Lines Northern Line Upgrade Works

2011/12 Spend to end Q3 £m	EFC to 2017/18 £m
63.6	519.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
NL – Complete negotiations with Thales to enable placing of new Supplemental Agreement or Propose new strategy	30/04/2011	30/04/2011	Completed
NMA1 Ready for Revenue Service (High Barnet Branch)	15/10/2013	15/10/2013	●
NMA3 Ready for Revenue Service (Camden Junction Area)	30/6/2014	30/06/2014	●
Northern Line Upgrade complete, delivering 20% increase in capacity	31/12/2014	31/12/2014	●

The Supplemental Agreement (SA8) was signed by Thales and Tube Lines on 20 December 2011. This and builds on the recent Thales move (23 October 2011) to Westferry Circus and the range of initiatives to engender a more collaborative spirit. Formal communication sessions are planned for January 2012, to brief staff on the “one team approach” and the changes to working practices as detailed in SA8.

In addition, the following was achieved during the quarter:

- preparation for undertaking the works on the High Barnet branch during the Christmas closure;
- commenced TBTC data communication testing in VCC1 (Morden to Oval);
- issued VCC8 (Edgware to Belsize Park) second phase signal plans; and
- TBTC design and installation works continued to plan.

London Rail

New South London Line

Spend to end Q3 2011/12 £m	EFC £m
37.7	53.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Network Rail Work Package 2 track modifications	24/09/2011	21/09/2011	Completed
Commence permanent way construction	15/01/2012	22/11/2011	Completed
Commence passenger services	09/12/2012	09/12/2012	●

The New South London Line will provide an additional four trains per hour on the core East London Line (ELL). These trains will run to Clapham Junction via a new chord that leaves the ELL route to the south of Surrey Quays and joins the South London Line to the north of Queens Road (Peckham).

Civils works are continuing to progress according to schedule and are expected to be complete for handover to the systems contractor in February 2012. Track laying was completed in the quarter. The design and delivery of the Network Rail works is broadly on programme, with planned junction works at Old Kent Road completed as scheduled in November 2011. There has been some slippage on the signalling design and a recovery plan is being prepared to redress this.

London Rail

Cable Car

Spend to end Q3 2011/12 £m	EFC £m
28.3	62.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Award contract	30/04/2011	18/04/2011	Completed
Guide rope installation	10/03/2012	10/03/2012	●
Commence trial operations	01/05/2012	01/05/2012	●
Revenue operation commences	01/06/2012	01/06/2012	●

The cable car, now formally named Emirates Air Line, will stretch 1.1 km across the Thames between North Greenwich and Royal Victoria; the 34 gondola cabins will carry up to 2,500 people per hour.

The project remains on target for opening on 1 June 2012. Both terminals are now starting to take shape, with cable car drive equipment being installed on the South terminal. Assembly of the first of the three towers (North Intermediate) was completed on 19 December 2011, with the second (North Tower) to follow in January 2012 and the South Tower in March 2012. Cable stringing is expected to take place over the two weekends of 3 and 10 March 2012.

Manufacture of the cabins is well underway and they are due to arrive on site by 16 February 2012. Mace and Doppelmayr have commenced recruitment of operations staff, with interviews held in London in early December 2011.

Surface Transport

TLRN Capital Renewals Programme

The annual budget for the Transport for London Road Network (TLRN) Capital Renewals Programme is based on long-term asset investment modelling and an objective, risk-based assessment of the renewals required to deliver a safe and serviceable network.

Spend to end Q3 2011/12 £m	2011/12 EFC £m
49.8	62.1

Description of works	Units	2011/12 annual target	2011/12 revised forecast output	2011/12 achieved to date
Area of carriageway resurfaced	m ²	470,000	625,000	621,306
Area of footways resurfaced	m ²	45,000	55,500	34,178
Number of lighting units replaced	No.	950	950	201

Capital Renewals is an annualised programme of schemes that maintain the physical infrastructure of the TLRN, including carriageways, footways, structures, tunnels, lighting, drainage, green estate and street furniture. The programme consists of schemes that lengthen the useful life of an asset, either by replacing it with a new one, or by some other intervention such as reconstruction or refurbishment.

Schemes are identified, prioritised and programmed (assigned to an appropriate year) using a risk-based approach. Typically, an additional ten per cent of schemes are identified to act as reserves. The reserves create flexibility that caters for unplanned scheme deferrals, caused by factors such as severe winter weather, refusal of permits on congestion grounds and other events.

During Quarter 3, good delivery progress and a mild winter has enabled further output of carriageway resurfacing in the 2011/12 financial year, reducing pressure in the 2012/13 Games year. As such, further budget for the programme has been pulled forward from the 2012/13 allocation, resulting in the planned spend for the 2011/12 year rising from £59.5m to £62.1m.

Carriageway resurfacing

By the end of Quarter 3, 621,306m² of carriageway was resurfaced against a forecast output of 572,900m² for the year to date. The additional output was due to good progress, mild weather and good network access.

Footways resurfacing

By the end of Quarter 3, 34,178m² of footway was resurfaced against a forecast output of 43,020m² for the year to date. During the quarter, some schemes were rescheduled for completion in Quarter 4, resulting in a slippage against target.

Lighting column replacements

By the end of Quarter 3, 201 lighting columns were replaced against a forecast output of 524 for the year to date. Some schemes have now been re-phased for completion in Quarter 4.

Surface Transport

A406 Bounds Green

Spend to end Q3 2011/12 £m	EFC £m
45.1	52.7

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Completion of advance statutory works	19/04/2010	19/04/2010	Completed
Commence main works	31/05/2010	19/04/2010	Completed
Complete protection structure for LUL bridge	10/05/2011	21/03/2011	Completed
Wilmer Way junction opening	07/08/2011	15/06/2011	Completed
Completion of main works	05/06/2012	28/02/2012	●

The section of the A406 between Bounds Green Road and Green Lanes suffers from congestion and has a poor accident record. The project will create a predominantly two-lane dual carriageway with improved traffic flows at junctions, improved pedestrian crossing facilities, a dedicated cycleway, improved bus journey reliability, and improvements to the local street scene.

During the quarter, the A406 Bowes Road / Powys Lane junction was commissioned on schedule. The contractor Skanska is making good progress on the last remaining junction at Station Road. Overall construction works are 85 per cent complete, structural works are 97 per cent complete and approximately 98 per cent of all utility diversion works have been completed.

Surface Transport

Blackwall Tunnel Northbound Refurbishment

Spend to end Q3 2011/12 £m	EFC £m
64.0	65.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Mobilisation Period complete	03/05/2010	03/05/2010	Completed
Shaft 2 complete	23/02/2011	16/02/2011	Completed
Construction complete	31/12/2012	08/12/2011	Completed

This project will bring the northbound tunnel to European best practice standards. Work includes: shaft alterations, ventilation upgrades, lighting, drainage, signage and public address system works and upgrades to the emergency points and fire detection and fighting systems. The project has been delivered during night time and occasional weekend possessions.

With the exception of the mobile phone coverage (which requires the network operators to install equipment), all systems have been brought into operation and tunnel works were completed ahead of schedule on 8 December 2011. The final night-time tunnel closure occurred on 10 November 2011. Communications, signalling, and CCTV systems have now been handed over to maintenance teams.

This project will be removed from the report next quarter.

Surface Transport

Cycle Hire

Spend to end Q3 2011/12 £m	EFC £m
88.6	121.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1: systems integration end to end testing	28/07/2010	31/12/2010	Completed
Phase 1: on street construction completed	30/06/2011	28/07/2011	Completed
Phase 2: expansion sites identified	28/02/2011	28/02/2011	Completed
Phase 2: go live #4 – expansion area on street	02/03/2012	13/03/2012	▲
Phase 2: construction complete	05/09/2012	31/03/2012	●

The Barclays Cycle Hire scheme launched successfully on 30 July 2010, to registered members. 70 per cent of active registered users have opted for annual membership, which means they get access for 12 pence per day, and as the vast majority of trips are under 30 minutes, this is a low cost as well as convenient alternative for many travellers.

Barclays Cycle Hire will expand to the east of the city in spring 2012 (Phase 2). When complete, the expanded scheme will cover 65km² of the Capital and around 8,000 hire bikes will be available from hundreds of locations across central and eastern London.

All planning applications for new Phase 2 docking station sites have now been submitted. Construction is either started or complete for 95 sites (approximately 50 per cent of the total). Activities to provide increased operational capacity and preparations for the Phase 2 launch are progressing to schedule. The development of a detailed launch plan is now under way.

Surface Transport

Ten Barclays Cycle Superhighways

Spend to end Q3 2011/12 £m	EFC £m
22.6	104.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1 detailed design completed	28/02/2011	25/02/2011	Completed
Phase 1 complete (two routes total)	17/06/2011	18/07/2011	Completed
Phase 2 complete (four routes total)	30/06/2013	31/05/2013	●
Phase 3 complete (six routes total)	30/09/2013	30/09/2013	●
Phase 4 complete (eight routes total)	30/04/2014	30/04/2014	●
Phase 5 complete (ten routes total)	30/01/2015	30/01/2015	●

The Ten Barclays Cycle Superhighways scheme will deliver a further ten radial routes into central London following the pilot project. The ten routes will be delivered in five phases of two routes, from June 2011. The last route is expected to be delivered by January 2015.

In November 2011, the Mayor authorised a review of junction designs for all live Barclays Cycle Superhighway routes. The full impact of the review on the cost and duration of the programme has yet to be established and is not reflected in the Quarter 3 information shown above.

Surface Transport

Split Cycle Offset Optimisation Technique (SCOOT)

Spend to end Q3 2011/12 £m	EFC £m
11.3	21.2

Milestones	Current Plan Date	Actual/Forecast Date	RAG
634 sites installed	31/03/2011	04/03/2011	Completed
885 sites installed	31/03/2012	31/03/2012	●
1,000 sites installed (Annex B: 2015)	31/03/2013	31/03/2013	●

The SCOOT programme will upgrade traffic signal technology to help meet the Mayoral objective of smoothing traffic flow. The programme has been added to this report to ensure that all milestones listed in Annex B of the Spending Review 2010 settlement letter are monitored on an ongoing basis. Costs shown are for the New SCOOT Investment project, which will deliver 528 sites of a planned 1,000 sites. The remaining sites are funded and delivered by business-as-usual activities across Surface Transport.

Under the New SCOOT Investment project, 240 sites are planned to be installed in the 2011/12 financial year, bringing the total to 413 sites of the 528 the project will contribute towards the planned 1,000 total.

During the quarter, detailed design work was completed at all 240 sites. The installation of detection loops has now been completed at 147 sites to date, with work in progress at 78 sites and a further 15 sites due to be commenced. In total, 61 sites are now fully commissioned and operational.

Future Ticketing

Spend to end Q3 2011/12 £m	EFC £m
12.1	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1 – initial bus launch to be implemented, payment of the bus single fare by contactless bank card	Early 2012	31/03/2012	●
Phase 2a – multi-modal daily travel and daily capping with contactless bank card to be implemented (Annex B: 2012)	31/12/2012	31/03/2013	■
Phase 2b – seven day capping to be implemented	31/12/2013	31/03/2013	●

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

On Phase 1, the supplier Cubic will start limited system testing at King's Cross on 13 December 2011. Delivery in Quarter 4 2011/12 remains at risk.

On Phase 2a, additional requirements from the DfT for the ITSO (Integrated Transport Smartcard Organisation) project have necessitated re-phasing of the programme, with completion now planned for March 2013. Phases 2a and 2b have been combined into a single phase, bringing forward overall completion for the project from December to March 2013. In Quarter 3, the variation response was received from Cubic and commercial issues are being addressed. Internal developments continue and good progress is being made.

Corporate

ITSO

Spend to end Q3 2011/12 £m	EFC £m
50.2	66.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Head office processing system operational	19/06/2012	06/09/2012	●
3G communications software development complete	15/08/2011	12/12/2011	Completed
Completion of changes to back-office systems	10/08/2011	11/01/2012	Completed
Completion of project	31/12/2012	24/12/2013	●

ITSO (Integrated Transport Smartcard Organisation) is the name of the smartcard specification being mandated by the Department for Transport (DfT) for rail franchises and for the national bus concessionary scheme. Enabling the acceptance of ITSO specified tickets requires changes to TfL's ticketing systems, including a card reader capable of reading both Oyster and ITSO tickets, establishment of a head office processing system, new or upgraded communications links and other system changes. The project is being funded by the DfT, under an agreement with TfL dated 28 May 2009.

During the quarter, the rollout of tri-card readers was completed on the bus fleet and software development continued to allow the start of the rollout on the rail network in Quarter 4 2011/12.

A number of technical issues occurred which delayed the 3G Communications Software Development and Changes to Back Offices systems milestones, but these were not on the critical path and have now been completed. The completion of these milestones allowed for the Over-the-Air communications development to be successfully trialled at one bus garage, with full deployment of the solution at King's Cross garage scheduled to start in February 2012.

The first stage of the revised ITSO software development passed ITSO accreditation and testing is planned to complete in February 2012. Deployment outside London will take place within Quarter 4 2011/12.