

TRANSPORT FOR LONDON

BOARD

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

**DATE: 7 DECEMBER 2011**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 The following performance monitoring reports are attached for the Second Quarter of 2011/12 (26 June – 17 September 2011):
- (a) Appendix 1 - Operational and Financial Performance report; and
  - (b) Appendix 2 - Investment Programme report.
- 1.2 These were considered by the Finance and Policy Committee at its meeting on 23 November 2011.

**2 BACKGROUND**

- 2.1 Since publication of the Budget, Surface Transport has been reviewing the target for the reduction in people killed or seriously injured on London's roads. This follows the publication of the Department for Transport's (DfT's) National Strategic Framework for Road Safety in May 2011, which introduced a national forecast for a 40 per cent reduction in the number of killed and seriously injured by 2020 against a baseline of 2005-09.
- 2.2 In light of the current review, the 2011 target has been revised to be consistent with the DfT's National Strategic Framework. The new projection is for a 22.4 per cent reduction from the revised 2005-09 baseline, compared to the previous target of a 4.7 reduction from a 2004-08 baseline. This represents a projected 2.5 per cent reduction in killed or seriously injured on London's roads in 2011. The new target is more challenging, but is achievable given the reduction in killed and seriously injured already seen in the year to date.
- 2.3 The Finance and Policy Committee approved the updated 2011/12 budget target for the reduction in people killed or seriously injured on London's roads.

**3 RECOMMENDATION**

- 3.1 The Board is asked to NOTE the reports.

**4 CONTACT**

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## Operational and Financial Performance Report

### Second 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 2 (26 June 2011 – 17 September 2011) comprising operating Periods 4-6.

#### TfL performance summary

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**Service:** Overall, TfL passenger demand was higher than the same quarter last year and is in line with target. On London Underground, Docklands Light Railway, London Overground, Tram services and Dial-a-ride, there were more passenger journeys than expected in Quarter 2. There were fewer passenger journeys on London Buses, mainly due to the civil disturbances experienced in early August, and fewer cyclists on the TfL Road Network due to the early onset of cooler weather. Despite the civil disturbances, there were more scheduled services operated on London Underground, London Buses and Trams compared to target in the quarter. The Excess Wait Time on Buses and the Excess Journey Time on London Underground were both better than target and London Overground remains at the top of the National Passenger Performance Measure league table.

**Financial performance:** The year-to-date total operating income was £1,854 million, £30 million above budget. The full year forecast for fares income is £59 million above budget, reflecting the latest RPI forecast and other changes, including a revised apportionment of Travelcard income. The full year forecast for operating expenditure, at £5,563 million, is £131 million lower than budget, mainly due to timing differences including early achievement of one-off efficiency savings and a rephasing of non-capital project expenditure. The overall Margin is forecast to be £32 million above budget. Over the period of the Business Plan to 2014/15, TfL expects the Margin to be very close to that in the published Plan, once additional operating costs including the effect of higher inflation are taken into account. Details will be included in TfL's submission to the Mayor's Budget for 2012/13 – 2014/15.

Net capital expenditure (excluding Crossrail) over the year-to-date was £719 million, £206 million below budget, primarily due to the revised programme of the Northern line upgrade and in-year phasing of the Sub-Surface Railway (SSR) upgrade. The full year forecast is £186 million below budget. As a timing difference, this remains earmarked for investment in improving the transport network in future years.

Crossrail capital expenditure was £353 million (£81 million below budget) and is forecast to be £190 million lower than budget for the full year, mainly reflecting rephased expenditure on tunnelling and stations work. Crossrail funding is ringfenced for the Crossrail project.

**Savings:** £426 million of savings have been secured this year to date on a gross basis. £976 million of savings are forecast to be delivered for the full year, £138 million more than target. Forecasts are substantially higher than the position at the end of Quarter 1, reflecting a combination of early delivery of benefits, higher than planned savings resulting from past and current activity, and a less conservative view of risk to ongoing and future initiatives.

**Staff:** At the end of Quarter 2, TfL employed 24,841 full time equivalent (FTE) staff. This was 941 fewer than budget, partly due to limited recruitment pending the outcome of Project Horizon.

# London Underground

## Operational Performance

London Underground Performance	Units	Quarter Two 2011/12			Full Year 2011/12		
		Actual	Vs target	Vs Last Year	Forecast	Vs target	Vs Last Year
Passenger Journeys	m	259.7	3.5 ○	9.6	1,138.0	5.0 ○	30.7
% Scheduled Services Operated	%	96.9	0.2 ○	0.8	96.8	0.1 ○	1.2
Excess Journey Time (Weighted)	Mins	5.55	(0.65) ○	(0.63)	5.84	(0.36) ○	(0.66)
Overall CSS Q2 2012	Score	79	- ○	(1)	79	- ○	-
Recorded Crime - LU & DLR Q2 2012	#	10.8	(0.7) ○	(0.4)	11.0	(0.5) ○	(1.0)

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

Tables may be subject to rounding errors. CSS: Customer Satisfaction Survey

- I.0 In the second quarter of 2011/12, London Underground (LU) passengers made 3.5 million more journeys than target. The acceleration of growth seen at the end of the first quarter has continued into the second quarter. Therefore, the full-year forecast has increased and there are predicted to be 5.0 million (0.4 per cent) more passenger journeys than target.
- I.1 LU operated 0.2 per cent more of the scheduled services than target in Quarter 2 and more than the same quarter last year. The network percentage of schedule has been above target in every period so far this financial year.
- I.2 Excess Journey Time (EJT) in Quarter 2 averaged 5.55 minutes. This was a 0.35 minute improvement from Quarter 1 and 0.65 minutes better than target.
- I.3 The LU Customer Satisfaction Survey (CSS) scored 79 at Quarter 2. This was in line with budget and the same as the previous three quarterly results. The only difference of note between Quarter 1 and Quarter 2 was a one point improvement in 'wait for train'.
- I.4 In Quarter 2, there were 10.8 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.
- I.5 FTE Staff numbers in LU were 459 (2.5 per cent) lower than budget at the end of Quarter 2. This mainly reflected fewer staff in Operations, due to significant attrition towards the end of 2010/11, and Asset Performance, due to savings and delayed recruitment.

## Financial Performance

London Underground Financials £m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast variance
Operating Income	(955)	(926)	(29)	○	(2,113)	(2,055)	(58)	○	(2,078)	(34)
Operating Expenditure (net of third party contributions)	788	856	(68)	○	1,862	1,909	(47)	○	1,879	(17)
<b>Net Operating Expenditure</b>	<b>(167)</b>	<b>(70)</b>	<b>(96)</b>	<b>○</b>	<b>(251)</b>	<b>(146)</b>	<b>(105)</b>	<b>○</b>	<b>(199)</b>	<b>(52)</b>
Net Capital Expenditure	469	541	(72)	○	1,030	1,087	(57)	○	1,032	(2)
<b>Net Service Expenditure</b>	<b>302</b>	<b>470</b>	<b>(168)</b>	<b>○</b>	<b>779</b>	<b>941</b>	<b>(162)</b>	<b>○</b>	<b>833</b>	<b>(54)</b>

(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 errors.

- 1.6 Operating income in the year to date was higher than budget by three per cent, partly driven by favourable travelcard apportionment factors. This is reflected in the increased full-year forecast, along with the January 2012 fares increase and updated assumptions for GLA economic indicators. The forecast for property rental income has also increased.
- 1.7 Operating expenditure, net of third party contributions, was £68 million lower than budget in the year to date. This includes savings in operational staff costs due to lower than budgeted staff numbers and tight control of overtime, early delivery of Support Services Review benefits and other overhead savings. Additional compensation was received from Crossrail and Thameslink for disruption caused to LU by their activities, for example the closure of Blackfriars station. The underspend also reflects changes to non-capital elements of the Investment Programme, including re-phasing of Asset Stabilisation and Track Works projects and savings on the decommissioning of old Victoria line rolling stock.
- 1.8 The above factors are reflected in the full-year operating expenditure forecast which is £47 million lower than budget. The decrease in forecast between Quarter 1 and Quarter 2 is largely due to the identification of further savings.
- 1.9 Net capital expenditure in the year to date was £72 million lower than budget. The most significant variance was in the Sub-Surface Rail (SSR) Upgrade; this is due to delayed acceptance of trains into service while quality issues are addressed and phasing of signalling work now that the contract has been let. Further variances in Bakerloo, Central & Victoria (BCV) lines/Sub Surface Lines (SSL) track works were due to the budget having been based on an estimate of the final Balfour Beatty contract prior to agreement of the work programme.
- 1.10 Net capital expenditure in the full year is forecast to be £57 million lower than budget, including re-phasing of Neasden Phase B power works and SSR signalling power works, and savings in SSR traction power works following a revised contractor's programme. There were also efficiencies and re-phasing in station projects, savings in delivery risk for BCV/SSL track projects and deferral of payment to the developer for the Bank Walbrook Square project based on a revised developer plan. These are partly offset by property purchase costs for the Bond Street congestion relief project.

## Tube Lines

Tube Lines Financials £m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast variance
Operating Income	(6)	(7)	-	○	(12)	(14)	2	●	(11)	(1)
Operating Expenditure (net of third party contributions)	157	180	(23)	○	353	376	(23)	○	421	(68)
<b>Net Operating</b>	<b>151</b>	<b>173</b>	<b>(22)</b>	<b>○</b>	<b>341</b>	<b>362</b>	<b>(21)</b>	<b>○</b>	<b>410</b>	<b>(68)</b>
Net Capital Expenditure	79	198	(119)	○	202	372	(170)	○	212	(9)
<b>Net Service Expenditure</b>	<b>230</b>	<b>371</b>	<b>(141)</b>	<b>○</b>	<b>544</b>	<b>734</b>	<b>(190)</b>	<b>○</b>	<b>621</b>	<b>(77)</b>

(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 and full-year forecast was £23 million lower than budget, mainly due to the delayed start of Jubilee line rolling stock overhaul works, deferred to Quarter 3, delays on the Piccadilly line rolling stock life extension works and reductions in specialist services costs from staff savings. This was partially offset by increased track and escalator works. There was also a reduction in the year-end forecast against budget due to the inclusion of central overprogramming and revised phasing of system upgrade costs to 2012/13.
- 2.1 At Quarter 2 the full-year forecast for net operating expenditure is £68 million lower than it was at Quarter 1. This is due to the standardisation of intercompany income which is now in line with the TfL Group and re-phasing of overprogramming to later years
- 2.2 Year-to-date net capital expenditure was £119 million lower than budget, mainly due to re-phasing on the Northern line upgrade, the track work programme, civils work profile and Lift & Escalator works.
- 2.3 In the full year, net capital expenditure is forecast to be £170 million lower than budget, mainly reflecting the re-phasing of the Northern line upgrade, as well as infrastructure cost savings and deferrals - such as the joint approach to the Piccadilly and Bakerloo line upgrades as part of the Deep Tube Tunnel programme.
- 2.4 At the end of Quarter 2, Tube Lines had 101 (4.1 per cent) more FTE staff than budget. This was mainly due to post-budget negotiations with Alstom in relation to maintenance, which resulted in the transfer of staff from Alstom to Tube Lines.

# London Rail

## Operational Performance

London Rail Performance	Units	Quarter Two 2011/12			Full Year 2011/12		
		Actual	Vs target	Vs Last Year	Forecast	Vs target	Vs Last Year
<b>DLR</b>							
Passenger Journeys	m	19.0	0.2 ○	1.7	83.5	1.4 ○	5.2
% Scheduled Services Operated	%	97.6	(0.4) ◀	(0.1)	97.9	(0.1) ◀	0.4
On-time performance	%	97.5	0.5 ○	(0.2)	97.3	0.3 ○	(0.1)
Overall CSS Q2 2012	Score	83	2 ○	1	81	1 ○	-
<b>London Overground</b>							
Passenger Journeys	m	22.5	N/A	N/A	103.5	- ○	N/A
PPM London Overground (MAA)	%	95.5	1.5 ○	1.4	95.1	1.1 ○	0.2
Overall CSS Q2 2012	Score	81	3 ○	-	79	1 ○	(1)
<b>Trams</b>							
Passenger Journeys	m	6.4	0.1 ○	0.2	28.7	0.6 ○	0.8
% Scheduled Services Operated	%	98.1	0.1 ○	(1.4)	98.7	0.7 ○	(0.5)
Overall CSS Q2 2012	Score	86	- ○	1	86	- ○	-

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

Tables may be subject to rounding errors. 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 one and will be used to set targets going forward.

- 3.0 Docklands Light Railway (DLR) passengers made 0.9 per cent more journeys than target in Quarter 2, and 9.6 per cent more journeys than the same quarter last year. This is due to capacity enhancements such as three car services between Stratford and Lewisham and on the East route to Beckton. In addition, the DLR extension between Stratford International and Canning Town opened on 31 August 2011, as did Westfield Stratford City on 13 September 2011.
- 3.1 In Quarter 2, DLR delivered a lower percentage of scheduled services compared to both the target and the same quarter last year. This was due mainly to signalling issues and rolling stock failures. There is no change in the full-year forecast compared to Quarter 1.
- 3.2 DLR On-time performance remained higher than target but slightly lower than the same quarter last year.
- 3.3 The DLR CSS result for Quarter 2 was higher than target, the previous quarter and the same quarter last year. This was due to improvements in train presentation, particularly in relation to standards for cleanliness and graffiti. The above target results have led to a full-year forecast one point better than target.
- 3.4 Demand on London Overground (LO) increased compared to Quarter 1. This was due mainly to higher passenger numbers on the North London routes following the introduction of timetable improvements. In addition, the opening week of Westfield Stratford City was the busiest on the LO network since the monitoring of loading data began, with two million passengers carried over the whole week compared to a weekly average of 1.6 million at the end of 2010. The LO forecast is now 103.5 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 2, the PPM moving annual average (MAA) continued to improve. For the second consecutive quarter, LO remains at the top of the national PPM MAA league table.
- 3.6 The LO CSS score for Quarter 2 was 3 points higher than target and in line with the same quarter last year, driven mainly by improvements in station condition and information provision.
- 3.7 Trams passenger journey numbers were slightly higher than target in Quarter 2 and the same quarter last year despite a dip in Period 5 because of the civil disturbances, the closure of the New Addington Line due to engineering work and the cancellation of the Croydon Mela festival. The civil disturbances severely disrupted travel on the tram network for four days, with the central Croydon loop closed by damage. Following repairs to the serious track damage caused by the fire at Reeves Corner, the effect on passenger journey numbers was offset on the weekend of 20/21 August 2011 as free travel was offered to passengers resulting in around 15 per cent more passenger numbers than a standard weekend.
- 3.8 Trams operated more scheduled services than target. More than 99 per cent of scheduled services operated in Periods 4 and 6, in line with the recent trend. However, the Period 5 result was affected by the civil disturbances, at 2.9 per cent lower than target.
- 3.9 Compared to budget, there were 7 (3.4 per cent) fewer staff (FTE) in LR at the end of Quarter 2.

## Financial Performance

London Rail Financials £m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast variance
Operating Income	(97)	(89)	(8)	○	(220)	(205)	(14)	○	(214)	(5)
Operating Expenditure (net of third party contributions)	147	154	(7)	○	334	336	(2)	○	336	(2)
<b>Net Operating</b>	<b>50</b>	<b>65</b>	<b>(15)</b>	<b>○</b>	<b>114</b>	<b>131</b>	<b>(17)</b>	<b>○</b>	<b>121</b>	<b>(7)</b>
Net Capital Expenditure	81	76	5	●	265	186	79	●	231	34
<b>Net Service Expenditure</b>	<b>131</b>	<b>141</b>	<b>(9)</b>	<b>○</b>	<b>379</b>	<b>317</b>	<b>62</b>	<b>●</b>	<b>352</b>	<b>27</b>

(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 errors.

- 3.10 Operating income in the year to date was £8 million higher than budget, driven by greater than anticipated passenger demand on the North London Railway and on the Docklands Light Railway (DLR) following capacity enhancement work. This is also reflected in the full-year forecast.
- 3.11 In the year to date, operating expenditure, net of third party contributions, was £7 million lower than budget. This mainly relates to lower than expected train service agreement costs associated with train cleaning, lower rolling stock lease costs on London Overground due to favourable interest rates and station upgrade re-phasing on the North London Railway. These variances were partially offset by the phasing of contributions from the European Regional Development Fund for the Emirates Air Line.
- 3.12 Net capital expenditure in the year to date was £5 million higher than budget, mainly due to the purchase of new trams (which were originally assumed to be leased). In the full year, net capital

expenditure is forecast to be £79 million higher than budget. This includes the purchase rather than lease of new trams, spend brought forward for the Emirates Air Line and additional infrastructure requirements on DLR such as West Route re-railing and signalling resilience works.

## Crossrail

Crossrail Financials £m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast variance
Net Service Expenditure	353	434	(81)	○	899	1,089	(190)	○	982	(83)

(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 errors.

- 4.0 Crossrail capital expenditure in the year to date was £81 million lower than budget, due to the delayed award of some station contracts, slower in-year spend on the tunnelling contracts and lower land and property expenditure. The Quarter 2 forecast is £190 million lower than budget due to re-phasing of expenditure to reflect later dates for letting some of the major station contracts, and slower in-year expenditure on the major tunnelling contracts, which were let at the start of 2011.



## Surface Transport

### Operational Performance

Surface Transport Performance	Units	Quarter Two 2011/12			Full Year 2011/12		
		Actual	Vs target	Vs Last Year	Forecast	Vs target	Vs Last Year
<b>London Buses</b>							
Passenger Journeys	m	522.5	(1.2) ●	2.8	2,337.0	33.0 ○	48.0
% Scheduled Services Operated	%	97.7	0.1 ○	(0.2)	97.4	0.1 ○	-
Excess Wait Time	Mins	0.9	(0.1) ○	-	1.1	- ○	0.1
Overall CSS Q2 2012	Score	80	1 ○	(1)	79	- ○	(1)
London Buses: recorded crime per million passenger journeys Q2 2012	#	9.4	(0.9) ○	(1.3)	9.9	(0.3) ○	(0.6)
<b>Performance - Other Areas</b>							
Passenger Journeys - Dial a Ride	m	0.3	- ○	-	1.4	- ○	0.1
Cycling levels on the TLRN	Index	294	(3) ●	13	276	14 ○	26
TLRN Journey Time Reliability (am peak)	%	90.4	0.5 ○	1.3	89.0	- ○	0.2
Overall CSS - Dial a Ride Q2 2012	Score	91	(2) ●	(2)	93	- ○	2
Overall CSS - TLRN road users Q4 2012	Score	N/A			72.0	- ○	-
Overall CSS - Congestion Charging Q2 2012	Score	N/A			84.0	- ○	7.0
KSI Londonwide - % Reduction (from 05-09 baseline) Mar - May 2011	%	(24.9)	(6.5) ○	N/A	(33.4)	(11.0) ○	N/A

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target  
 Tables may be subject to rounding errors. CSS: Customer Satisfaction Survey KSI: Killed and seriously injured

- 5.0 There were 1.2 million fewer bus passenger journeys than target, mainly due to the civil disturbances in Period 5, which reduced journeys by an estimated two million. Journeys in Quarter 2 were up 0.5 per cent on last year including the effects of the civil disturbances this year and a strike on the Underground last year that boosted bus usage.
- 5.1 In Quarter 2, the proportion of scheduled services operated by London Buses was better than target. This was despite significant disruption caused by roadworks in the Piccadilly Circus area, and the civil disturbances in early August. The impact of the civil disturbances on lost mileage was mitigated as many of the diverted buses were running in service and therefore not incurring lost mileage. Furthermore, the incidents occurred at the time of year when general traffic delays are at their lowest, thus maximising the chance of diverted buses being able to reach their scheduled destination.
- 5.2 Bus Excess Wait Time (EWT) was better than target in Quarter 2. The use of iBus service control facilities by operators, and the increased skill of staff in using the tools available to target poorly performing routes, has improved EWT.
- 5.3 In Quarter 2, the London Buses Customer Satisfaction Survey (CSS) score was one point higher than target, but one point lower than the second quarter last year. The result for Quarter 2 last year was exceptional, as it was one point higher than the overall CSS score for 2010/11 and two points above Quarter 2 in 2009/10.
- 5.4 Incidents of recorded crime on London Buses were 0.9 crimes per million journeys lower than target and 1.3 crimes per million journeys lower than Quarter 2 in the prior year. The reduction in overall bus crime has been largely down to the ongoing work done by the TfL-funded Safer Transport

Command (STC) and their 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, partnership, problem solving and prevention and the rigorous performance framework in place to ensure a high level of service delivery approach.

- 5.5 The number of Dial-a-Ride (DAR) passenger journeys was in line with target for the quarter and on track to deliver 1.4 million trips for the year, as the service continues to achieve further improvements in driver productivity per duty.
- 5.6 In Quarter 2, the average index of cycle flows on the TfL Road Network (TLRN) was one per cent lower than target. This is due to a seasonal shift in cycling patterns with the downturn largely due to poor weather conditions in the late summer. The full-year forecast has been revised downwards to 276, but still represents a five per cent improvement compared to budget.
- 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 2, JTR on the TLRN of 90.4 per cent was 0.5 percentage points better than target. The continued year-on-year reductions in flow and lower counts of significant disruption incidents in the am peak have contributed to the improvement in JTR observed.
- 5.8 The overall customer satisfaction score for Dial-a-Ride, at 91 for Quarter 2, is equal to the 2010/11 full-year score. However, the challenge of improving last year's level by two points has not yet been achieved. The overall CSS has been impacted by rising demand for the Dial-a-Ride service, as some other door-to-door providers reduced services and demand was displaced to Dial-a-Ride. Dial-a-Ride is delivering more service than ever, so not all the additional demand can be met, especially at peak times, which is reflected in the CSS score.
- 5.9 There were 662 people killed or seriously injured on London's roads in March, April and May 2011, 17 per cent fewer than the total recorded for the same quarter last year. A year-on-year comparison of road safety casualties will be made once the full year of data collection has been completed and finalised and the results analysed in depth.
- 5.10 Staff numbers in Surface Transport were 299 (8.8 per cent) FTE lower than budget at the end of Quarter 2. The variance to budget is primarily due to ongoing departmental organisational change programmes and the recruitment approvals process, which challenges all headcount requests.

## Financial Performance

Surface Transport Financials £m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast variance
Operating Income	(772)	(786)	14	▶	(1,708)	(1,715)	7	▶	(1,708)	1
Operating Expenditure (net of third party contributions)	1,148	1,178	(31)	○	2,633	2,637	(4)	○	2,649	(15)
<b>Net Operating</b>	<b>376</b>	<b>393</b>	<b>(17)</b>	<b>○</b>	<b>925</b>	<b>923</b>	<b>3</b>	<b>▶</b>	<b>940</b>	<b>(15)</b>
Net Capital Expenditure	93	106	(14)	○	214	220	(7)	○	215	(1)
<b>Net Service Expenditure</b>	<b>468</b>	<b>499</b>	<b>(31)</b>	<b>○</b>	<b>1,139</b>	<b>1,143</b>	<b>(4)</b>	<b>○</b>	<b>1,155</b>	<b>(16)</b>

(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 errors.

- 5.11 Operating income in the year to date was £14 million 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 and lower Barclays Cycle Hire income. These shortfalls were partially offset by higher Congestion Charging and Traffic Enforcement income as a result of higher overall volumes. The full-year forecast at Quarter 2 reflects the full-year effect of the underlying in-year trends.
- 5.12 Operating expenditure in the year to date is £31 million lower than budget. Approximately half of the variance was due to a range of in-year timing differences, including re-phasing of planned expenditure on Barclays Cycle Superhighways, TfL Road Network (TLRN) Development and other Better Routes & Places schemes, with the delivery dates for these projects remaining unchanged. The remaining balance is due to savings, including Bus Performance (contract tendering, performance bonuses, bus ticket machine maintenance and ticket commission costs) and Traffic Real Time Operations.
- 5.13 The full-year forecast operating expenditure at Quarter 2 is £4 million lower than budget. New activities include additional Olympic Games expenditure, which will be funded by the ODA with the funding held at TfL Group level, and temporary bridge strengthening works on the Hammersmith Flyover, allowing the structure to remain open to the public while a more permanent option is developed. The impact of new activities and other cost increases, including the effect of higher inflation, are largely offset by operational cost savings. The favourable variance between the Quarter 2 and Quarter 1 forecasts is mainly due to the identification of further operational cost savings, which are partially offset by the Hammersmith Flyover and additional Games expenditure.
- 5.14 Net capital expenditure in the year to date was £14 million lower than budget. This was due to in-year timing changes, primarily on Barclays Cycle Hire, TLRN Capital Development, the upgrading of traffic signals with Split Cycle Offset Optimisation Technique (SCOOT) and signals modernisation. Slippages into future years, including TLRN Capital Development and Countdown II, have been offset by work brought forward on TLRN carriageway renewals to be completed before the Games.
- 5.15 The net capital expenditure full-year forecast at Quarter 2 is £7 million lower than budget. This is due to savings on a range of projects, including the Blackwell 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. The full-year forecast at Quarter 2

is £1 million lower than at Quarter 1 due to savings on Barclays Cycle Superhighways and SCOOT and re-phasing of projects (including Countdown II), partially offset by acceleration on carriageway renewals.

## Corporate Directorates

Corporate Directorates Financials £m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast variance
Operating Income	(25)	(17)	(8)	○	(51)	(43)	(8)	○	(46)	(5)
Operating Expenditure (net of third party contributions)	138	186	(48)	○	381	436	(55)	○	438	(57)
<b>Net Operating</b>	<b>114</b>	<b>169</b>	<b>(55)</b>	<b>○</b>	<b>330</b>	<b>393</b>	<b>(63)</b>	<b>○</b>	<b>392</b>	<b>(62)</b>
Net Capital Expenditure	(2)	5	(7)	○	(3)	29	(32)	○	(2)	(1)
<b>Net Service Expenditure</b>	<b>111</b>	<b>174</b>	<b>(63)</b>	<b>○</b>	<b>327</b>	<b>422</b>	<b>(95)</b>	<b>○</b>	<b>390</b>	<b>(63)</b>

(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 errors.

- 6.0 Operating income in the year to date was £8 million higher than budget. This was driven by increased property income, an unbudgeted tax rebate, additional income from advertising and Oyster Card Schemes and higher than expected income in Borough Partnerships.
- 6.1 Year-to-date operating expenditure was £48 million lower than budget. This was due to phasing variances in core IM projects and the Accommodation Strategy, re-profiling of River Crossings work to future years, lower staff costs and lower spend on the Horizon project. These factors are also reflected in the full-year forecast and the variance to the full-year forecast at Quarter 1.
- 6.2 Net capital expenditure was £7 million lower than budget in the year to date. This was mainly due to higher income from unbudgeted property sales and the re-negotiation of other property transactions, lower expenditure due to the re-profiling of the Future Ticketing Programme (FTP), IM capital projects and the Payment Card Industry Data Security Standard (PCI DSS) project. These were partly offset by slippage of other property sales.
- 6.3 In the full year, net capital expenditure is forecast to be £32 million less than budget, largely due to re-profiling of expenditure on the FTP and re-profiling of IM capital projects.
- 6.4 Compared to budget, there were 215 (8.9 per cent) fewer FTE staff in the Corporate Directorates at the end of Quarter 2. 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 £m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast Variance
Interest Income	(6)	(7)	1	●	(12)	(15)	3	●	(12)	-
Debt Servicing	185	139	46	●	487	304	183	●	300	187
Contingency/Other Group Items	1	25	(23)	○	38	54	(16)	○	40	(3)
<b>Total Group Items</b>	<b>181</b>	<b>156</b>	<b>24</b>	<b>●</b>	<b>512</b>	<b>342</b>	<b>170</b>	<b>●</b>	<b>328</b>	<b>184</b>

(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 errors.

- 6.5 Total Group Items, including debt servicing, in the year to date was £24 million higher than budget. The variance is mainly due to the effect of the acquisition of a portion of Tube Lines Finance loan notes. These high coupon loan notes will be replaced with cheaper TfL borrowing. The acquisition of the notes is shown as a financing cost in the current year, but the impact on reserves will be spread over the term of the replacement borrowing. This was partially offset by release of unused contingency and slightly lower debt servicing costs.
- 6.6 The full-year forecast at Quarter 2 is £170 million higher than budget mainly relating to the acquisition of the Tube Lines Finance loan notes, explained in 6.5, together with an additional tranche acquired after the end of Quarter 2.

## Savings

Savings £m	Actual YTD	Forecast at Q2	Target	Variance
Corporate and Group Wide	80	177	173	4
London Rail	5	13	14	(1)
London Underground	228	528	424	104
Surface Transport	113	259	226	32
<b>Gross</b>	<b>426</b>	<b>976</b>	<b>837</b>	<b>138</b>
Implementation Costs	(4)	(42)	(46)	4
<b>Net</b>	<b>422</b>	<b>926</b>	<b>792</b>	<b>134</b>

Tables may be subject to rounding errors.

- 7.0 On a gross basis, £976 million of savings are forecast for the full year, £138 million more than target. This increase is predominantly driven by early delivery of savings (as described below).
- 7.1 London Rail is forecasting full-year savings of £13 million, slightly below target. This shortfall is due to the delayed opening of the DLR Stratford International Extension. However, this has no ongoing impact on the savings programme beyond the current year, and the resulting underspend from delayed opening (as opposed to efficiency) means there is no adverse impact on overall expenditure.
- 7.2 London Underground's savings delivered in the year to date are £228 million, almost £65 million more than planned. This comprises both earlier delivery of benefits planned for later in the year (including £4 million relating to the Automatic Train Control contract for the Sub-Surface line upgrade, and across initiatives in the stations and track upgrade programmes) and very significant over delivery against target across the Operations Strategic Plan, the Support Services Review, the Capital Programme Portfolio, and against continuous savings exercise (CSE) initiatives.
- 7.3 Surface Transport is also forecasting an improved position against target since Quarter 1, with a projection of £259 million of savings for the full year against a target of £226 million. This is due to CSE initiatives of £10 million including CCTV maintenance savings with the transition from an analogue to digital network and in-year bus network contract savings. The remaining increase of £22 million derives from other small incremental savings generated in forecast reviews.
- 7.4 Implementation costs are forecast to be £4 million less than target. This is predominantly due to lower than planned implementation costs for the Accommodation Strategy and IM.

## Balance Sheet

Transport for London Group Balance Sheet at end of Quarter 2 £m	Actual	Variance to Budget
Fixed Assets – (higher) / lower than budget	24,551	295
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	423	(95)
Cash – (higher) / lower than budget	2,154	(194)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,217)	(52)
External Borrowings – higher / (lower) than budget	(6,359)	(28)
Provisions – higher / (lower) than budget	(1,944)	(58)
Total Net Assets – (higher) / lower than budget	15,608	(132)

- 8.0 Fixed assets are £295 million lower than budget due to lower activity expenditure of £81 million in Crossrail and £214 million in the rest of TfL (see Appendix 2). Non-activity variances including depreciation and disposals offset each other.
- 8.1 Stock, debtors, payments in advance and accrued income are £95 million above budgeted levels. Of this, some £41 million is due to changes in the milestones in respect of ODA funding receivable. A further £50 million is in respect of VAT, whereby the repayment from HMRC due in the last week of Period 6 was not received until Period 7.
- 8.2 Cash is £194 million above budget as a result of the lower net capital spend of £288 million and lower revenue activity of £182 million. This is offset by lower than budgeted grant of £33 million, mainly for the Crossrail project (to be received later in the year), net repayment of external debt of £28 million and working capital movements of £215 million.
- 8.3 Creditors are £52 million lower than budget, spread across all companies and reflecting lower than planned activity levels to date.
- 8.4 Borrowings are lower than budget as a result of refinancing some of external debt in Period 6. An element of the principal repaid has been temporarily met out of TfL's existing cash balances, but will be replaced with TfL borrowings by the end of the year.
- 8.5 Provisions are £58 million below budget, mainly due to accelerated payments for property purchases in respect of the Crossrail project (£48 million) and the release of severance and other provisions in London Underground (£10 million).



## Forecast

Transport for London Group Balance Sheet Forecast for the Year End £m	Forecast at Q2	Variance to Budget
Fixed Assets – (higher) / lower than budget	25,563	307
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	380	(76)
Cash – (higher) / lower than budget	2,553	(345)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,210)	(42)
External Borrowings – higher / (lower) than budget	(6,795)	45
Provisions – higher / (lower) than budget	(1,860)	(54)
Total Net Assets – (higher) / lower than budget	16,631	(165)

- 8.6 The forecast for fixed assets is £307 million below budget, mainly due to lower fixed asset additions of £350 million. The remaining variance arises from changes to depreciation and disposal forecasts, mainly in London Underground.
- 8.7 Stock, debtors and prepayments are forecast to be £76 million higher than budget. £38 million of this is in the Corporate Centre, primarily in respect of invoiced ODA Grant (£20 million) as a result of a new project agreement signed midyear, and so not budgeted for, and higher Joint Facility Ticketing debtors of £11 million, due to a change in the mix of sales outlets.
- 8.8 Cash is now forecast to be above budget by £345 million. This is due to lower net service expenditure (including Crossrail) of £408 million (See Appendix 2), and increased borrowings arising from the refinancing of external debt offset by working capital movements.
- 8.9 Creditors are £42 million lower than budget, spread across all companies and reflecting lower than planned activity levels.
- 8.10 The full-year forecast variance to budget for borrowings is caused by the refinancing of the external debt including the deferral of principal repayments and the re-borrowing in the Corporation.
- 8.11 Provisions are forecast to be £54 million below budget. £43 million is due to revised assumptions on Crossrail related property purchases, whereby payments are now expected to be accelerated in the year compared to the budgeted position with the remainder reflecting assumptions on earlier settlement of claims, mainly in London Underground.

## Reserves

- 8.12 Of the total forecast reserves of £16.6 billion, only earmarked reserves and the general fund balance, totalling £2.2 billion are usable and available to fund expenditure. The remainder is unusable technical accounting reserves and is not backed by cash. A general fund balance of around £150 million is maintained to cover risks that may arise, and is determined to be appropriate given the scale of the Group's operations. Earmarked reserves, which include unapplied capital grants, represent reserves set aside for specific policy purposes. Of these reserves, £1.1 billion relates to the Crossrail project where funding has been received ahead of need. The remaining earmarked reserves of £0.9 billion are set aside in respect of projects across the rest of the Group, and are expected to be fully utilised over the Business Plan to 2014/15.

## Appendix One: Operational Summary

2011/12		Quarter Two			Full Year		
Key Performance Indicator	Units	Actual	Vs target	Vs Last Year	Forecast	Vs target	Vs Last Year
<b>Service Demand</b>							
Passenger Journeys - London Underground	m	259.7	3.5 ○	9.6	1,138.0	5.0 ○	30.7
Passenger Journeys - DLR	m	19.0	0.2 ○	1.7	83.5	1.4 ○	5.2
Passenger Journeys - Trams	m	6.4	0.1 ○	0.2	28.7	0.6 ○	0.8
Passenger Journeys - London Overground	m	22.5	N/A	N/A	103.5	- ○	N/A
Passenger Journeys - Buses	m	522.5	(1.2) ●	2.8	2,337.0	33.0 ○	48.0
Passenger Journeys - Dial a Ride	m	0.3	- ○	-	1.4	- ○	0.1
Cycling levels on the TLRN	Index	294	(3) ●	13	276	14 ○	26
<b>Supporting Development and Growth</b>							
% Scheduled Services Operated - LU	%	96.9	0.2 ○	0.8	96.8	0.1 ○	1.2
% Scheduled Services Operated - DLR	%	97.6	(0.4) ●	(0.1)	97.9	(0.1) ●	0.4
% Scheduled Services Operated - Trams	%	98.1	0.1 ○	(1.4)	98.7	0.7 ○	(0.5)
% Scheduled Services Operated - Buses	%	97.7	0.1 ○	(0.2)	97.4	0.1 ○	-
Excess Journey Time (Weighted) - LU	Mins	5.55	(0.65) ○	(0.63)	5.84	(0.36) ○	(0.66)
On-time performance - DLR	%	97.5	0.5 ○	(0.2)	97.3	0.3 ○	(0.1)
PPM London Overground (MAA)	%	95.5	1.5 ○	1.4	95.1	1.1 ○	0.2
Excess Wait Time - Buses	Mins	0.9	(0.1) ○	-	1.1	- ○	0.1
TLRN Journey Time Reliability (am peak)	%	90.4	0.5 ○	1.3	89.0	- ○	0.2
<b>Quality of Life</b>							
Overall CSS - London Underground Q2 2012	Score	79	- ○	(1)	79	- ○	-
Overall CSS - DLR Q2 2012	Score	83	2 ○	1	81	1 ○	-
Overall CSS - Trams Q2 2012	Score	86	- ○	1	86	- ○	-
Overall CSS - London Overground Q2 2012	Score	81	3 ○	-	79	1 ○	(1)
Overall CSS - Buses Q2 2012	Score	80	1 ○	(1)	79	- ○	(1)
Overall CSS - Dial a Ride Q2 2012	Score	91	(2) ●	(2)	93	- ○	2
Overall CSS - TLRN road users Q4 2012	Score	N/A			72	- ○	-
Overall CSS - Congestion Charging Scheme Q2 2012	Score	N/A			84	- ○	7
<b>Ensuring Safety and Security</b>							
KSI Londonwide - % Reduction (from 05-09 baseline) Mar - May 2011	%	(24.9)	(6.5) ○	N/A	(33.4)	(11.0) ○	N/A
LU and DLR: recorded crime per million passenger journeys Q2 2012	#	10.8	(0.7) ○	(0.4)	11.0	(0.5) ○	(1.0)
London Buses: recorded crime per million passenger journeys Q2 2012	#	9.4	(0.9) ○	(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 errors.

CSS: Customer Satisfaction Survey

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

KSI: Killed and seriously injured

## Appendix Two: Financial Summary

£m	Year to date 2011/2012				Full Year 2011/2012					
	Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Forecast variance
Fares income	(1,581)	(1,559)	(21)	○	(3,519)	(3,460)	(59)	○	(3,490)	(29)
Other income	(274)	(265)	(9)	○	(584)	(572)	(12)	○	(568)	(16)
<b>Total operating income</b>	<b>(1,854)</b>	<b>(1,824)</b>	<b>(30)</b>	<b>○</b>	<b>(4,103)</b>	<b>(4,032)</b>	<b>(71)</b>	<b>○</b>	<b>(4,058)</b>	<b>(45)</b>
Operating expenditure (net of third party contributions)	2,378	2,553	(176)	○	5,563	5,694	(131)	○	5,722	(159)
<b>Operating margin</b>	<b>523</b>	<b>729</b>	<b>(206)</b>	<b>○</b>	<b>1,460</b>	<b>1,662</b>	<b>(202)</b>	<b>○</b>	<b>1,664</b>	<b>(204)</b>
Interest income & debt payments	179	131	48	●	475	289	186	●	288	187
Contingency/Other Group items	1	25	(23)	○	38	54	(16)	○	40	(3)
<b>Total Group items</b>	<b>181</b>	<b>156</b>	<b>24</b>	<b>●</b>	<b>512</b>	<b>342</b>	<b>170</b>	<b>●</b>	<b>328</b>	<b>184</b>
<b>Margin</b>	<b>704</b>	<b>885</b>	<b>(182)</b>	<b>○</b>	<b>1,972</b>	<b>2,005</b>	<b>(32)</b>	<b>○</b>	<b>1,993</b>	<b>(20)</b>
Capital income (including property sales)	(17)	(22)	4	●	(57)	(44)	(13)	○	(62)	4
Capital expenditure	770	984	(214)	○	1,852	2,012	(160)	○	1,833	18
Third party contributions	(34)	(37)	3	●	(86)	(74)	(12)	○	(84)	(2)
<b>Net capital expenditure (excl Crossrail)</b>	<b>719</b>	<b>926</b>	<b>(206)</b>	<b>○</b>	<b>1,708</b>	<b>1,894</b>	<b>(186)</b>	<b>○</b>	<b>1,688</b>	<b>20</b>
<b>Net service expenditure (excl Crossrail)</b>	<b>1,423</b>	<b>1,811</b>	<b>(388)</b>	<b>○</b>	<b>3,680</b>	<b>3,899</b>	<b>(218)</b>	<b>○</b>	<b>3,680</b>	<b>-</b>
Capital expenditure: Crossrail	353	434	(81)	○	899	1,089	(190)	○	982	(83)
<b>Net service expenditure: TFL</b>	<b>1,776</b>	<b>2,245</b>	<b>(469)</b>	<b>○</b>	<b>4,580</b>	<b>4,988</b>	<b>(408)</b>	<b>○</b>	<b>4,663</b>	<b>(83)</b>

(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 2011/2012				Full Year 2011/2012					
		Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Variance
(860)	London Underground	(955)	(926)	(29)	○	(2,113)	(2,055)	(58)	○	(2,078)	(34)
(14)	Tube Lines	(6)	(7)	-	○	(12)	(14)	2	●	(11)	(1)
(772)	Surface Transport	(772)	(786)	14	▶	(1,708)	(1,715)	7	▶	(1,708)	1
(76)	London Rail	(97)	(89)	(8)	○	(220)	(205)	(14)	○	(214)	(5)
(36)	Corporate Directorates	(25)	(17)	(8)	○	(51)	(43)	(8)	○	(46)	(5)
<b>(1,758)</b>	<b>Total Operating Income</b>	<b>(1,854)</b>	<b>(1,824)</b>	<b>(30)</b>	<b>○</b>	<b>(4,103)</b>	<b>(4,032)</b>	<b>(71)</b>	<b>○</b>	<b>(4,058)</b>	<b>(45)</b>

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 2011/2012				Full Year 2011/2012					
		Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Variance
1,026	London Underground	788	856	(68)	○	1,862	1,909	(47)	○	1,879	(17)
81	Tube Lines	157	180	(23)	○	353	376	(23)	○	421	(68)
1,158	Surface Transport	1,148	1,178	(31)	○	2,633	2,637	(4)	○	2,649	(15)
144	London Rail	147	154	(7)	○	334	336	(2)	○	336	(2)
131	Corporate Directorates	138	186	(48)	○	381	436	(55)	○	438	(57)
<b>2,540</b>	<b>Total Operating Expenditure</b>	<b>2,378</b>	<b>2,553</b>	<b>(176)</b>	<b>○</b>	<b>5,563</b>	<b>5,694</b>	<b>(131)</b>	<b>○</b>	<b>5,722</b>	<b>(159)</b>

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 2011/2012				Full Year 2011/2012					
		Actual	Budget	Variance	Status	Forecast at Q2	Budget	Variance	Status	Forecast at Q1	Variance
511	London Underground	469	541	(72)	○	1,030	1,087	(57)	○	1,032	(2)
47	Tube Lines	79	198	(119)	○	202	372	(170)	○	212	(9)
127	Surface Transport	93	106	(14)	○	214	220	(7)	○	215	(1)
89	London Rail	81	76	5	●	265	186	79	●	231	34
(4)	Corporate Directorates	(2)	5	(7)	○	(3)	29	(32)	○	(2)	(1)
<b>769</b>	<b>Net Capital Expenditure (excl Crossrail)</b>	<b>719</b>	<b>926</b>	<b>(206)</b>	<b>○</b>	<b>1,708</b>	<b>1,894</b>	<b>(186)</b>	<b>○</b>	<b>1,688</b>	<b>20</b>
213	Crossrail	353	434	(81)	○	899	1,089	(190)	○	982	(83)
<b>982</b>	<b>Net Capital (TfL)</b>	<b>1,072</b>	<b>1,360</b>	<b>(287)</b>	<b>○</b>	<b>2,607</b>	<b>2,983</b>	<b>(376)</b>	<b>○</b>	<b>2,670</b>	<b>(63)</b>

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 £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast at Q2	Budget	Variance
<b>Non Current Assets</b>	24,551	24,846	295	25,563	25,870	307
<b>Current Assets</b>						
Stocks	38	35	(3)	43	35	(8)
Revenue & Capital Debtors	207	158	(49)	191	161	(30)
Prepayments & Accrued income	178	135	(43)	146	108	(38)
Cash and Investments	2,154	1,960	(194)	2,553	2,208	(345)
<b>Current Liabilities</b>						
Trade Creditors & Accruals	(1,084)	(1,175)	(91)	(1,087)	(1,152)	(65)
Receipts in Advance	(298)	(295)	3	(320)	(327)	(7)
Capital	(374)	(340)	34	(374)	(344)	30
<b>Long Term Liabilities</b>						
Creditors	(58)	(56)	2	(57)	(57)	-
Finance Lease Creditors	(1,403)	(1,403)	-	(1,372)	(1,372)	-
External Borrowings	(6,359)	(6,387)	(28)	(6,795)	(6,750)	45
Other Provisions	(330)	(388)	(58)	(257)	(305)	(48)
Pension Provision	(1,614)	(1,614)	-	(1,603)	(1,609)	(6)
<b>Total Net Assets</b>	<b>15,608</b>	<b>15,476</b>	<b>(132)</b>	<b>16,631</b>	<b>16,466</b>	<b>(165)</b>
<b>Capital and Reserves</b>						
Earmarked Reserves	1,545	1,276	(269)	2,070	1,580	(490)
Pension Reserves	(1,547)	(1,547)	-	(1,547)	(1,547)	-
General Fund	154	154	-	154	154	-
Capital Adjustment Account	13,578	13,793	215	14,382	14,718	336
Other Reserves	1,878	1,800	(78)	1,572	1,561	(12)
<b>Total Capital Employed</b>	<b>15,608</b>	<b>15,476</b>	<b>(132)</b>	<b>16,631</b>	<b>16,466</b>	<b>(165)</b>

<b>Cash and Investments:</b>						
CRL Sponsor funding account	1,133	1,115	(18)	1,148	1,123	(25)
Other cash	1,021	845	(176)	1,405	1,085	(320)
<b>Total as above</b>	<b>2,154</b>	<b>1,960</b>	<b>(194)</b>	<b>2,553</b>	<b>2,208</b>	<b>(345)</b>

## Appendix Four: Cash summary

Cash Summary In / (Out) Flow £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast at Q2	Budget	Variance
Margin (from Appendix 2)	(704)	(885)	(181)	(1,972)	(2,005)	(33)
Working Capital Movements	127	354	227	228	418	190
<b>Cash Spend on Operating Activities</b>	<b>(577)</b>	<b>(531)</b>	<b>46</b>	<b>(1,744)</b>	<b>(1,587)</b>	<b>157</b>
Net Capital Expenditure (from Appendix 2)	(719)	(926)	(207)	(1,708)	(1,894)	(186)
Crossrail (from Appendix 2)	(353)	(434)	(81)	(899)	(1,089)	(190)
Working Capital Movements	(192)	(205)	(13)	(349)	(342)	7
<b>Cash Spend on Capital Activities</b>	<b>(1,264)</b>	<b>(1,565)</b>	<b>(301)</b>	<b>(2,956)</b>	<b>(3,325)</b>	<b>(369)</b>
<b>Funded by:</b>						
Grants and Precept	1,956	1,989	33	4,727	4,690	(37)
Borrowings Raised	274	-	(274)	1,692	425	(1,267)
Borrowings Repaid	(302)	-	302	(1,233)	(62)	1,171
<b>Total Funding</b>	<b>1,928</b>	<b>1,989</b>	<b>61</b>	<b>5,186</b>	<b>5,053</b>	<b>(133)</b>
<b>Net Movement in Cash</b>	<b>87</b>	<b>(107)</b>	<b>(194)</b>	<b>486</b>	<b>141</b>	<b>(345)</b>

## Appendix Five: Fares avoidance and impact on revenue

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### 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 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
London Underground Passenger Ticket Irregularity	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 May 2011 on the tickets of approximately 45,000 passengers, with 2.6 per cent indicating some ticket irregularity (on a weighted basis). The net revenue loss from ticket irregularity was calculated at 1.3 per cent (after subtracting fares collected, penalty fares receipts and Oyster revenue collected at the gates).

### 2. Bus Network

	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
Bus Fare Evasion	1.6%	1.7%	1.8%

Bus Enforcement carries out regular independent fare evasion 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 bus routes and on 32 randomly selected one-person-operated routes.

The results for August 2011 show that, on a 12-month rolling average basis, the overall Bus Network fare evasion rate was 1.6 per cent. The reduction in fare evasion from Quarter 1 to Quarter 2 primarily reflects the reduced impact of fare evasion on bendy buses, given the reducing number of bendy bus routes in operation.

It is anticipated that the withdrawal of bendy bus routes will continue to reduce overall revenue loss, with an estimated full-year saving of £7.4 million being derived from the full withdrawal programme. Rates of evasion on converted routes will continue to be monitored closely for the next year.

### 3. London Overground

	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
London Overground Ticketless Travel	1.7%	2.3%	1.6%

A ticketless travel survey is carried out on a quarterly basis - in March, June, September and November, by a market research company. The latest results for September 2011 show an overall evasion rate of 1.7 per cent. The decrease in the latest quarter is due to a significant drop in the level of ticketless travel on the Euston to Watford and Clapham Junction to Willesden Junction routes. Calculated using the average result from the last four surveys, the evasion rate for the last 12 months was 2.0 per cent.

### 4. DLR

	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
DLR Ticketless Travel	0.8%	0.9%	1.7%

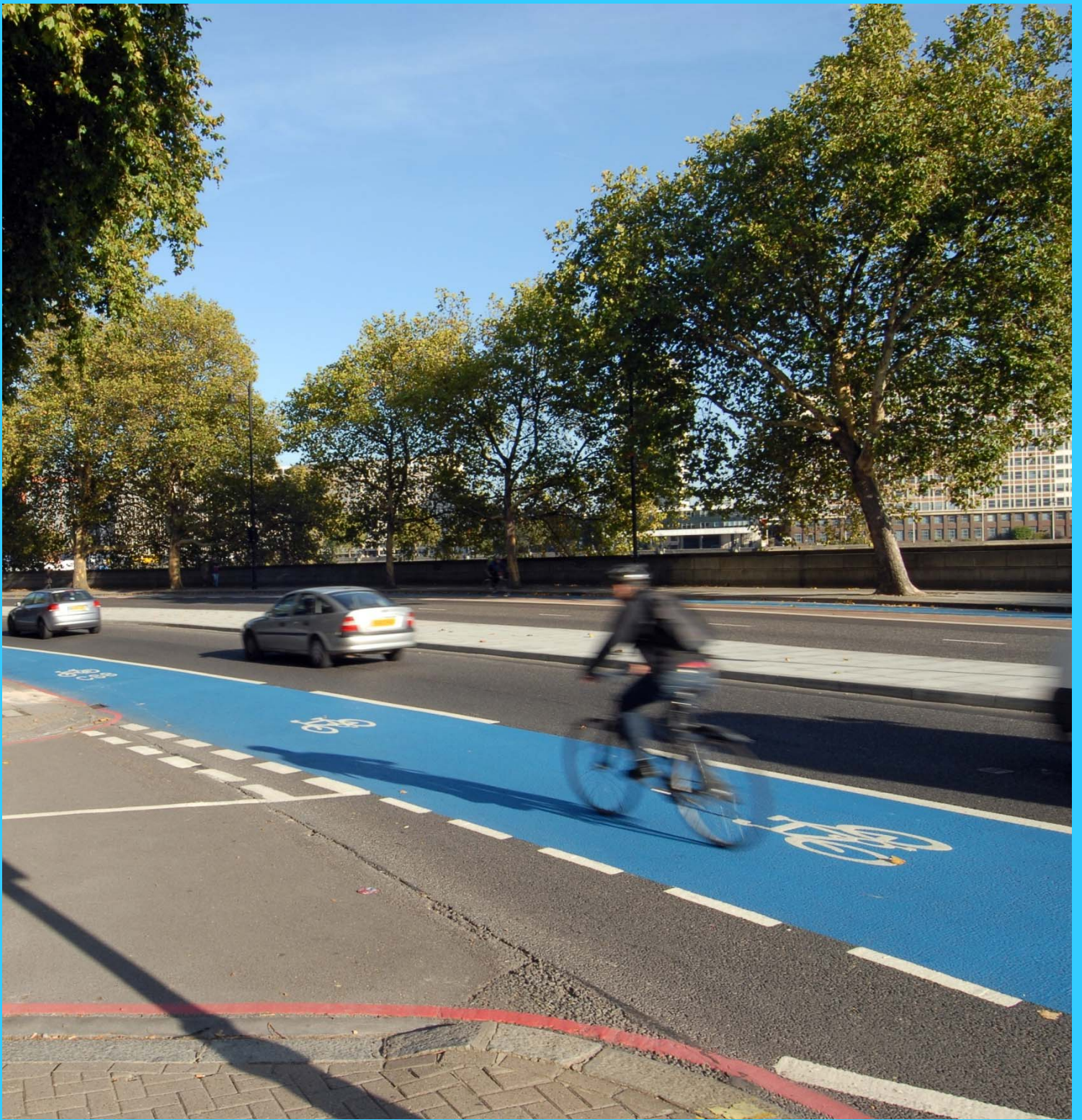
Ticketless travel is measured each period using data collected by revenue protection inspectors during station blocks at a representative sample of locations. The most recent data available is for Quarter 2, when ticketless travel was measured as 0.8 per cent of total ridership, a slight improvement on Quarter 1. The decrease this year in the level of ticketless travel has been driven by an increased focus on this area by the franchise operator, Serco.

### 5. Tramlink

	Quarter 2 2011/12	Quarter 1 2011/12	Quarter 4 2010/11
Tramlink Ticketless Travel	1.4%	1.3%	1.3%

Ticketless travel is measured each period using data collected by revenue protection inspectors boarding a sample of services. In Quarter 2, the number of passengers detected without a ticket was measured as 1.4 per cent of total ridership, a slight increase on Quarter 1.





# Investment Programme **Report**

## Second Quarter 2011/12

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# Transport for London

## Investment Programme Report

Second Quarter, 2011/12 (26 June 2011 – 17 September 2011)

### I. Programme Highlights

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

- DLR Stratford International extension – service operational
- Cycle Hire – phase I construction complete
- Ten Cycle Superhighways – phase I (additional two routes) completed
- Green Park Station – step-free access works brought into use
- Track Renewal (BCV/SSR lines) – points and crossings renewals, 14 units achieved
- Tube Lines Lifts and Escalators – Southwark Escalator 6 refurbishment, returned to service
- Jubilee Line Upgrade – J5 section commissioned and revenue service started

*Post quarter events include:*

- Victoria Line Upgrade – full service for new rolling stock operational under new service control centre
- Underground General Renewals – concept approval for Tunnel Cleaning Train
- Tube Lines JNP Track Replacement – 1,500m installed
- East London Line Phase 2 – Network Rail work Package 2 track modifications completed

Cover picture:

Two brand new Barclays Cycle Superhighways routes were opened during Quarter 2 2011/12. The new routes run from Bow to Aldgate and Wandsworth to Westminster (pictured). They will contribute to the Mayor's aim of bringing a cycle revolution to the capital by making it easier and safer for cyclists to commute into central London on direct and continuous cycle routes.

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

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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 2 Operational and Financial Report.

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



## London Underground

### Sub-Surface Railway Upgrade

Spend to end Q2 2011/12 £m	EFC £m
1,588.9	4,224.9

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	■
Roll out of new air-conditioned trains on Met line complete ( <b>Annex B:2013</b> )	31/12/2013	31/12/2013	●
Roll out of new air-conditioned trains on Circle and H&C lines complete ( <b>Annex B:2014</b> )	31/12/2014	31/12/2014	●
Roll out of new air-conditioned trains on District lines complete ( <b>Annex B:2016</b> )	31/12/2016	31/12/2016	●
Full signalling upgrade across the SSR network complete ( <b>Annex B:2018</b> )	31/12/2018	31/12/2018	●
SSR upgrade complete delivering 33 per cent capacity increase ( <b>Annex B:2018</b> )	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	12/11/2011	●
ATC - Programme baseline complete	12/11/2011	12/11/2011	●
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
ATC - Completion of end state track layout	31/12/2018	31/12/2018	●

## London Underground

Depots	Current Plan Date	Actual/Forecast Date	RAG
Neasden: New lifting and maintenance facility piling complete	17/09/2011	6/09/2011	Completed
Neasden: Signalling main commissioning complete	15/10/2011	15/10/2011	●
Ealing Common and Upminster Depots - Approval to issue design and build contracts	12/11/2011	8/11/2011	●
Neasden Depot phase A complete	14/11/2012	14/11/2012	●
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	●
Infrastructure ready for route clearance - Whitechapel – Barking	20/08/2011	20/08/2011	●
Edgware Road signalling mods for S7 complete	04/02/2012	29/12/2011	●
Infrastructure ready for integration testing OS5 (Baker St to Aldgate)	03/03/2012	03/03/2012	●
Infrastructure ready for integration testing OS8 Part 1 (Paddington to Baker St)	03/03/2012	03/03/2012	●
Infrastructure ready for integration testing OS9 (Paddington to Hammersmith)	03/03/2012	03/03/2012	●

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.

## London Underground

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The programme is on budget and on schedule to achieve its scheduled delivery date. One or two minor issues have affected interim milestones but the programme remains on course to pass its key Department for Transport milestones on time.

Although over ten of the eighteen S8 trains are now successfully operating along the complete Met line, a number of minor issues have required resolution prior to formal handover to Maintenance, hence the delay to the milestone. Since Quarter 1, there has been a six month recovery, through expediting delivery of the relevant documentation and training.

### Rolling Stock

Seventeen S-stock trains have been formally accepted by LU. Of these, fifteen eight-carriage S-stock trains are available for service in London, with over ten in service each day providing peak and off-peak services along the full length of the Metropolitan line.

Training is a very important part of delivery and a key milestone, completion of the Upminster Simulator building, was completed in the quarter on schedule. This allows District line drivers to start training and familiarisation for the seven car trains (S7) that will start rolling out in 2014 on the District Line.

There have been a number of quality issues seen on the S8 trains and LU is taking a robust stance of not accepting trains unless they pass rigorous acceptance checks. As a result, there has been a minor slip in the forecast of 42 S-stock trains in service. Recovery plans are being developed to try to prevent further slippage.

### Automatic Train Control

The ATC contractor (Bombardier) has co-located with the Sub-Surface Upgrade Programme (SUP) team at its Buckingham Palace Road offices to maximise efficiency and joint working. The contractor's baseline programme has been accepted and the supporting LU ATC projects (such as equipment rooms, cabling and power – all being delivered through LU-managed contracts) aligned with this.

The Service Control Centre Building (SCCB) has been completed on schedule at approximately 60 per cent of the original estimate.

At the start of the ATC contract, it was important to get a good start and a programme was set for all the activities in the first 100 days. This programme has been achieved, including the critical first design stage known as "Signal Supply Contract Gate A (Concept Design)".

As stated above, LU has a very large number of contracts and obligations to deliver under the ATC programme and a key one is survey and correlation to records of existing signalling assets – this has commenced on schedule.

### Depots

Neasden depot is delivered through three major works contracts – civil engineering (BAM Nuttall), power (Balfour Beatty) and signalling (Thales). The civils works have been the subject of intensive care and are now proceeding to an agreed programme under a fixed cost arrangement. All piling for the new maintenance and lifting facility has been completed following the demolition of the old acid shed.

The Neasden power contract is substantially complete, on time and to budget.



## London Underground

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Three trial weekends for signalling commissioning were successfully carried out and the system was successfully commissioned into service in October 2011, after the end of the quarter.

### Infrastructure

The successful Bayswater blockade allowed significant infrastructure enabling works for the S7 train on the Hammersmith & City line to be carried out at 17 locations. The blockade provided benefits to both the business and our customers:

- A time saving of 20 weekend closures spread over six months to deliver the same package of works
- Cost savings of approximately £650k by delivering the work as a single closure

Route clearance testing for the S7 has now begun ahead of the first S7 due next year.

On permanent way enabling works for S7 and S8 services, a total of 58,535 track metres of 'low loss' conductor rail has been installed to date. This will provide the additional power required without the need for further more expensive sub-stations.

On the high voltage power works, the DC system at Barking Sidings was commissioned on programme. Overall, 35 per cent of the power upgrade is now complete – on time and to budget.

The new S stock trains require all legacy track circuits to be treated such that they are not susceptible to interference from the new trains in a process known as "immunisation." In the last period, Wimbledon branch signalling immunisation design was completed. To date, 32 of 36 signalling immunisation sites have been completed and commissioned. The four remaining sites (Wimbledon branch) will be completed during a planned blockade over the Christmas period. This programme is on time and to budget.

At Hammersmith Depot, works to support timetabling and stabling of the S7 were completed on schedule and the new wash road was completed.

### *SSR Major Power Works (Signalling)*

Spend to end Q2 2011/12 £m	EFC £m
1.9	48.1

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

Very good progress has been made with the ATC team to understand load demands at all sites. Design work for two sites and minor installation works have progressed.

## London Underground

### SSR Major Power Works (Traction)

Spend to end Q2 2011/12 £m	EFC £m
233.1	*

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	28/10/2011	●
Power to support 53 S8 and three S7C trains in service available	25/01/2012	16/12/2011	●
SSR Power Upgrade work package 2 - first sub-station in beneficial use	04/02/2012	06/01/2012	●
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	13/01/2012	●
SSR Power Upgrade work - package 3 contract award	31/03/2012	07/02/2012	●
SSR Power Upgrade – programme close	15/06/2018	15/06/2018	●

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

The work remains on schedule and is now forecast to be under budget.

The power capacity to support the full fleet of S8s in service on the Metropolitan line was achieved through the commissioning of the new substation at Marlborough Road. The new rectifier at Neasden (main line) was commissioned allowing up to 32 x S8s into traffic in July. Rectifier no. 1 and the new high voltage switchgear were commissioned at Earl's Court while construction and erection continued at all other sites.

## London Underground

### Victoria line Upgrade Programme

Spend to end Q2 2011/12 £m	EFC £m
957.6	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	23/09/2011	●
All production trains accepted for service	07/01/2012	02/12/2011	●
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. Fleet production and system reliability remain the primary focus.

An additional four 09 stock trains were accepted for service in the quarter. The fleet now numbers 44 out of the 47 to be delivered.

The last two platform humps were installed at Euston and Victoria. The line is now fully Rail Vehicle Accessibility Regulations (RVAR) compliant and 790V regenerative braking is in operation.

The second (of eight) asset replacement stages, where old signalling and other assets are switched off and replaced with new equipment, was completed successfully although there was a reliability problem with a new track circuit in service. This was resolved prior to the third asset replacement weekend. This is now the major area of delivery for the programme. The milestone to have a full service of 09 trains stock operational under Distance To Go Radio (DTG-R) and the new service control centre was achieved (post quarter) on 25 September 2011.

## London Underground

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### *Underground General Renewals*

Spend to end Q2 2011/12 £m	EFC £m
71.7	282.8

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	●
Tranche 2 - Depot security enhancement (Central line) - contract award (Triangle and Parsons Green)	08/11/2011	05/10/2011	●

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. In the quarter completed, projects to the value of £46.2m were removed from the portfolio.

#### **92 Tube Stock (Central Line) Bogie Modifications**

The fitting of the last of the 1,420 Siemens bogies has been completed by the Train Modification unit. These were designed, manufactured and fitted to address the issue identified following the Chancery Lane incident. This high-profile safety programme has been completed on schedule and on budget.

#### **92 Tube Stock Refresh**

The 92 tube stock refresh has completed ten trains (and 18 cab ends). The feedback on the new interiors so far is very positive.

#### **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 (post quarter) on 17 October 2011).

## London Underground

### Victoria Station Upgrade

Spend to end Q2 2011/12 £m	EFC £m
137.3	598.5

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	09/01/2012	●
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 ( <b>Annex B: 2018</b> )	04/06/2018	12/02/2018	●

This project will provide: a new underground north ticket hall at the junction of Bressenden Place and Victoria Street with an entrance at street level, enlarging 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; improved access and new lifts between the National Rail and Underground station.

The project is forecast to complete on time and lower than its budgeted amount.

The asbestos removal in Elliott House is complete and demolition has commenced. The traffic management at the corner of Victoria Street and Vauxhall Bridge Road has been implemented enabling the new jet grouting work site to be set up and advance works to start. Works to the atrium switch room commenced following compliance approval.

## London Underground

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### Green Park Station Upgrade

Spend to end Q2 2011/12 £m	EFC £m
44.4	47.9

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	20/12/2011	●
Finish on site snagging complete	22/05/2012	08/02/2012	●

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 its budget. The project was shortlisted for the Rail Staff Awards Team of the Year, which acknowledges the collaborative working between LU and Tube Lines which has been a feature of the scheme. Landscaping works are currently being completed.

## London Underground

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### *Paddington Station Upgrade*

Spend to end Q2 2011/12 £m	EFC £m
23.8	*

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	13/02/2012	●
LU Start on site - station fit-out final scheme	28/05/2012	25/05/2012	●
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 ( <b>Annex B:2014</b> )	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 under authority.

The project is proceeding with a construction management delivery route for the final fit-out works to assist Crossrail Limited. Crossrail are continuing with their recovery programme for their critical taxi ramp works. Structural steelwork for the LU station was completed. The station is now deemed to be a below ground station (under Section 12 of the Kings Cross Fennell report) and is therefore subject to the Section 12 station fire regulations.

## London Underground

### Tottenham Court Road Station Upgrade

Spend to end Q2 2011/12 £m	EFC £m
200.7	477.2

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	01/07/2013	●
Completion of phase 1 (partial opening of the new plaza ticket hall)	31/03/2015	09/02/2015	●
Completion of the project ( <b>Annex B:2016</b> )	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 is on schedule and is forecast to be 11 per cent under its budget.

Since 2 April 2011, Northern line services have not been stopping at Tottenham Court Road to allow essential preparatory and major structural works to be completed at the station. The Northern line platforms will re-open on 28 November 2011 as planned, all closure works having been completed. The main contractor (a Taylor Woodrow/BAM Nuttall joint venture) has completed 193 of 195 tunnel rings that are to be replaced during the closure, slightly ahead of plan. Platform reinstatement is now 50 per cent complete, which is also ahead of schedule.

The Goslett Yard plunge columns and the Falconberg Court shaft are complete. Works on the new Central line interchange tunnels have commenced. Completion of the jacking works to Escalator 3 was achieved on 30 June 2011. The Ticket Hall pile wall is nearing completion.



## London Underground

### ***Bond Street Station Upgrade***

Spend to end Q2 2011/12 £m	EFC £m
89.2	285.2

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	15/11/2011	●
Complete Oxford Street water main diversion works	04/02/2012	09/12/2011	●
Demolition complete	25/09/2012	24/07/2012	●
Start of main tunnelling operations ( <b>Annex B: 2013</b> )	15/07/2013	02/04/2013	●
Tunnelling set up decommissioned	28/09/2015	12/06/2015	●
Practical completion ( <b>Annex B: 2017</b> )	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 strip-out of 354-358 Oxford Street is complete and scaffolding has been erected ahead of the start of demolition. Work to the under-pinning of 2 Stratford Place is ongoing with 21 piles complete to date. Escalator 1 and 2 design is complete and the break-out of the concrete in the escalator barrel is ongoing and due for completion in the next quarter. City of Westminster have approved 22 hour/ six day week working to accelerate the utilities programme due to the onset of the main Christmas shopping period. All works so far are on schedule and within budget.

## London Underground

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### **Bank Walbrook Square**

Spend to end Q2 2011/12 £m	EFC £m
5.5	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Design concept approved	30/04/2011	04/04/2011	Completed
Delivery into service ( <b>Annex B: 2015</b> )	31/12/2015	23/12/2015	●

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. LU will fit out the station box to complete the new entrance.

The project remains on schedule and within authority but is dependent on the developer.

The integration of the new LU station entrance with the revised Bloomberg (the developer) over site development continues. This will ultimately lead to an optimisation of the station box design.

The developer has issued a confirmation letter which includes key project delivery dates and the LU programme is to be re-baselined to reflect this.

## London Underground

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### *Bank Station Upgrade*

Spend to end Q2 2011/12 £m	EFC £m
9.3	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
RIBA stage D general arrangement scheme layout freeze	04/02/2012	16/01/12	●
RIBA D design accepted - phase complete	04/10/2012	05/09/12	●
Transport Works Act Order - grant of powers	12/11/2014	17/09/14	●
Start on site	21/07/2015	22/05/15	●
Ticket hall delivery into service	14/09/2021	09/07/21	●
Beneficial use ( <b>Annex B: 2021</b> )	31/12/2021	20/12/2021	●

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 RIBA D (scheme) design is progressing to plan. Constructability and logistics workshops have now been completed. Discussions with the City of London regarding proposals for works in proximity to Mansion House are ongoing. Design options for the over site development at King William Street are progressing. Construction is not due to start until 2015.

## London Underground

### Station Condition Renewal

Spend to end Q2 2011/12 £m	EFC £m
383.1	690.4

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. In the quarter completed, projects to the value of £142.7m were removed from the portfolio.

Planned funding for Finsbury Park, Highbury & Islington, Vauxhall and a general provision for congestion relief schemes are now 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	30/12/2011	●
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	2/04/2012	●
Highbury & Islington Event Mitigation Project - finish on site (snagging complete)	06/12/2012	13/04/2012	●
Highbury & Islington Event Mitigation Project - mandatory asset information deliverables accepted by LU	03/01/2013	24/05/2012	●
Former Silverlink Stations Upgrade - project close out	21/12/2012	24/12/2012	▲

At Cannon Street station, surveys have been completed to BT and Earth Cabling. The over site development has achieved practical completion. At Marble Arch station, project completion and handover has been achieved and snagging is being finalised. At Heathrow 123 station, Kone have commenced the lift installation.

An action plan is being developed to recover the minor slippage on the former Silverlink Stations Upgrade.

## London Underground

### Cooling the Tube Programme (Phase I)

Spend to end Q2 2011/12 £m	EFC £m
165.4	226.4

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	15/01/2012	●
All Victoria line tranche 3 mid-tunnel vents sites beneficial use	04/02/2012	11/10/2011	●
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. All work is on schedule and within budget.

Phase I is work on the Victoria line and this includes improved energy efficiency, increased ventilation and selected station-based tunnel cooling systems.

#### Mid-tunnel vents

All four of the final tranche of mid-tunnel ventilation shaft upgrades on the Victoria Line were in beneficial use by the end of July, three months ahead of programme due to intensive work by LU and contractor staff. The milestone to have all Victoria line mid-tunnel vents in beneficial use was achieved (post-quarter) on 11 October 2011.

#### Restoration of out-of-service fans

In-house detailed designs for the restoration of two long term disused fan shafts on the Northern line were completed. Additional documentation required to approve the detailed design has caused a minor delay.

## London Underground

### Crossrail and Third Parties

Spend to end Q2 2011/12 £m	EFC £m
128.8	252.4

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	02/12/2011	●
LU acceptance of Staged Design Compliance Certificate for Liverpool Street main station fit out prior to contract award	31/01/2012	06/01/2012	●
Submission of TWAO (jointly with Treasury Holdings)	02/02/2012	02/01/2012	●
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.

The fit out by LU of the Communications Equipment Room (CER) has commenced at Liverpool Street. The remodelled track work at Whitechapel has been completed on schedule – this included major signalling and track layout changes. District line platform 2 widening at Whitechapel was brought into beneficial use. Based on its record so far of value for money and delivery on time, CRL has requested LU to deliver power and enabling works at Liverpool Street.

## London Underground

### Track Renewal (BCV/SSR)

Spend to end Q2 2011/12 £m	EFC 2011/12 £m
51.0	117.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Ballasted track replacement and re-ballast metres - 9,976m achieved	02/10/2011	31/10/2011	▲
Points and Crossings - 14 units achieved	02/10/2011	05/09/2011	Completed
Track drainage - 5,369m replaced	02/10/2011	24/10/2011	▲
Deep Tube class 1 renewal (expected trackform life of 40 years) - 1,268m achieved	02/10/2011	02/10/2011	●
Ballasted track replacement and re-ballast metres - 15,456m achieved	31/03/2012	31/03/2012	●
Points and Crossings - 18 units achieved	31/03/2012	12/03/2012	●
Track drainage - 8,874m replaced	31/03/2012	23/04/2012	▲
Deep Tube class 1 renewal (expected trackform life of 40 years) - 2,457m achieved	31/03/2012	31/03/2012	●

The Bayswater blockade enabled the achievement of 3,253m track works, 2,589 metres of drainage and 27 catchpits to be installed. Blockade working installed the track and track drainage at 25 per cent less cost than using multiple possessions, with major reduction in the impact on customers from approximately six months of weekend possessions (20 in total) to a four week service suspension through the blockade zone. The delays to the milestones relate to changes made to the blockade limits to enable enhanced passenger operation compared to the original, unrestricted engineering access; the metres originally envisaged were not then achievable; they were “sacrificed” to the benefit of the operational railway and the provision of a functioning service to our customers.

A 'bottom up ballasting' innovation on a Ballasted Track Replacement (BTR) saved a 52 hour possession.

Low risk and non-intrusive works will proceed as planned, including follow up works to previous BTRs and drainage renewals, though these will also be subject to enhanced review and site management arrangements.

## London Underground

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Crossrail enabling works will also proceed as planned, as will enabling for the Line Upgrades. Deep Tube Renewals through Track Delivery Unit are unaffected and will continue as planned.

This period of reduced construction activity will allow Balfour Beatty, supported by the LU members of the Track Partnership, a 'breathing space' to lock down the planning and logistics for future jobs.

When the robustness of those future delivery plans can be assured to LU, the ballasted track renewal works will recommence, and the deferred works re-scheduled.

A record delivery of 786m of Deep Tube Renewal was achieved in the quarter.



## London Underground

### Civils (BCV/SSR)

Spend to end Q1 2011/12 £m	EFC to 2011/12 £m
9.2	20.8

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	28/11/2011	●
Civils Pumps Programme 2011 to 2013 - six station pump renewals completed	30/11/2011	30/11/2011	●
Civils Pumps Programme 2011 to 2013 - practical completion - last of eight sites	07/11/2012	29/10/2012	●

The Civils Programme is ahead of plan and below budget with all four of the milestones set for 2011/12 already completed ahead of programme.

To date, seven projects have achieved practical completion this year against a plan of five. Works on the £3m project to stabilise embankments 10, 11, 12 between Amersham and Chalfont & Latimer on the Metropolitan line were completed in the quarter ahead of programme by the earth structures framework contractor Cementation Skanska.

Practical completion of the project to replace a pair of long timber bridges over the Ranelagh sewer between Bayswater and Paddington was achieved in the quarter ahead of programme.

## London Underground

### Thameslink

Spend to end Q2 2011/12 £m	EFC £m
29.3	49.4

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	13/12/2011	●
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.

Operational, maintenance and renewal cost estimates have been produced and negotiations have commenced with First Capital Connect, the Department for Transport and Network Rail.

At Blackfriars, the construction programme was reviewed with Network Rail with current delivery forecast of December 2011. However, because of the demanding delivery schedule, progress against programme is under continuous review. The milestone to commence OPO (one person operation) works on site was achieved early.

At Farringdon, the Moorgate branch decommissioning has been fully handed back to LU.

At Cowcross Street Bridge (near Farringdon station), the erection of the remaining pre-cast deck beam was successfully completed ahead of schedule.

## London Underground

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### Deep Tube Programme

Spend to end Q2 2011/12 £m	EFC £m
0.3	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
PMF Gate 1 outcome definition - DTP initial studies scope definition approved	12/12/2011	12/12/2011	●
Procurement strategy complete and agreed by LU Executive'	25/11/2011	24/11/2011	●
Completion of testing and trials strategy	22/11/2011	22/11/2011	●
PMF Stage Gate 2 feasibility - approval DTP system level design	17/04/2012	16/04/2012	●
Delivery of prototype for a low energy, higher capacity train for Piccadilly and Bakerloo lines [subject to agreement on borrowing headroom] ( <b>Annex B: 2015</b> )	31/12/2015	31/12/2015	●

Please note that the milestone information above is provisional at this early stage in the programme.


During the quarter, the first scope definition review was completed on schedule, and a first pass business case produced. The Operations and Maintenance Concept was authorised by directors and key strategic assumptions were endorsed by the Programme Board.

## Tube Lines

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### *Tube Lines Station Upgrades*

Spend to end Q2 2011/12 £m	EFC £m
5.3	17.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Stratford ODA – delivery into service	24/11/2010	28/02/2011	Completed
Finsbury Park – delivery into service	08/02/2011	08/02/2011	Completed
Heathrow T 1, 2 and 3 – delivery into service	20/12/2011	20/12/2011	

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

On the Heathrow T123 Station Modernisation project, water ingress and drainage works were completed. Scaffolds were erected in readiness to commence work on the exterior of the building.

On the Platform Humps (Rail Vehicle Accessibility Regulation) project, designs were completed for Heathrow T123 and T4. At King's Cross, internal and external design reviews were completed. Nosing and pavers were purchased for the Green Park Jubilee line and the King's Cross Northern line sites.

## Tube Lines

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### Tube Lines Track

Spend to end Q2 2011/12 £m	EFC to 2017/18 £m
9.8	30.6

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

The 2011/12 track programme is progressing to plan, the milestone to complete 1,500m of JNP track replacement was achieved in Quarter 2.

During the quarter, the following work was completed:

- 561m of Tube reconditioning (731m to date)
- 294 pitblock renewals (445 to date)
- 153m track re-ballast (347m to date)
- 430 sleeper interventions (980 to date)
- Points and crossing refurbishment works undertaken, and a crossing installed at Wembley

The planned enhance track replacement for August was cancelled at LU's request to support the Chiltern line works. The current requested closure date is now March 2012, the milestone forecast date remains in period 13 pending formal closure approval.

The JNP track replacement, install 1,500m milestone was completed post quarter.

## Tube Lines

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### Tube Lines Civils

Spend to end Q2 2011/12 £m	EFC to 2011/12 £m
2.3	11.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
JNP drainage renewal, complete 1,000m	17/09/2011	17/09/2011	●
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 works were completed:

- Bay four pavement reinstatement at Covent Garden
- 2,525m of JNP drainage renewal (2,525m to date)
- 300m of JNP earth structure renewal (300m to date)

On the Bond Street to Baker Street Tunnel Remediation project, the interim report was received from the Geotechnical Consulting Group (GCG) on 11 August 2011. The project team will engage third party asset owners to undertake surveys, completion of a desktop review of geological information in preparation for the first draft of the detailed project schedule.

The JNP drainage renewal milestones were both completed post quarter.

## Tube Lines

### *Tube Lines Lifts and Escalators (L&E)*

Spend to end Q2 2011/12 £m	EFC to 2011/12 £m
4.3	14.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Bounds Green E3 refurbishment – return to service	28/05/2011	03/05/2011	Completed
Leicester Square E3 refurbishment – return to service	28/05/2011	13/05/2011	Completed
North Greenwich E2 refurbishment – return to service	28/05/2011	13/05/2011	Completed
West Ham E1 refurbishment – return to service	25/06/2011	27/05/2011	Completed
Southwark E6 refurbishment – return to service	17/09/2011	12/08/2011	Completed
Leicester Square E2 refurbishment – return to service	15/10/2011	26/09/2011	●
West Ham E3 refurbishment – return to service	15/10/2011	04/10/2011	●
Stratford E1 replacement – return to service	12/11/2011	06/12/2011	●
Stratford E2 like-for-like refurbishment – return to service	07/01/2012	13/12/2011	●
Southwark E4 refurbishment – return to service	07/01/2012	19/12/2011	●
Leicester Square E1 refurbishment – return to service	03/03/2012	01/02/2012	●
North Greenwich E8 refurbishment – return to service	03/03/2012	11/02/2012	●

The 2011/12 escalator programme is progressing to plan. There is now an opportunity to replace both escalators E1 and E2 at Stratford concurrently (instead of sequentially). The impact of this change is that E1 'start on site' and 'bring into use' will be re-phased to a later date, reducing the overall duration of works on site. As the revised dates will be more cost effective and have a reduced impact on the travelling public, closure dates have now been proposed and accepted.

In the quarter, a total of five escalators were completed and returned to service on schedule:

- North Greenwich E3 and E5
- Southwark E6
- Waterloo E14
- Westminster E3

## Tube Lines

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The following escalators were completed and returned to service post quarter:

- Leicester Square E2
- West Ham E3

Work has commenced on site at the following escalators:

- North Greenwich E8 and E9
- Leicester Square E1

### ***Tube Lines Jubilee Line Upgrade Works***

Spend to end Q2 2011/12 £m	EFC £m
30.8	96.3

*Note that the EFC shown is from the PPP Arbiter Review Point 2 onwards*

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

This project will provide a significant increase in passenger capacity, faster journey times and reduced waiting time at platforms for the Jubilee line.

During the quarter, the new working timetable 11 was successfully introduced, allowing an additional 27 trains per hour to run, and end-to-end running from Stratford to Stanmore. Transmission Based Train Control (TBTC) improvements were made, with a decrease in the J234 and J5 average trend delays in Period 7. Plans have been developed to deal with recurring issues.

Software upgrades on rolling stock traction commenced on 30 August 2011. Fifty trains had been fitted with the latest software by the end of the quarter, and the whole fleet was completed on 8 October 2011.

At Neasden depot, a working group has been established to review the recent reliability issues. Initial recommendations are to improve the software (planned for September 2011) and provide improved operator guidance.

Following further investigations into the relay failures experienced in September 2011, a new technical solution developed jointly with LU and the DLR is being rolled out. Remedial actions to prevent further failures are now in place.



## Tube Lines

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### *Tube Lines Northern Line Upgrade Works*

Spend to end Q2 2011/12 £m	EFC £m
22.8	512.0

*Note that the EFC shown is from the PPP Arbiter Review Point 2 onwards*

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	●

This project will provide a significant increase in passenger capacity, faster journey times and reduced waiting time at platforms for the Northern line.

During the quarter, the operations simulator at Highgate was commissioned, which will be used for training LU staff. There has been slippage against the installation programme and a recovery plan is being developed by Thales.

## London Rail

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### *East London Line Phase 2*

Spend to end Q2 2011/12 £m	EFC £m
23.6	72.6

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	15/01/2012	●
Commence passenger services	09/12/2012	09/12/2012	●

East London Line (ELL) Phase 2 will provide an additional four trains per hour on the core ELL. These trains will run to Clapham Junction via a new chord that leaves the ELL Phase 1 route to the south of Surrey Quays and joins the South London Line to the north of Queens Road (Peckham).

The Network Rail work package 2 track modifications were completed during the quarter. Civils works progressed according to schedule and are expected to be complete for handover to the systems contractor in February 2012. The design for the Network Rail works continued, with some minor slippages noted, which are being carefully tracked by Network Rail.

## London Rail

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### *DLR Stratford International Extension*

Spend to end Q2 2011/12 £m	EFC £m
176.8	180.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete conversion of North London line to DLR	22/06/2011	20/08/2011	Completed
Service operational	04/07/2011	31/08/2011	Completed

This project covers the extension of the DLR from Canning Town to Stratford International, using the existing North London Line alignment as far as Stratford.

The project went into trial operations in early August 2011, with full revenue service commencing on 31 August 2011. Between Monday 12 and Sunday 18 September 2011 - the week that Westfield Stratford City opened its doors to shoppers - around 130,000 customers used the Stratford International Extension.

This project will be removed from the report in Quarter 3.

## London Rail

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### Cable Car

Spend to end Q2 2011/12 £m	EFC £m
17.2	62.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Award contract	30/04/2011	18/04/2011	Completed
Guide rope install via helicopter	10/03/2012	03/03/2012	●
Commence trial operations	01/05/2012	01/05/2012	●

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.

During the quarter, work continued generally in accordance with the project schedule. Detailed design has progressed well, with all designs expected to be approved by the end of October 2011. Global airline Emirates was announced as the sponsor on 7 October 2011, with the new cable car crossing to be known as the Emirates Air Line. The ten year sponsorship will see Emirates provide significant private sector investment totalling £36m.

## 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 Q2 2011/12 £m	2011/12 EFC £m
26.0	59.5

Description of works	Units	2011/12 annual target	2011/12 revised forecast output	2011/12 achieved to date
Area of carriageway resurfaced	m <sup>2</sup>	470,000	625,000	323,960
Area of footways resurfaced	m <sup>2</sup>	45,000	55,500	8,503
Number of lighting units replaced	No.	950	950	150

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 creates 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 the quarter, budget for the programme was pulled forward from the 2012/13 allocation, resulting in the planned spend for the year rising from £49.5m to £59.5m. The pull forward will allow more work to be completed in advance of the London 2012 Games. The resulting increases in the forecast outputs for the year are shown in the table above.

#### Carriageway resurfacing

By the end of Quarter 2, 323,960m<sup>2</sup> of carriageway was resurfaced against a forecast output of 338,927m<sup>2</sup> for the year to date.

#### Footways resurfacing

By the end of Quarter 2, 8,506m<sup>2</sup> of footway was resurfaced against a forecast output of 18,756m<sup>2</sup> for the year to date. During the quarter, twelve schemes were rescheduled for completion later in the year, resulting in a slippage against target.

#### Lighting column replacements

By the end of Quarter 2, 150 lighting columns were replaced against a forecast output of 636 for the year to date. Ten schemes have now been re-phased for completion later in the year.

## Surface Transport

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### A406 Bounds Green

Spend to end Q2 2011/12 £m	EFC £m
41.9	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, carriageway widening works commenced on the three main junctions at Green Lanes, Powys Lane and Station Road. The north side of Powys Lane was reopened to traffic ahead of schedule. Utility diversion works are 98 percent complete; overall construction works are 75 per cent complete.

## Surface Transport

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### *Blackwall Tunnel Northbound Refurbishment*

Spend to end Q2 2011/12 £m	EFC £m
62.6	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	31/12/2011	●

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 is being delivered during night time and occasional weekend possessions.

Works within the tunnel are now drawing to a close and the commissioning of the new infrastructure continues. Testing of equipment is progressing well, with new lighting, ventilation, CCTV, emergency telephones, radio rebroadcast and the public address systems all being brought into operation during Quarter 2.

The project remains on schedule to complete construction by 31 December 2011, following earlier acceleration and excellent progress, ensuring completion in advance of the London 2012 Games.

## Surface Transport

### Cycle Hire

Spend to end Q2 2011/12 £m	EFC £m
82.7	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	02/03/2012	●
Phase 2: construction complete	05/09/2012	05/09/2012	●

The Barclays Cycle Hire scheme launched successfully on 29 July 2010, to registered members. 54 per cent of 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 2012 (Phase 2). When complete, the expanded scheme will cover 65km<sup>2</sup> of the Capital and around 8,000 hire bikes will be available from 14,400 docking points at hundreds of locations across central and eastern London.

Phase 1 construction works were completed in July 2011 delivering a total of 405 docking stations with circa 6,000 cycles for hire.

Phase 2 is extending the service by installing an additional 4,800 docking points and providing an extra 2,000 cycles. All planning applications for new Phase 2 docking station sites have now been submitted. Construction of the first new sites in Tower Hamlets commenced in September 2011 and installation of intensification sites in the central London zone commenced in October 2011.

Phase 2 launch remains on schedule for March 2012.



## Surface Transport

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### Ten Cycle Superhighways

Spend to end Q2 2011/12 £m	EFC £m
21.9	105.6

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	30/06/2013	●
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 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.

On Phase 1 (Route 2 – Ilford to Aldgate, Route 8 – Wandsworth to Westminster), construction works were completed on 18 July 2011 and the routes launched successfully on 19 July 2011. Minor snagging works are continuing.

On Phase 2 (Route 5 and Route 12), modelling design and consultation are all progressing to plan, with detailed design on schedule to complete by the end of 2011. Construction is now planned to commence after the 2012 Games with completion expected by May 2013.

On Phase 3 (Route 9 and Route 11), the design consultant has been appointed and preliminary design works have commenced.

## Surface Transport

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### *Split Cycle Offset Optimisation Technique (SCOOT)*

Spend to end Q2 2011/12 £m	EFC £m
9.9	21.9

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 ( <b>Annex B: 2015</b> )	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.

Detailed design work has now been completed for 207 of the 240 sites planned for the year. Civil infrastructure work and SCOOT loops have now been completed at 94 sites, with a further 50 sites now under construction. In total, 15 sites are now fully commissioned onto the network.

**Future Ticketing**

Spend to end Q2 2011/12 £m	EFC £m
5.3	*

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 ( <b>Annex B: 2012</b> )	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 has continued integration testing during the quarter. The completion date remains on target for delivery during March 2012.

On Phase 2a, additional requirements from the DfT for the ITSO 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.

## Corporate

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### ITSO

Spend to end Q2 2011/12 £m	EFC £m
42.3	58.3

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	07/11/2011	▲
Completion of changes to back-office systems	10/08/2011	28/11/2011	■
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, an agreement in principle with the DfT was approved to increase the functionality delivered by the ITSO project, extending the overall duration by 12 months.

The main rollout of tri-card readers continued on the bus fleet, with completion scheduled for Quarter 3. Over-the-air communications development was delayed by a month during the software development process, which will impact the following testing activities.