

Board



Date: 11 December 2013

Item 6: TfL's Operational and Financial Performance Report and Investment Programme Report – Second Quarter, 2013/14

This paper will be considered in public

1 Summary

1.1 This paper provides details of TfL's Operational and Financial Performance (OFR) (Appendix 1) and Investment Programme (Appendix 2) in the second quarter of 2013/14 (23 June – 15 September 2013).

2 Recommendation

2.1 That the Board note the reports.

3 Finance and Policy Committee Views

3.1 At its meeting on 27 November 2013, the Finance and Policy Committee noted the Operational and Financial Performance Report.

4 Project and Planning Panel Views

4.1 At its meeting on 13 November 2013, the Projects and Planning Panel noted the Investment Programme Report.

List of appendices to this report:

Appendix 1: Operational and Financial Performance Report, Second Quarter 2013/14

Appendix 2: Investment Programme Report, Second Quarter 2013/14

List of Background Papers:

Paper on the Operational and Financial Performance Report to the meeting of the Finance and Policy Committee held on 27 November 2013.

Paper on the Investment Programme Report to the meeting of the Projects and Planning Panel held on 13 November 2013.

Contact Officer: Steve Allen, Managing Director, Finance

Number: 020 7126 4918

Email: stephenallen@tfl.gov.uk



Transport for London

Operational and Financial Performance Report

Second Quarter 2013/14

Operational and Financial Performance Report - Second Quarter, 2013/14

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Key

Financial tables

- ▲ Financial variance is positive: e.g. less expenditure or higher income than Budget/ forecast
- ▼ Financial variance is negative by less than 5%: e.g. more expenditure or less income than Budget/ forecast
- ▼ Financial variance is negative by more than 5%: e.g. more expenditure or less income than Budget/ forecast

Delivery and customer operational performance tables

- ▲/▼ Performance is better than target. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time
- ▼/▲ Performance is worse than target by less than 5%. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time
- ▼/▲ Performance is worse than target by more than 5%. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time

All tables are subject to rounding

Operational and Financial Performance Report – Second Quarter, 2013/14

Quarter 2 (Periods 4-6), 23 June 2013 – 14 September 2013

Executive summary

Delivery

Reliability

Reliability	Quarter 2	Variance to Target
LU: lost customer hours	4.9	-0.8 ▼
LU: excess journey time	4.82	-0.49 ▼
Buses: excess wait time	0.9	-0.1 ▼
DLR on-time performance	99.4	2.4 ▲
London Overground PPM	96.2	2.0 ▲
TLRN reliability	90.3	0.0 ►

Reliability levels continued to improve across most transport modes during Quarter 2: London Underground lost customer hours are down 0.8 million against target and is set to reach the Mayor's targeted 30 per cent reduction by 2015; LU excess journey time was also better than target by almost half a minute; DLR on-time was 2.4 points above target, slightly below the record high of 99.5 per cent achieved in Quarter 1. London Overground reliability was 2.0 points better than target. Bus excess wait time was 0.1 points better than target and the same quarter last year.

Value

Financial summary

£m	Year to date	Variance to Budget	Full year variance to Budget
Fares income	1,835	4 ▲	16 ▲
Other income	292	12 ▲	-16 ▼
Operating expenditure	-2,579	57 ▲	-34 ▼
Group Items	-151	24 ▲	38 ▲
Net capital expenditure	-631	159 ▲	169 ▲
Crossrail expenditure	-806	-44 ▼	-142 ▼
Financed by:			
DfT grants	931	2 ▲	4 ▲
GLA precept	2	0 ►	0 ►
Business rates retention	387	16 ▲	0 ►
Other grants	11	0 ►	116 ▲
Crossrail funding sources	978	-1 ▼	0 ►
Working capital	-112	32 ▲	97 ▲
Net borrowing	507	174 ▲	27 ▲
Cash and reserve movements	660	434 ▲	275 ▲

Fares income was £4m higher than Budget in the year to date, with both London Overground and buses ahead of Budget, offsetting the slight downside on London Underground. Despite an upside in passenger numbers on the Tube, this has not resulted in higher than expected fares income; forecast yield is down against Budget as passengers choose to make better use of travel cards. Bus fares income is up in Quarter 2, although total passenger journeys are slightly under Budget. The fares income upside is partly driven by higher numbers of fare-paying passengers. The latest full-year forecast is up £16m against Budget, from higher fares income on London Overground and buses, partly offset by a downside of £16m in London Underground.

Operating expenditure (net of third-party contributions) was £57m lower than Budget in the year to date, from a combination of rephasing of London Underground infrastructure and London Highways Alliance Contracts (LoHAC) expenditure to later this year, and Barclays Cycle Superhighways costs to future years. Over the full year, operating expenditure is forecast to be £34m over Budget. The single largest driver of this is the transfer of the Bus Services Operators' Grant (BSOG) payments of £46m from Group items, which has no net effect on TfL's financial position.

In the year to date, net capital expenditure (excluding Crossrail) is £159m under Budget. This is driven by unutilised risk on the Victoria Line upgrade, some delays and rephasing on the Sub-Surface Railway (SSR) upgrade, the early commercial settlement for the East London Line (which was accelerated into 2012/13 after the Budget was approved) and in-year rephasing on the Barclays Cycle Hire Expansion and Intensification scheme.

Over the full-year, net capital expenditure is forecast to be £169m under Budget, from rephasing of commercial property costs, roads structures and tunnels expenditure, and Barclays Cycle Superhighways to future years. Property sales are £12m under Budget in the year to date, following local planning consent delays, but are now forecast to be £7m up in the full year.

Crossrail capital expenditure in the year to date is £44m over Budget from a combination of accelerated tunnelling and property acquisition costs. These overspends have no material impact on Crossrail's project costs, which will be delivered to time and within budget.

Cash balances

£m	Year to date	Variance to Budget	Full year variance to Budget
Crossrail SFA	1,769	39 ▲	-55 ▼
Other TfL	2,781	395 ▲	330 ▲
Closing cash	4,550	434 ▲	275 ▲

Total TfL cash (including funds ring fenced for the Crossrail project) has increased by £660m in the year to date, which is £434m more than budgeted. This is driven by the rephasing of capital expenditure to later in the year and by timing differences for borrowing, which are expected to reverse over the year. Cash is forecast to be £275m over Budget at the end of 2013/14.

Over the following years, TfL will use its cash balances (while maintaining a prudent minimum) to fund the investment outlined in TfL's Business Plan. TfL is in the process of updating its long-term business plan, taking into account the reduction in government grants from 2015/16 announced in the 2013 Spending Review.

Efficiencies

£m	Year to date	Variance to Budget	Full year variance to Budget
Efficiencies	96	28 ▲	48 ▲

At the time of publishing last year's Business Plan, TfL had secured a total of £9.8bn of savings up until 2017/18. TfL aims to secure a further £4.2bn of savings up to 2020/21, of which £137m of these are in 2013/14. In the year to date £96m have already been secured. Over the full year, TfL forecasts that £185m of savings will be secured, £48m more than Budget.

Customer

Passenger journeys

Million	Quarter 2	Variance to Target
London Underground	285.4	9.8 ▲
London Buses	533	-7 ▼
DLR	22.7	0.0 ►
London Overground	32.3	3.1 ▲
Tramlink	6.8	-0.5 ▼
Emirates Air Line	0.5	0.0 ►

Passenger journeys are ahead of Budget on London Underground and London Overground, the latter seeing significant increases in ridership since the opening of the new South London Line in late 2012. Underground passenger journeys show underlying year-on-year growth of almost four per cent. However, above target increases in passenger journeys have not resulted in an upside against expected income, as passengers appear to be making better use of travel cards. In Quarter 2, passenger journeys are one per cent under target on buses and are forecast to broadly in line with Budget over the full year. Additional numbers of fare-paying passengers has resulted in a slight upside in bus income in the Quarter.

Cycling index	Quarter 2	Variance to Target
Cycling levels on TLRN*	317	-19 ▼

Cycling numbers are under target in Quarter 2, with this forecast to continue over the full year. However, long-term cycle use remains high and is forecast to increase further with the implementation of the Mayor's Vision for Cycling.

Customer satisfaction and complaints

CSS score	Quarter 2	Variance to Target
London Underground	82	1 ▲
London Buses	83	1 ▲
DLR	88	6 ▲
London Overground	83	3 ▲
Tramlink	89	3 ▲
Emirates Air Line	93	8 ▲
Dial-a-Ride	92	0 ►

Customer satisfaction is above target across all transport modes except Dial-a-Ride and Congestion Charge, which both equalled target in Quarter 2. DLR is six points better than target and London Overground three points above, both equalling their highest ever scores. London Underground customer satisfaction is one point over target for the quarter, dropping one point from last quarter and two from its peak in Quarter 4 2012/13. Bus satisfaction scores are also one point over target. Satisfaction levels are also high on the Emirates Air Line, running eight points ahead of target, and on the DLR which exceeds the Quarter 1 target by four points.

* Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

Complaints per 100,000 journeys	Quarter 2	Variance to last year
London Underground	1.06	0.02 ▲
London Buses	2.36	0.06 ▲
DLR	3.37	1.03 ▲
London Overground	2.44	-0.32 ▼
Tramlink	2.40	-0.33 ▼
Congestion Charge	15.05	0.61 ▲
Barclays Cycle Hire	5.72	2.88 ▲
Dial-a-Ride †	118.89	-5.76 ▼

Customer complaints show a mixed pattern over the Quarter. The major movements show a decline on Dial-a-Ride complaints compared to the same period last year. The largest increase was in Cycle Hire, and reflects complaints regarding clarity of the tariff. Nevertheless, this issue accounted for only 26 total complaints over the full quarter. In response, TfL has improved the clarity of information at docking stations.

Safety and security

Recorded crime ‡	Quarter 2	Variance to Target
LU and DLR	8.8	0.0 ►
London Buses	8.1	-0.7 ▼

LU and DLR crime per million passenger journeys in Quarter 2 was in line with target and improved from last year. Additional measures put in place by the British Transport Police (BTP) are proving successful in combating crime. Crime levels on buses are down 0.7 points against both target and the same quarter last year. Over the full year, bus crime levels are now forecast to be 0.8 points lower than target and the previous year.

Safety	Quarter 2	Variance to Target
Cumulative reduction in killed and seriously injured§	38.2	20.8 ▲

The number of people killed and seriously injured (KSI) was 20.8 points better than target, and 6.0 points down from the same quarter last year. The full year forecast of a 27.3 per cent reduction means TfL is on track to meet its long-term target of a 40 per cent reduction in KSIs by 2020.

People

FTE	Quarter 2	Variance to Budget
London Underground	21,091	-39 ▲
London Rail	209	18 ▲
Surface Transport	3,221	-154 ▲
Corporate	3,400	165 ▲
Crossrail	865	-52 ▲
Total TfL	28,786	-61 ▲

TfL employed 28,786 full-time equivalent (FTE) staff (excluding those on maternity leave) at the end of Quarter 2, 61 fewer than Budget. This is largely due to vacancies across London Underground and Surface Transport, partly offset by increases in project IM roles within the Corporate directorates. Over the course of the year this position is expected to reverse as TfL increases its numbers of project staff to work on the Northern Line Extension, London Overground Capacity Improvement Programme and further IM enhancement work.

† Per 100,000 journey requests

‡ Recorded crime per million passenger journeys

§ Cumulative percentage reduction from a baseline of the 2005-2009 average

Delivery

Reliability

Performance indicator	Unit	Quarter 2, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▼ lower is better								
London Underground: total lost customer hours	Millions of hours	4.9	-0.8 ▼	-0.4	21.4	-3.6 ▼	-1.5	
London Underground: excess journey time	Minutes	4.82	-0.49 ▼	-0.19	4.95	-0.73 ▼	-0.32	
London Buses: excess wait time	Minutes	0.9	-0.1 ▼	-0.1	1.0	0.0 ►	0.0	
TLRN: serious and severe disruption	Hours	423	n/a	-177	2030	0.0 ►	n/a	
▲ higher is better								
DLR: on-time performance	%	99.4	2.4 ▲	0.4	98.7	1.7 ▲	-0.1	
London Overground: public performance measure	%	96.2	2.0 ▲	-0.5	95.2	1.0 ▲	-1.4	
Emirates Air Line: availability	%	99.5	3.3 ▲	0.9	95.5	-0.7 ▲	1.6	
TLRN: journey time reliability (AM peak) **	%	90.3	0.0 ►	n/a	89.5	0.0 ►	0.3	

1.1 London Underground and London Rail both achieved unprecedented levels of service and performance during the 2012 Games which was reflected in the exceptional full-year performance results in 2012/13. At the time of setting the 2013/14 TfL Budget, it was expected that there would be a slight lowering of performance levels following the exceptional circumstances of 2012/13. Performance results since the Budget indicate this has not been the case and the high levels of operational performance seen during 2012/13 continue into 2013/14 as TfL embeds the legacy of the 2012 Games.


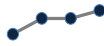


1.2 London Underground Lost Customer Hours (LCH), at 4.9 million, is 0.8 million lower than budget in the Quarter, but 0.4 million worse than Quarter 2 last year. Since Quarter 1, there has been a slight dip in performance; there is now an emphasis on understanding the key drivers to ensure that either a tactical line or project solution is in place to address each root cause. A 'Hit-Squad' approach has also been initiated and deployed on every line, to re-examine modes of failure, repair and identify any further corrective work. Based on the current reliability plan, with adjustments for seasonal factors, full-year performance is forecast to outperform budget by 3.6 million LCH. London

** Due to the 2012 Games, data was not available in Quarter 2 2012/13 for this measure. It was temporarily replaced with the 'Operational Games Performance - TLRN JTR (AM peak) during the 2012 Games' which at 90 per cent exceeded the target of 75 per cent.

Underground continues to implement this programme to meet the Mayor's commitment to reduce delays by 30 per cent by 2015.

- I.3 London Underground excess journey time averaged 4.82 minutes over Quarter 2; this was almost half a minute better than budget and 0.19 minutes better than Quarter 2 last year. All elements of journey time – trains, stations and closures – improved on the previous quarter. The latest full-year forecast is 0.73 per cent ahead of target at 4.95 minutes. This is based on current performance trends, adjusted for the expected seasonal demand rise in the second half of the year.
- I.4 Excess wait time on buses was better than target and the same quarter last year. The enhanced service control facilities available to Bus Operators through iBus have helped maintain the high levels of reliability achieved in previous quarters.
- I.5 Serious and severe disruption on the TfL Road Network (TLRN) for Quarter 2 was 177 hours better than the same quarter last year. However, it should be noted that Quarter 2 of 2012/13 included the 2012 Games and its associated changes to operations when large parts of the TLRN were transformed to be either Olympic Route Network (ORN) or Paralympic Route Network (PRN).
- I.6 DLR on-time performance in the quarter was above budget for all routes, resulting in a performance of 99.4 per cent, 2.4 per cent better than target. In Quarter 2, the DLR saw record results in its Departures Moving Annual Average, reaching 99.0 per cent.
- I.7 London Overground Public Performance Measure (PPM) of 96.2 per cent was down by 0.6 per cent against Quarter 1 and down 0.5 per cent against the same quarter of last year; performance remains 2.0 per cent better than target. Full-year performance is expected to be 1.0 per cent better than target at 95.2 per cent.
- I.8 Emirates Air Line (EAL) availability was 99.5 per cent in Quarter 2, exceeding target by 3.3 per cent and was 0.9 per cent higher than last year. High winds and closures requested by the Port of London Authority (to allow large vessels to pass underneath) accounted for the downtime. The expected full-year position is an availability of 95.5 per cent, based on current performance and adjustments anticipating poor weather conditions during winter.
- I.9 The TLRN Journey Time Reliability (JTR) results for Quarter 2 were on target, reflecting better JTR for Period 6 offset by very slight decreases from target for Periods 4 and 5. Both Period 4 and 5 contained days where network conditions particularly affected JTR outcomes. Period 6 was characterised by having no significant incidents of greater than 5 hours that affected the TLRN during the AM peak. Individual corridor managers continuously work on improvements that they can influence, including: recommendations on the timing and location of traffic management measures; modifications to signal timings; and continued work with other agencies and stakeholders to improve JTR outcomes.

Scheduled services operated

Per cent	Quarter 2, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	98.0	0.8 ▲	-0.2	97.7	0.5 ▲	0.1	
London Buses	98.0	0.2 ▲	0.3	97.7	0.1 ▲	0.1	
DLR	99.4	1.4 ▲	0.7	98.8	0.8 ▲	0.3	
London Tramlink	98.8	0.8 ▲	0.1	98.5	0.5 ▲	0.6	

- 2.1 London Underground network percentage of scheduled kilometres remained 98.0 per cent from Quarter 1 to Quarter 2. This was 0.8 per cent better than target, but 0.2 per cent down from Quarter 2 of last year, when services were enhanced for the 2012 Games. Full-year performance is now forecast to be 0.5 per cent ahead of target, with 97.7 per cent of scheduled services operated.
- 2.2 Bus scheduled services operated were better than target mostly due to a reduction in mileage losses caused by traffic delays. This was achieved despite serious disruption caused by the closure of Notting Hill Gate for water main repairs, events in Regent Street (including road works and the Summer Streets events), together with the Ride London cycling event on 4 August. London Buses continues to work with the bus operators to improve control of services during periods of disruption from road works, including introduction of more resilient schedules where necessary.
- 2.3 DLR Quarter 2 performance, at 99.4 per cent, equalled that of Quarter 1 and beat Quarter 2 of last year by 0.7 per cent. This is the fifth consecutive quarter where scheduled services have been above 98 per cent. In January 2014, a new timetable will come into operation, with a more frequent train service, resulting in fewer options to recover full service after failures. Consequently, the per cent of scheduled services operated is expected to dip, which is reflected in the full-year forecast of 98.8 per cent.
- 2.4 Trams scheduled kilometres operated was 98.8 per cent this Quarter which is 0.8 per cent better than target and 0.1 per cent better than Quarter 2 last year. The end of the quarter was impacted by poor availability of rolling stock which was compounded by a major power failure between Sandilands and Woodside and a car on the track near Addington Village.

Safety and security

Performance indicator	Unit	Quarter 2, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▼ lower is better								
LU and DLR recorded crime **	Million passenger journeys	8.8	0.0 ►	-0.9	8.6	0.0 ►	-1.0	
London Buses: recorded crime ***	Million passenger journeys	8.1	-0.7 ▼	-0.7	7.8	-0.8 ▼	-0.8	
LU and LR Major Injury Frequency Rate	Major injuries/ m hours	0.33	0.06 ▲	0.10	0.27	0.0 ►	0.02	-
▲ higher is better								
Cumulative reduction in KSI Londonwide ††	%	38.2	20.8 ▲	24.5	27.3	6.0 ▲	10.4	
Vehicles operated by FORS accredited companies §§	No.	126,326	6,326 ▲	-	162,300	0.0 ►	67,101	-

- 3.1 The rate of crime per million passenger journeys on the LU and DLR networks in Quarter 2 of 2013/14 was in line with target and an improvement of 9.3 per cent on the same period last year.
- 3.2 In Quarter 2 crime on the LU and DLR network was 7.4 per cent lower than the same period last year, with 237 fewer offences. The most notable reduction was seen in theft of railway property (534 fewer offences, equating to 29.2 per cent). The British Transport Police (BTP), which is responsible for policing the LU and DLR networks, has put additional measures in place to deal with the increase in theft experienced in 2012/13, which have been successful. These measures include the redeployment of officers to theft hotspots, a new crime reduction and awareness campaign, and targeted police enforcement activity against organised thieves operating on the network as part of Operation Magnum.
- 3.3 The rate of crime per million passenger journeys on the bus networks in Quarter 2 of 2013/14 was 8.0 per cent better than target and the same period last year. This was driven by a 6.1 per cent fall in the volume of bus-related crime in Quarter 2 compared with the same period last year with 312 fewer offences. Notable reductions were seen in robbery (67 fewer offences, or 12.9 per cent), criminal damage (66 fewer offences, 15.4 per cent) and violence against the person offences (137 fewer offences, equating to 10.3 per cent). These results build on significant reductions in bus-

* Quarter 2 refers to snapshot crime figures for June – August 2013. The information reported here may be different to other Quarter 2 crime information published by TfL which covers July – September 2013. Quarter 2 crime forecasts have been calculated on the basis of the latest passenger projections and projected crime levels for the year based on year-to-date crime trends

†† London buses recorded crime target been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

‡‡ Cumulative reduction from a baseline of the 2005-2009 average, December 2012 – February 2013

§§ Cumulative from 2008

related crime over recent years and reflect the work done by TfL and its policing partners to ensure that the bus network remains a safe, low crime environment.

- 3.4 The LU and LR Major Injury Frequency Rate at 0.33 was worse than target in Quarter 2. The largest contributor to injuries in the last year was slips, trips and falls on stairs and escalators. All major injuries are investigated under the 'Go, Look, See' process to engage line management in understanding where changes can be made and in challenging behaviour. Where accidents occur, the site is visited and recommendations are agreed by local management with assistance from safety managers; actions are tracked against threshold and long-term action is taken to prevent reoccurrence.
- 3.5 Provisional figures for Quarter 2 show the number of people killed or seriously injured (KSI) on London's roads was 38.2 percentage points lower against the 2005-09 baseline. Existing performance indicates that the full-year forecast for 2013/14 will reduce KSIs by 27.3 per cent from the baseline, in comparison to the target reduction against baseline of 21.3 per cent, meaning that TfL is on course to meet its target of a 40 per cent reduction by 2020.
- 3.6 The Fleet Operators Recognition Scheme (FORS) is a unique industry-led membership scheme that is aiming to transform freight delivery in London by encouraging freight companies in London to become safer, more efficient and more environmentally friendly. FORS is a key project within the London Freight Plan providing a quality and performance benchmark for the industry, with three levels of membership: bronze, silver and gold. Its main features are recognising and rewarding excellence, raising standards, promoting sustainability and providing benefits for members such as training on the challenges of driving commercial vehicles in London. At the end of Quarter 2, FORS accreditation has been granted to over 126,000 vehicles.

Value

The operating budget below shows financial variances for year-to-date actuals and the latest full-year forecast as of Quarter 2, both against Budget. The table highlights TfL's operating contribution to fund investment, after revenue grants, including DfT general grant, Business Rates Retention and Greater London Authority (GLA) precept. The operating contribution is used to help fund investment and is allocated to projects through the annual business planning process.

A consistent table format has been adopted across the Business Plan (published in December 2012), TfL Budget for 2013/14 and OFR. This will improve in-year reporting as well as comparisons across years.

Operating budget ***

TfL group (£m)	Year to date		Full year 2013/14			
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
Fares income	1,835	4 ▲	4,099	25	16 ▲	0%
Other operating income	292	12 ▲	642	4	-16 ▼	2%
Total income	2,127	16 ▲	4,741	28	1 ▲	0%
Operating expenditure (net of third-party contributions)	-2,579	57 ▲	-5,931	35	-34 ▼	1%
Operating margin	-452	72 ▲	-1,189	63	-33 ▼	3%
Interest income †††	9	2 ▲	18	4	4 ▲	26%
Debt interest	-167	-13 ▼	-346	-22	-12 ▼	4%
Contingency and group items	6	35 ▲	-13	20	46 ▲	78%
Margin	-604	97 ▲	-1,529	64	4 ▲	0%
Finances sources						
General grant	505	1 ▲	1,094	-	3 ▲	0%
Overground grant	13	- ►	29	-	1 ▲	2%
GLA precept	2	- ►	6	-	- ►	0%
Business Rates Retention	387	16 ▲	803	-	- ►	0%
Other revenue grants	11	- ►	37	14	16 ▲	76%
Total revenue grants	918	18 ▲	1,968	14	20 ▲	1%
Operating contribution to fund investment	314	114 ▲	439	77	24 ▲	5%

*** The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well fair value adjustments for long-term investments.

††† Includes interest on the Crossrail Sponsors' Fund Account

Capital budget

TfL group (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Capital expenditure	-687	151 ▲	-1,748	19	148▲ 7%
Third-party contributions – capital	45	19 ▲	85	25	15▲ 22%
Sales of property and other assets	11	-12 ▼	70	4	7▲ 10%
Net capital expenditure excl. Crossrail	-631	159 ▲	-1,593	48	169▲ 8%
Crossrail capital expenditure	-806	-44 ▼	-1,757	37	-142▼ 9%
Net capital expenditure incl. Crossrail	-1,436	115 ▲	-3,349	86	28▲ 0%
Finance sources					
Surplus/ -deficit to fund investment	314	114 ▲	439	77	24▲ 5%
Crossrail funding sources	978	-1 ▼	2,051	-1	-▶ 0%
Investment grant	413	-▶	895	-	-▶ 0%
Metronet grant	-	-▶	184	-	-▶ 0%
Other capital grants	-	-▶	100	100	100▲ N/A
Working capital	-115	31 ▲	-376	105	97▲ 21%
Net borrowing and reserve movements	-153	-260▲	57	-369	-248▲ 82%
Total	1,436	-115 ▲	3,349	-86	-28▲ 0%

Fares income

Fares income (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	1,023	-1 ▼	2,290	13	-16 ▼
London Rail	137	4 ▲	308	7	15 ▲
London Buses	675	1 ▲	1,501	5	16 ▲
Total fares income	1,835	4 ▲	4,099	25	16 ▲

- 4.1 London Underground fares income in the year to date was £1.3m (0.13 per cent) less than Budget. While passenger journeys are higher than expected, the average yield per journey has fallen since the Budget, as customers continue to make better use of the products available (e.g. by travelling more on Travelcards). Overall year-on-year passenger growth was at 3.9 per cent (excluding Games-related journeys in 2012/13). The latest full-year forecast fares income of £2,290m is 7.8 per cent higher than last year, but £16m (0.7 per cent) less than Budget. This reflects £21m lower income as a result of lower average yield, offset by a £5m upside from July's inflation figure which was slightly up on TfL's inflationary assumptions.
- 4.2 London Rail fares income in the year to date was £4m (3 per cent) higher than Budget. The upside was almost entirely from the London Overground, which continues to perform stronger than expected, especially on the new South London Line. The DLR performed slightly better than Budget, but both Tramlink and Emirates Airline showed lower than budgeted income. This strong Overground performance has led to an increase of £17.7m in the latest full-year forecast, with a further increase of £1.4m on DLR, partially offset by a £3.8m reduction in Tramlink and EAL income.
- 4.3 Bus fares income in the year to date was £1m (0.1 per cent) higher than Budget, reflecting higher numbers of fare-paying passengers, combined with a favourable ticket mix, with higher on-bus cash income which is the highest yielding fare, partly offset by £1m travel card retrospective adjustment.
- 4.4 The full-year forecast for bus fares is £16m higher than budget, with additional revenue being driven underlying passenger growth and updated economic and population projections, partly offset by the introduction of discounted ticket prices for apprentices. The £5m increase against the Quarter 1 forecast is due to the continued underlying trend in revenue growth versus last year of approximately 6 per cent, which was previously forecast to reduce in later periods this year, partially offset by a lower than forecast July inflation rate reducing the January 2014 fares increase, and by an adverse retrospective adjustment to the Travelcard apportionments.

Other operating income

Other operating income (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	88	4 ▲	196	1	10 ▲
London Rail	5	1 ▲	22	-	7 ▲
Congestion Charge and LEZ	128	3 ▲	276	4	5 ▲
Barclays Cycle Hire	8	- ►	16	-2	- ►
Other Surface Transport	45	3 ▲	94	-1	2 ▲
Corporate	17	2 ▲	39	2	-39 ▼
Total other income	292	12 ▲	642	4	-15 ▼

- 4.5 In the year to date, other operating income has continued to outperform Budget in both London Underground (£3.8m) and London Rail (£0.5m). This is mainly driven by additional rental income from the early purchase of properties required for the Bank station project, where rental space is now being utilised prior to the upgrade work commencing. The latest full-year forecast is £10m up in LU and £7m up in LR, driven by the continued positive performance in rental income and a further upside in advertising income.
- 4.6 Congestion Charge and Low Emission Zone (LEZ) income in the year to date continued to be slightly higher than Budget due to increased volumes, particularly Congestion Charge fleet detections and Autopay registrations.
- 4.7 Barclays Cycle Hire income in the year to date remained in line with budget. The full-year forecast is slightly lower than the Quarter 1 forecast, reflecting sponsorship income rephasing.
- 4.8 Other Surface Transport operating income was £3m higher than Budget in the year to date and is forecast to be £2m over Budget over the full year, with the most significant movements being increases in traffic enforcement Penalty Charge Notices (PCNs).
- 4.9 Other operating income in the Corporate directorates was £2m higher than Budget in the year to date. This was mainly due to higher supplier rebates from the new TfL website, higher marketing campaign recharges, rephasing of property income and GLA recoveries and higher Community Infrastructure Levy (CIL) from administration contributions and pre-application planning advice.
- 4.10 The full-year forecast is £39m lower than budget. This is largely due to the reprofiling of £30m of Commercial Development income into future years while TfL further develops its commercial plans for retail and property income. In addition, forecast income of £11m from advertising, property rental and other contracts was transferred to London Underground and London Rail. These were partly offset by higher income as forecast at Quarter 2 from Visitor Oyster cards, the 18+ scheme, the new Travel Information Centre booth in Victoria, the recharge of works at London Bridge to Network Rail, GLA recoveries and CIL as detailed above.

Operating expenditure

Operating expenditure (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	-981	32 ▲	-2,232	7	9 ▲
London Rail	-155	5 ▲	-357	-3	-4 ▼
Surface Transport	-1,181	21 ▲	-2,730	33	-23 ▼
Corporate	-263	-▶	-612	-2	-17 ▼
Total operating expenditure	-2,579	57 ▲	-5,931	35	-34 ▼

- 4.11 London Underground (LU) operating expenditure is £32m (3 per cent) lower than Budget in the year to date. This is driven by savings in staff and maintenance costs (£18m) as well as efficiencies achieved through other operational expenditure (£19m). Savings in staff and maintenance costs (£18m) are a result of the continuation of the Quarter 1 management action of holding vacancies and the rephasing some infrastructure and maintenance spend until later in the year, pending the outcome of organisational changes. Other operational expenditure is £19m lower than Budget, due to efficiencies achieved in traction current unit prices and lower than expected journey time capability performance payments for the Victoria Line Upgrade, together with the deferral to 2014/15 of one-off commissioning costs of the Neasden Bulk Supply point. In addition, savings have been made in rail replacement bus programme from changes to weekend closure schedules, resulting in fewer replacement services being required.
- 4.12 Full-year LU expenditure is £9m lower than budget reflecting the year-to-date savings described above amounting to £29m offset by £19m higher than budgeted costs in renewals and reliability projects, following the reclassification of renewals and reliability expenditure from capital to operating costs following increased clarity on the scope of works.
- 4.13 London Rail expenditure is £5m under budget in the year to date, following the decision not to go ahead with the proposed transfer of South Eastern Rail, together with delays to the Wimbledon enhancement project and other station works; this is partially offset by increased performance related payments on DLR and London Overground. The full-year forecast is now £4m over Budget, mainly driven by the increase in DLR and LO franchise costs due to the above budget revenues received.
- 4.14 Surface Transport operating expenditure in the year to date is £21m below budget. This is largely due to re-phasing of projects, including £7m for highways maintenance delivery through the London Highways Alliance Contracts (LoHAC), where contracts were finalised after the Budget was set, and £6m for which delivery plans are being refined on new projects added to the 2012 TfL Business Plan. In addition, £6m was carried forward to future years as a result of Barclays Cycle Superhighways scope following the finalisation of the Mayor's Vision for Cycling.
- 4.15 The full-year reduction against the Quarter 1 forecast is largely due to rephasing to future years, including cycling portfolio changes of £15m following the finalisation of the Mayor's Vision for Cycling and £8m relating to road capacity for which delivery plans are currently being refined; and £8m of

expenditure previously forecast as operating has now been reclassified as capital as projects reach the stage of viability.

- 4.16 The full-year forecast is £23m higher than Budget, primarily due to the administration of the Bus Service Operators' Grant (BSOG), which transferred from the DfT to TfL from 1 October 2013 (£46m). The payment was included in Group Items when setting the Budget, but was transferred to Surface Transport in the Quarter 1 forecast. This was partly off-set by bus contract price savings from the impact of lower labour costs than previously assumed (£20m).
- 4.17 In the year to date, operating expenditure in the Corporate Directorates was in line with Budget. Savings of £3m, mainly in property and insurance, were fully offset by higher costs for user testing of TfL's new website and the establishment of the new Travel Demand Management (TDM) team.
- 4.18 In the full-year, the Corporate directorates are expected to exceed budget by £17m. This is partly due to higher costs of £9m, largely from British Transport Police CCTV support, Oyster revenue inspection devices for Train Operating Companies, Future Ticketing Agreement contracts and TfL On-line licences. In addition, new activity of £8m was included in the Quarter 2 forecast, for data centre transformation, the integration of JNP Information Management and feasibility and planning studies for the proposed Garden Bridge, Crossrail 2 and HS2. A further £12m of capital expenditure was reclassified as operating expenditure, with no effect on Corporate's overall position. These cost increases were partially offset by savings of £12m, from insurance and staff savings and a lower requirement for management contingency of £6m.

Interest income, debt service and other group items

Interest income, debt service and other group items (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Interest income	9	2▲	18	4	4▲
Debt service	-167	-13▼	-346	-22	-12▼
Contingency and other group items	6	35▲	-13	20	46▲
Total interest, debt service and other group items	-151	24▲	-340	1	38▲

- 4.19 Interest income is £2m better than budget in the year to date, due to TfL earning better rates on investments than budgeted. TfL continues to invest in accordance with the Board-approved Investment Strategy, which prioritises security of principal and liquidity of investments over financial return.
- 4.20 Debt service in the year to date is £13m over that budgeted. This is partly driven by a £23m premium paid for the early redemption of Tube Lines debt. The future refinancing of this debt will be at a lower interest rate, ensuring savings over subsequent years. This cost has been partly offset by a £10m favourable variance to Budget, from borrowing at better rates than expected. Debt service levels are now forecast to be £12m over Budget for the full year.
- 4.21 Other group items (including Group contingency) were £35m under Budget in the year to date. This was a result of £29m unutilised Group contingency, which was also been removed from the latest full-year forecast, £20m from BSOG payments, offset by £15m in expenditure reductions to be found.
- 4.22 Historically, BSOG payments to the bus operators have been made direct by government. Following revision to the BSOG funding mechanism in early 2013, the payment was added to group items. The full £46m for BSOG was transferred to Surface Transport in the Quarter 1 forecast; this will therefore show a £46m favourable variance to Budget over the full year, offset by the expenditure in Surface.
- 4.23 When setting the TfL Budget for 2013/14, £33m of expenditure reductions to be found were added to Group items, to offset reductions in government grants announced in the Chancellor's Autumn Statement. In the year to date, this resulted in an unfavourable variance to Budget of £15m. Over the full year, this results in a £33m unfavourable variance. These savings were transferred to the business units as part of the Quarter 1 forecast meaning there is no net effect on TfL's finances.

Capital expenditure

Gross Capital expenditure (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	-548	43▲	-1,291	-27	-69▼
London Rail	-29	47▲	-100	30	59▲
Surface Transport	-78	46▲	-274	10	61▲
Corporate	-32	15▲	-83	6	97▲
Gross capital expenditure	-687	151▲	-1,748	19	148▲

- 4.24 London Underground capital expenditure is £43m under Budget in the year to date. This is driven largely by underspend on the Sub Surface Rail (SSR) Upgrades amounting to £32m; an advance payment was made to Bombardier last year but was budgeted this year. Another £44m was due to various slippages, rephasing and underutilised contingency; £26m unutilised contingency on the Victoria Line upgrade and slippage on tunnel cleaning, £8m slippage on SSR Power packages 1, 2 and 3, £7m underspend on JNP infrastructure due to deferred works on bridge painting and construction of station vehicle accessibility works and £3m upside due to Civils Earth Structure works rephased to later in the year. These upsides are offset by £35m of slippage provision release.
- 4.25 In the full year, London Underground's capital programme is now forecast to be £69m higher than Budget. A central slippage provision of £149m has been released as individual projects and programmes are spending closer to budgets. This is partially offset by £32m of SSR rolling stock expenditure which was accelerated into 2012/13 after the Budget was approved, £19m on the Victoria Line Upgrade predominantly relating to the release of risk provision and rephasing into later years, £10m of Station Upgrade efficiencies and rephasing into later years, £32m of unutilised contingency on the Victoria Line upgrade, £11m Infrastructure Renewals slippage on SSR power projects and projects now written off to revenue following greater clarity of the scope of work.
- 4.26 In the year to date, London Rail is £47m under Budget, driven primarily by a prior year East London Line commercial settlement of £28m, which was budgeted for this year, plus further provision (mainly London Overground Capacity Improvement Programme) rephased amounting to £13m and other minor variances. Across the full year, these factors, combined with the addition of a £16m central slippage provision, are forecast to result in an underspend of £59m against Budget.
- 4.27 Surface Transport capital expenditure in the year to date was £46m below Budget, due to: in-year rephasing of £19m rescheduling for delivery of Cycle Hire Expansion and Intensification asset infrastructure and civil construction in line with the detailed works programme; £10m in-year rephasing of works following the LoHAC contract award after the Budget submission; and rephasing to future years of Barclays Cycle Superhighways (£7m) and Better Junctions (£4m), following the finalisation of the Mayor's Vision for Cycling.
- 4.28 Surface Transport's full-year forecast is £61m below Budget mainly due to expenditure phasing to future years. This includes: £17m for Structures and Tunnels Investment Portfolio projects following contractor appointment and increase in the time expected to gain Network Rail possessions (e.g.

permission to access bridges that require maintenance); Barclays Cycle Superhighways of £12m (see Section 4.29 below), Safety Camera Replacement Project due to contract awards delays (at the tendering stage) of £14m and electronic ticket machines of £10m

- 4.29 As part of the Quarter 2 forecast there has been some significant rephasing in areas such as Cycle Superhighways, bus pinch points and major road schemes, Better Junctions and safety camera replacement but this has largely been off-set by over-programming adjustments. Milestones for Cycle Superhighways and Better Junctions have been under review following the finalisation of the Mayor's Vision for Cycling. The safety camera replacement project close is now expected to be significantly late as a result of governance and commercial procurement delays, but before the current equipment becomes unsupported.
- 4.30 Capital expenditure in the Corporate Directorates was £15m lower than budget in Quarter 2. This mainly reflects the in year rephasing and reprofiling to future years of payment technology projects, including the Future Ticketing Project and the reprofiling of the New Growth Areas schemes, although the current delivery milestones remain on-track to be achieved.
- 4.31 These factors are also reflected in the full-year forecast which is £97m lower than budget. The main driver is the reprofiling of the Spend-to-Save programme expenditure of £61m to increase income from retail, property and other commercial ventures, which has been reprofiled into future years where specific initiatives are in the early stages of development. Capital expenditure relating to the Northern Line Extension (NLE) of £24m was reprofiled into future years in line with programme forecasts. This has no net impact, as NLE third-party developers contributions have also been reprofiled to future years. At Quarter 2, £7m for payment technology projects were reprofiled to future years and £12m was reclassified as operating expenditure as detailed above.

Capital third-party contributions

Third-party contributions (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
London Underground	12	3 ▲	28	-	6 ▲
London Rail	25	23 ▲	37	23	27 ▲
Surface Transport	7	2 ▲	20	3	9 ▲
Corporate	-	-9 ▼	-	-	-27 ▼
Third-party contributions	45	19 ▲	85	26	15 ▲

- 4.32 Both the year-to-date and full-year increases in LU are mainly due to increased recoverable costs relating to Crossrail and Croyley Rail Link works.
- 4.33 London Rail variance is largely a result of an earlier than budgeted recognition of East London Line RAB (Regulatory Asset Base of Network Rail) funding of £20m and London Overground Capacity Improvement Program (LOCIP) funding from Network Rail of £8m.
- 4.34 In Surface Transport, capital third-party contributions in the year to date were £2m higher than budget, mainly due to Cycle Hire Expansion contributions. The full-year forecast is £9m above budget due to Traffic Signal Modernisation (£3m), Capital Renewals Carriageway (£3m), and Cycle Hire Expansion (£3m). The movement from the Quarter 1 forecast is due to Traffic Signal modernisation contributions of £2m.
- 4.35 Capital third-party contributions in the Corporate directorates were £9m lower than budget in the year to date Quarter 2 and are forecast to be £27m lower than budget over the the full year. This is driven by the rephasing of Northern Line Extension (NLE) third-party developers' contributions into future years, which is also reflected in the latest full-year forecast. The total level of funding for the NLE remains the same as assumed in the Budget, but will now be received in later years.

Crossrail

Crossrail (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Crossrail	-806	-44 ▼	-1,757	37	-142 ▼

4.36 In the year to date, Crossrail spent £44m more than budget. Direct construction costs are £28m over budget largely due to accelerated works at Eastern running tunnels, increased costs for contract staff and overspends on Western Running Tunnels due to changing labour shift patterns and increased spoil removal costs. Property costs are £27m over budget principally due to acceleration noted above, plus the addition of new scope and upward revaluations. These costs have been partially offset by indirect costs, which are £11m under budget, principally due to the continued delay in recruitment of Central, Technical and Commercial staff. These overspends have no material impact on Crossrail's project costs, which will be delivered to time and within budget.

4.37 The movement in the full year forecast between Quarter 1 and Quarter 2 is predominantly due to the re-phasing of risk to later periods.

Sales of property and other assets

Sales of property and other assets (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Total sales of property and other assets	11	-12 ▼	70	4	7 ▲

4.38 In the year to date, sales of property and other assets were £12m lower than budget. This was mainly from Dalston Western Curve and Hillingdon sites both being re-phased to later this year because of planning consent delays; Fleet Street, to investigate additional commercial opportunities to increase revenue in future years, and various smaller properties. These were partly offset by the sale of Wembley Park where income was received one month early due to earlier vacant possession than was provided for in the contract. Full-year income is forecast to be £7m higher than budget mainly due to a higher than budgeted receipt in the first quarter for Hanger Lane and the reprofiling of the sales of Hammersmith Met and Kidbrooke, which were brought forward at Quarter 2 (£4m).

Government grants and funding

Government grants and funding (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
DfT General grant	505	1 ▲	1,094	-	3 ▲
DfT Investment grant	413	- ►	895	-	- ►
DfT Metronet grant	-	- ►	184	-	- ►
DfT Overground grant	13	- ►	29	-	1 ▲
GLA precept	2	- ►	6	-	- ►
Business Rates Retention (BRR)	387	16 ▲	803	-	- ►
Crossrail funding sources	978	-1 ▼	2051	-1	- ►
Other capital grants	-	- ►	100	100	100 ▲
Other revenue grants	11	- ►	37	14	16 ▲
Total grants and funding	2,309	16 ▲	5,198	113	119 ▲

4.39 Government grants and other funding sources are £16m higher than budget in the year to date. This is driven by timing differences from Business Rates Retention (BRR) payments that are forecast to be corrected by the end of the year.

4.40 Over the full year, grants and funding are forecast to be £119m higher than Budget. This is largely the result of an additional £100m funding from the Department of Transport (DfT) for Crossrail rolling stock procurement, which was agreed as part of the 2013 Spending Review. This sum will be held in the Crossrail Sponsors' Funding Account until 2015/16. A further £15m of one-off funding has been provided from the DfT, in lieu of TfL applying for planning obligations for the costs of services to free schools for the duration of this parliament.

Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Borrowings Raised	589	243 ▲	437	92	92 ►
Borrowings Repaid	-82	-69 ▼	-107	-65	-65 ▼
Net borrowing	507	174 ▲	330	27	27 ▲
Reserve movements	-660	-434 ▲	-273	-396	-275 ▲
Net borrowing and reserve movements	-153	-260▲	57	-369	-248▲

4.41 In the year to date, borrowings raised were £243m above budget. The variance is due to a timing difference from new borrowings being undertaken earlier than planned to take advantage of favourable interest rates and also the refinancing of Tube Lines debt. This borrowing replaces short-term borrowing which will mature over the next quarter. Borrowings repaid were £69m higher, again due to the refinancing of Tube Lines Debt.

4.42 Over the full year, borrowings raised are forecast to be £92m above budget, while borrowings repaid are £65m higher. These variances represent additional borrowing and repayments undertaken as a result of the refinancing of scheduled debt repayments on Tube Lines debt, which was not budgeted. The overall effect of the refinancing is that borrowings will be £27m higher than forecast and budget, as TfL had previously planned to make £27m of debt repayments.

Cash movements ^{##}

Cash summary (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Crossrail Sponsors' Funding Account	1,769	40 ▲	1,775	73	-55 ▼
Other TfL cash balances	2,781	395 ▲	2,388	323	330 ▲
Closing cash	4,550	434 ▲	4,163	396	275 ▲

- 4.43 TfL's closing cash (including Crossrail's cash balances) at the end of Quarter 2 is £434m more than that forecast at the time of the Budget. This increase is due to a combination of the financial variances above; including a year-to-date underspend of £212m, an increase in grants of £16m, favourable working capital movements of £31m, and a net increase in borrowing of £174m.
- 4.44 TfL expects to reduce its cash position by the end of the year and is now forecast to be £275m over Budget by the end of 2013/14. This is driven by £32m of underspend, combined with grant and funding increases of £120m, a working capital upside of £97m and an increase in net borrowing of £27m.
- 4.45 TfL's total cash position includes £1,769m that is ring fenced specifically for the Crossrail project and is not available for use on any other TfL expenditure. Over the following years, TfL will use its cash balances (while maintaining a prudent minimum) to fund the investment outlined in TfL's Business Plan. During 2013/14, TfL will update its long-term business plan, taking into account the long-term impacts of the reduction in government grants announced in the 2013 Spending Review.

^{##} The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well fair value adjustments for long-term investments.

^{##} Includes interest on the Crossrail Sponsors' Fund Account

Efficiencies


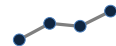






Efficiencies Programme ^{§§§} (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
Progress towards TfL's total efficiency programme	96	28▲	185	137	48▲

- 5.1 At the time of publishing the 2012 Business Plan, TfL had secured £9.8bn of savings and efficiencies to 2017/18. The 2013 Business Plan assumes a further £4.2bn of unsecured savings to 2020/21. There is still a great deal that TfL has to do to assure that these savings identified in the Business Plan are delivered.
- 5.2 The 2013/14 Budget set a target of £137m of efficiencies to secure during the year. TfL has increased its level of savings by an additional £28m against the year-to-date target. Secured efficiencies to date include initiatives associated with the Victoria Line Upgrade together with energy savings for traction current and the removal of the Congestion Charge retail channel following consultation in January 2013.
- 5.3 In the full year, TfL now forecasts to achieve an additional £48m of savings against Budget. The additional efficiencies have been secured through savings from signalling and infrastructure renewals within London Underground, asset refresh and operational savings from extending the Congestion Charge contract in Surface Transport. Corporate have identified additional staff and consultancy savings along with insurance re-tender efficiencies. There are plans in place to deliver the remaining unsecured efficiencies for the year.

^{§§§} Efficiencies are quoted net of implementation costs

Customer

Passenger journeys

Millions	Quarter 2, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	285.4	9.8 ▲	-6.1	1,273.0	34.0 ▲	43.7	
London Buses	533	-7 ▼	-1	2,386	-1 ▼	51	
DLR	22.7	0.0 ►	-4.5	101.5	1.4 ▲	1.5	
London Overground	32.3	3.1 ▲	3.1	141.4	12.1 ▲	16.8	
London Tramlink	6.8	-0.5 ▼	-0.4	31.0	-0.2 ▼	0.9	
Emirates Air Line	0.5	0.0 ►	-0.6	1.6	0.1 ▲	-0.4	
Dial-a-Ride	0.3	0.0 ►	0.0	1.4	0.0 ►	0	
Cycling levels on the TLRN****	317	-19 ▼	-25	267	-28 ▼	-9	
London River Services	2.7	0.5 ▲	0.7	8.5	1.3 ▲	2.2	-

- 6.1 London Underground passenger journeys exceeded target by 9.8m in Quarter 2, but were 6.1 million lower than the same quarter in 2012/13, which experienced increased demand from the 2012 Games. Underlying year-on-year growth shows a 4 per cent increase once prior year demand is adjusted for Games-related journeys. Full-year demand is now forecast to surpass full-year budget by 34 million, which follows the current trend.
- 6.2 Bus passenger journeys are forecast to be 2.2 per cent higher than last year, after adjusting for exceptional events such as the 2012 Games, underlying bus passenger growth is approximately 1.3 per cent. Bus passenger journeys in Quarter 2 were 7 million, or 1.3 per cent, below target, principally due to a later start to the school term in Period 6.
- 6.3 DLR passenger numbers are equal to target in Quarter 2. Underlying year-on-year growth shows a 3 per cent decrease after adjusting for Games-related journeys. Passenger numbers were affected by three days of engineering closures over the Bank Holiday weekend. Year to date passenger journeys were one per cent above budget and six per cent better than last year once prior year demand is adjusted for Games related journeys. Full-year forecast demand is expected to surpass the full-year budget by 1.4 million.

**** Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

- 6.4 London Overground passenger journeys in Quarter 2 were 3.1 million up on the same quarter last year and 3.1 million ahead of budget, driven by strong growth of over 30 per cent on the East London Line. Full-year demand is now forecast to surpass the budget by 12.1 million.
- 6.5 In Quarter 2, 6.8 million passengers were carried by Tramlink, down 0.4 million on last year and 0.5 million below budget. The adverse variance is driven by a 10-day closure of the Croydon loop for track replacement, which was compounded by the hot weather and a later start to the school term in Period 6. Full-year performance is forecast to be 0.2 million lower than budget.
- 6.6 EAL carried 0.5 million passengers in Quarter 2, which is slightly below budget and 0.6 million lower than Quarter 2 last year, which was boosted by the 2012 Games. However, passenger demand in the last third of the Quarter was the second highest this year, as seasonal demand peaked over the summer holidays, bringing year to date performance to 0.9 million which is on target against a budget of 0.9 million. An improved operational readiness plan is being prepared to allow Mobility Scooter access to the EAL later this year; this project includes subtle cabin modifications and specialised staff training. Full-year performance is expected to exceed budget by 0.1 million.
- 6.7 Cycle flows on the TLRN in Quarter 2 of 2013/14 were 25.2 index points (7.4 per cent) lower than the same quarter last year. This is 19.4 index points (5.8 per cent) below target for Quarter 2. It should be noted, however, that Quarter 2 last year included the 2012 Games, with a high-level of travel demand management activity encouraging people to travel by bike and foot and cycle flows on the TLRN significantly increased during this period. In comparison with the same Quarter in 2011/12, cycle flows this year are 23.4 index points higher.
- 6.8 The full year forecast for 2013/14 is that target cycling levels will not be met and that cycle flow on the TLRN will be 9.5 index points lower than last year. There are a number of reasons for the slow down in cycling growth. In addition to the weather, which can impact on cycle flows, delivery of new cycling infrastructure slowed in 2012/13 in the run up and during the Games period, following a moratorium on new project construction. Further, the implementation of the Better Junctions cycle safety review has impacted on the pace of delivery of major new cycle programmes, including both the Barclays Cycle Superhighway and Better Junctions programmes.
- 6.9 The Mayor published his Vision for Cycling in March 2013. In it he outlined plans for spending £913m on cycling over the next 10 years. This investment will deliver a step-change in cycling provision that will support the growing numbers of cyclists in London.
- 6.10 Cycle flows on the TLRN are not the only measure of cycling levels; the recent 'Central London Cycle Census' recorded that in some locations, including many of the bridge crossings in Central London, that bicycles made up more than half of the vehicles in the morning peak. With the future growth in cycling expected to take place not only on the TLRN, TfL is reviewing the overall methodology for recording cycling journeys and will be updating its performance measures over the coming year to more accurately reflect cycling trends and patterns in London.
- 6.11 Passenger journeys on London River Services during Quarter 2 were higher than target, with the favourable late summer weather sustaining the high tourist demand experienced in recent periods. Passenger journeys are now forecast to reach over 8 million in 2013/14.

Customer satisfaction

Score (out of 100)	Quarter 2, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	82	1 ▲	-1	82	1 ▲	-1	
London Buses *	83	1 ▲	1	82	- ▶	0	
DLR	88	6 ▲	3	85	3 ▲	-2	
London Overground	83	3 ▲	0	80	- ▶	-2	
London Tramlink	89	3 ▲	2	88	2 ▲	-1	
Emirates Air Line	93	8 ▲	1	92	7 ▲	-1	-
Dial-a-Ride	92	- ▶	0	92	- ▶	0	
Congestion Charging	-	- ▶	-	82	- ▶	-1	

- 7.1 Customer satisfaction targets are based on underlying historical trends, rather than necessarily showing improvement from the year-end 2012/13, which was driven by the exceptional circumstances of the 2012 Games when TfL halted all capital works, paid additional bonuses to frontline staff, and deployed almost 4,000 travel ambassadors across the travel network. TfL is committed to embedding the Games legacy, but recognises that not all aspects of Games performance can be replicated.
- 7.2 London Underground's customer satisfaction score in Quarter 2 is 82, one point above the quarterly target. Full-year performance is forecast to be 82, one point better than target.
- 7.3 The DLR Quarter 2 customer satisfaction score has increased to 88, which equals the highest ever score achieved in the immediate post-Games period. The quarterly result is six points above target.
- 7.4 London Overground's Customer Satisfaction for Quarter 2 2013/14 increased by one point to 83, equalling the best ever previous score. Performance over the full year is expected to drop to 80, as overcrowding caused by the rise in passenger demand continues. The London Overground Capacity Improvement Programme is expected to reverse this drop in the coming years, as extra capacity, including increasing cars per train from four to five, is delivered.

* London buses CSS target has been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

- 7.5 Customer satisfaction on Tramlink remained at 89 in Quarter 2. The full-year forecast is now expected to drop to 88, due to disruption from planned engineering works.
- 7.6 Customer satisfaction with Emirates Air Line remains high, at 93 points in Quarter 2. This maintains the high level of satisfaction recorded since opening in 2012.
- 7.7 Overall customer satisfaction with bus services has been on a general trend of improvement since Quarter 4, 2011/12. It is now at the highest levels since the survey began in 1999/2000. Bus customer satisfaction scores in Quarter 2 were one point better than both target and the prior year, on specific measures, the state of repair of buses and driver attitude improved, whilst bus stop information has worsened slightly.
- 7.8 The Quarter 2 overall satisfaction score for Dial-a-Ride was in line with target and up one point from Quarter 1. Satisfaction with the helpfulness and courtesy of the driver remained the highest of the individual service attributes.

Customer complaints

No. complaints per 100,000 journeys	Quarter 2, 2013/14	
	Actual	Variance to last year
▼ <i>lower is better</i>		
London Underground	1.06	0.02 ▲
Docklands Light Railway	3.37	1.03 ▲
London Overground	2.44	-0.32 ▼
Tramlink	2.4	-0.33 ▼
Emirates Air Line	3.3	N/A ►
London Buses	2.36	0.06 ▲
Congestion Charge	15.05	0.61 ▲
Barclays Cycle Hire	5.71	2.88 ▲
Dial-a-Ride *	118.89	-5.76 ▼
Oyster	1.09	-0.37 ▼
River	0	-0.07 ▼

- 8.1 London Underground continues to record the lowest complaints rate in the rail industry, regularly recording a single complaint per 100,000 passenger journeys. Complaints relating to delayed journeys continue to fall – this is part of an ongoing trend following the success of the tube Reliability Programme, which is on track to meet the Mayor's commitment of reducing delays by 30 per cent by 2015.
- 8.2 The most common type of complaint on Docklands Light Railway relates to Ticket Vending Machines (TVMs). Customer complaints are marginally up on the same quarter last year. There has been improvement since the previous quarter following changes to the signage around the TVMs, which made it clearer to customers that they have to touch their Oyster card on the reader at both the start and end of a transaction.
- 8.3 London Overground's most recent customer satisfaction scores are the highest recorded since its creation. Customer complaints are down from both the previous quarter and from Quarter 2 last year. Some complainants have expressed concerns about the performance of TVMs. This issue is being closely monitored and it is hoped that software changes implemented in September 2013 will significantly correct this issue. Over the summer months customers expressed unhappiness with the onboard environment. Enhancements to the air-conditioning system have resulted in a fall in this

* Per 100,000 journey requests

type of complaint. Complaints about station quality have also declined – this reflects improvements, including the refurbished booking hall at Crystal Palace.

- 8.4 Tramlink remains amongst the modes with the lowest complaints rate. Complaints are down on the same period in last year. The main themes in Quarter 2 included difficulties experienced by passengers during the closure of 19-24 August, issues with a revised timetable and arrangements for the rail replacement bus service.
- 8.5 Figures for the EAL were not recorded for the same quarter last year, but its complaints rate is in line with the better performing services.
- 8.6 Buses, which carry the highest volume of passengers of any of TfL services, maintain a consistent complaints rate of just over two complaints per 100,000 passenger journeys. Outstanding operational performance is reflected in the continuing decline in the proportion of complaints about delayed journeys and reliability. Bus driver behaviour makes up a substantial element of the reasons why customers complain. Part of the drive to address this includes an improved accessibility awareness training programme which has recently been launched. It is designed to give bus drivers a greater understanding of the needs of older and disabled passengers. The training will be delivered to all of the Capital's 24,500 bus drivers by the end of 2014 and builds upon the extensive training London's bus drivers currently receive.
- 8.7 Complaints relating to Congestion Charging have risen slightly from Quarter 2 in 2012/13, but remain at broadly the same level as when major changes to the Scheme have been introduced. Recent changes include the removal of the retail payment channel following consultation, an increase in the value of Penalty Charge Notices and a new Low Emissions Discount. A new advanced notification process for account renewal payments is expected to reduce the rate of complaints.
- 8.8 Complaints on Barclays Cycle Hire in Quarter 2 relate to clarity of the different tariffs. In response, TfL has improved the clarity of information at docking stations, so that the difference between the two is more apparent. An important issue for customers is the ability to hire and dock bikes at their preferred station. TfL has agreed new service levels with our contractors, which has seen better distribution of the bikes.
- 8.9 Dial-a-Ride's (DaR's) complaints rate for this quarter fell slightly when compared with last year. DaR continues to have a relatively high rate, which is reflected in it being the only transport option for many of its users. The complaint measure also relates to the booking process, in addition to the journey. The main source of customers' complaints is related to bookings being turned down due to customer demand outstripping supply. Satisfaction with the door-to-door operator, which has consistently been over 90, ranks amongst the highest of any type of transport in the Capital.
- 8.10 The complaints rate for Oyster was down on the same time the previous year. Over this quarter TfL launched a customer education campaign, which was aimed at helping Londoners get the most out of the product, including claiming refunds, unused balances and deposits. There have been fewer complaints about statements as more customers have become aware they can monitor their account online.
- 8.11 There were no complaints about River Services this quarter.

8.12 Complaints data from across all TfL services can be found at: tfl.gov.uk/transparency/.

People

Staff

Full-time equivalent	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	21,091	-39	21,334	-237	86
London Rail	209	18	243	19	48
Surface Transport	3,221	-154	3,421	53	57
Corporate	3,400	165	3,530	87	331
Crossrail	865	-52	898	0	0
Total FTE	28,786	-61	29,427	-79	522

- 9.1 TfL has updated its delivery plans since the approval of the Budget in March 2013/14. The organisation is constantly reviewing its expenditure and staffing requirements and evolving these to make best use of tax and fare-payers money. The refinement of delivery plans during the year will partly be reflected in the number of staff TfL plans to employ. The associated costs were approved as part of the 2013/14 Budget; the number of FTEs will change as delivery plans are developed during the year.
- 9.2 In Quarter 2, London Underground headcount increased to 21,091 (excluding 81 staff currently on maternity leave), an increase of 251 FTE since the end of Quarter 1. This was largely a result of the transfer of 298 Powerlink staff transferring to London Underground in August 2013. FTEs were 42 over Budget, and 39 under Budget after adjusting for 81 FTEs on maternity leave. This was driven partly from the increase in FTEs of 298 following the Powerlink transfer (which was not included in the Budget until Quarter 3), an increase of 18 JNP maintenance staff, offset by 155 vacancies and 97 less FTEs in the Capital Programmes Directorate (CPD) following the restructuring of the Sub Service Railway Program.
- 9.3 The full-year forecast for London Underground has changed from the Quarter 1 forecast of 21,572 to 21,334, a reduction of 237. This is largely driven by an adjustment of 91 FTEs in CPD and 59 FTEs held centrally, which reflect the challenging nature of LU's recruitment plans.
- 9.4 The end of year forecast is now 86 greater than Budget, with the main drivers being 96 additional FTEs within CPD, 82 additional FTEs for the Northern Line Extension (NLE), and 20 FTEs to help deliver the Stations Stabilisation project in house. These increases have been offset by an overlay of 91 FTEs to reflect the challenge of the recruitment plans.
- 9.5 At the end of Quarter 2, London Rail FTEs are 18 up against Budget. By the end of 2013/14, London Rail are now expected to be 48 FTEs above Budget. These increases are largely driven by additional staff for projects including LOCIP.

- 9.6 Surface Transport employed 3,221 FTE at the end of Quarter 2, 154 FTE below Budget at Quarter 2. This was partly due to 67 unfilled vacancies resulting from longer than anticipated recruitment lead times and strict headcount controls. In addition, Dial-a-Ride had 23 driver vacancies, with the shortfall covered by Community Transport drivers, and 58 budgeted FTE transferred to the Commercial team in Corporate to better reflect the dual reporting nature of this function.
- 9.7 The full-year forecast is 57 FTEs higher than Budget. This is due to an increase of 151 FTEs required to support the delivery of the Surface Transport investment programme. In addition, 57 FTEs have been added to Roads mainly for the in-house design team, which is more cost effective than employing external consultants. Both of these increases are funded from existing programme budgets. These increases are partly offset by the transfer of 58 budgeted FTEs to the Corporate Commercial team and the inclusion of a vacancy factor overlay of 88 FTEs to reflect the significant recruitment challenge, and that a proportion of new positions will be filled by internal recruitment creating a vacancy elsewhere in the organisation.
- 9.8 At the end of Quarter 2, staff numbers in the Corporate Directorates exceeded budget by 165 FTE. This is driven by an additional temporary 73 FTEs for new project activity within IM for and an increased volume of work for payment technology and IM projects. These additional staff are funded from existing approved budgets, In addition, 56 actual FTEs transferred from Surface Transport into TfL's central commercial team, which was reflected in the full-year forecast at Quarter 1.
- 9.9 The full-year adverse variance to budget is 331 FTE. This reflects 106 FTE for new activity and a higher volume of work, which is funded through existing budgets. These staff are mainly required in IM for data centre rationalisation, service improvement and infrastructure work, and in CEM&C for TfL On-line, Data Warehouse and Every Journey matters. In addition, 116 staff have transferred to Corporate, including 56 from Surface Transport to the commercial team and 35 to Customer Experience, Marketing and Communications.
- 9.10 At the end of Period 6, Crossrail employed 865 FTE staff, which was 52 FTE less than budget, driven mainly by lower than anticipated FTEs in Central, Technical and Commercial. Programme critical roles in these areas have been filled by agency staff in the short term.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
London Underground	1,023	-1 ▼	2,290	13	-16 ▼	4.1
London Rail	137	4 ▲	308	7	15 ▲	4.2
Total fares income	1,160	3 ▲	2,597	20	- ►	
Other operating income	94	4 ▲	218	1	17 ▲	4.5
Total operating income	1,253	7 ▲	2,815	20	17 ▲	
Chief Operating Officer	-707	18 ▲	-1,580	-11	-2 ▼	4.11, 4.11 and 4.12
Other Operational Expenses	-214	19 ▲	-489	26	31 ▲	
London Rail Operations	-155	5 ▲	-357	-3	-4 ▼	4.13
Renewals and reliability Projects	-60	-5 ▼	-163	-8	-19 ▼	4.11, 4.11 and 4.12
Total operating expenditure	-1,136	36 ▲	-2,588	4	6 ▲	
Capital expenditure						
London Underground	-548	43 ▲	-1,291	-27	-69 ▼	4.24 and 4.25
LU third party contributions	12	3 ▲	28	-	6 ▲	4.32
London Rail	-29	47 ▲	-100	30	59 ▲	4.26
London Rail third party contributions	25	23 ▲	37	23	27 ▲	4.33
Net capital expenditure	-539	117 ▲	-1,326	25	22 ▲	
Net Service Expenditure	-421	160 ▲	-1,099	50	44 ▲	

Surface Transport

Surface Transport (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
Bus fares income	675	1 ▲	1,501	5	16 ▲	4.3
Bus contract costs & ticket commission	-837	8 ▲	-1,873	14	-19 ▼	4.14 and 4.15
Direct Bus Subsidy	-162	9 ▲	-371	19	-3 ▼	
Other Bus Income	12	1 ▲	26	-	1 ▲	4.8
Bus operating Expenditure (net of third-party contributions)	-41	1 ▲	-94	-	2 ▲	4.14, 4.15 and 4.16
Bus Capital Expenditure	-26	-2 ▼	-79	1	0 ►	4.28 and 4.29
Net Bus Service Expenditure	-217	9 ▲	-519	21	1 ▲	
Other Surface Transport						
Other Operating Income	166	5 ▲	353	1	4 ▲	4.6, 4.7 and 4.8
Other Operating Expenditure (net of third-party contributions)	-299	13 ▲	-756	18	-5 ▼	4.14, 4.15 and 4.16
Other Capital Expenditure (net of third-party contributions)	-46	49 ▲	-175	12	70 ▲	4.28 and 4.29
Net Service Expenditure	-395	75 ▲	-1,097	52	71 ▲	

Corporate directorates

Corporate (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
Other Operating Income	17	2 ▲	39	2	-39 ▼	4.9 and 4.10
Operating Expenditure (net of third-party contributions)	-263	- ►	-612	-2	-17 ▼	4.17 and 4.18
Net Capital Expenditure	-21	3 ▲	-13	10	104 ▲	4.30, 4.31, 4.35 and 4.38
Net Service Expenditure	-267	-4 ▼	-586	10	21 ▲	

Appendix B: Balance Sheet *

TfL Group Balance Sheet at Quarter 1	Year to date		Full year	
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Budget
Non-current assets (-higher / lower than budget)	29,222	55	30,893	(144)
Current assets (exc. cash & investments) (-higher / lower than budget)	689	(207)	517	5
Cash & investments (-higher / lower than budget)	4,289	(380)	3,915	(233)
Creditors (higher / -lower than budget)	(2,976)	137	(2,720)	10
Derivative liabilities (higher / -lower than budget)	(70)	(46)	(73)	(43)
Borrowings (higher / -lower than budget)	(8,038)	174	(7,869)	34
Provisions (higher / -lower than budget)	(3,086)	63	(2,987)	20
Total Net Assets – (higher) / lower than budget	20,030	(204)	21,676	(351)

- 10.1 Non-current assets were £55m below Budget at the end of Quarter 2, with lower activity capital expenditure of £108m being offset by higher long-term cash investments of £55m and prepayments of £3m, and minor disposal and depreciation variances. The non-current asset forecast is £144m above Budget, with higher fixed asset balances of £95m, long-term investments of £42m and prepayments of £7m. Fixed asset additions are expected to be £108m higher than Budget (being the net of increases for the Crossrail project of £139m offset by lower spend across the rest of TfL Group £31m) and disposals and depreciation are forecast to be £13m below budget.
- 10.2 Current assets were £207m higher than budget at the end of Quarter 2. Of this, £70m was due to the receipt of a VAT claim from HMRC, which was budgeted to be received late in Quarter 2, but which was received on the first day of Quarter 3, within HMRC's deadline of 30 days from receipt of claim. Additional balances arose as a result of claims, and from £7m of higher stocks, mainly in Rail and Underground, with the remainder representing trading variances across the group: including £8m of property related debtors and £11m of higher pass agent debtors, where the budget was reduced on an expected switch of sales away from retail outlets to online, but where the actual balance has remained constant.† The forecast assumes current assets to be close to budget.
- 10.3 A breakdown of the cash variances to date and forecast is shown in the table at Appendix 3.
- 10.4 Creditor balances for the year to date position are £137m higher than budget, over £100m of which is within Underground. Capital creditors are over £70m higher than budget due to accruals on SSR upgrade works and both Tottenham Court Road and Victoria station upgrade works, where invoices are not being received in line with budgeted expectations. Similarly, accruals for operating works such as track and facilities maintenance are £30m higher than budget. In TTL, revenue creditors and receipts in advance are £37m above budget, approximately half of which is for the increase in the

* The Balance Sheet and the Cash Summary (Appendix C) show the full consolidated accounts for TfL. This includes London Transport Museum (LTM) activity; cash balances as well fair value adjustments for long-term investments.

† Some text was removed from this section after initial publication as it was considered to be commercially sensitive

unused balance of period tickets (£12m) and higher Oyster deposits (£5m). Creditor balances are expected to be close to budget at year end.

- 10.5 The derivatives position at Quarter 2 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. However, as TfL only enters into such contracts to fix interest rates on its future borrowings, hedge accounting applies and any movement in the fair value of the derivative liability is recognised directly in reserves. The fair value liability is expected to reverse by maturity.
- 10.6 During the year to date, the remaining Tube Lines Finance B notes, which had a 7.5% coupon, were repaid; being refinanced in the Corporation by new bonds issued at a lower 4% coupon. External borrowings at Q2 were £174m above budget, as a result of new borrowings being taken out earlier than planned to take advantage of favourable interest rates. Borrowings for the year are forecast to be £34m higher of which £7m relates to the release of fair value adjustments following the repayment of the B notes and £27m is for net new borrowings after discounts and fees. This increase arises as a result of the unbudgeted refinancing of ex Tube Lines Finance scheduled debt repayments, as is permitted by TfL's funding settlement with Government, and has already been factored into the operational boundary for the Prudential Indicators.
- 10.7 Provisions at the end of Quarter 2 were £63m higher than budget, primarily due to £31m lower payments and £27m higher anticipated final costs against the Crossrail property provision in TfL. Provisions are forecast to be £20m higher than budget at year end. Again, most of the variance is caused by changes to the Crossrail property provision, with higher anticipated costs of £31m offset by higher payments made of £10m.

Balance Sheet (£m)	Year to Date			Full Year		
	Actual	Budget	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
Intangible assets	106	115	9	168	119	(49)
Property, plant & equipment	28,056	28,161	105	29,551	29,509	(42)
Investment properties	429	428	(1)	429	425	(4)
Long term investments	264	209	(55)	251	209	(42)
Long term debtors	367	364	(3)	494	487	(7)
Non Current Assets	29,222	29,277	55	30,893	30,749	(144)
Stocks	49	42	(7)	51	42	(9)
Short term debtors	640	440	(200)	466	480	14
Cash and Investments	4,289	3,909	(380)	3,915	3,682	(233)
Current Assets	4,978	4,391	(587)	4,432	4,204	(228)
Short term creditors	(2,045)	(1,913)	132	(1,821)	(1,811)	10
Short term borrowings	(858)	(1,138)	(280)	(889)	(1,138)	(249)
Short term lease liabilities	(45)	(52)	(7)	(70)	(70)	-
Short term provisions	(166)	(135)	31	(82)	(86)	(4)
Current Liabilities	(3,114)	(3,238)	(124)	(2,862)	(3,105)	(243)
Long term creditors	(73)	(60)	13	(61)	(60)	1
Long term borrowings	(7,180)	(6,726)	454	(6,980)	(6,697)	283
Long term lease liabilities	(813)	(814)	(1)	(768)	(769)	(1)
Long term derivatives	(70)	(116)	(46)	(73)	(116)	(43)
Other provisions	(115)	(79)	36	(106)	(79)	27
Pension provision	(2,805)	(2,809)	(4)	(2,799)	(2,802)	(3)
Long Term Liabilities	(11,056)	(10,604)	452	(10,787)	(10,523)	264
Total Net Assets	20,030	19,826	(204)	21,676	21,325	(351)
Capital and Reserves						
Usable reserves	4,294	3,972	(322)	4,181	3,774	(407)
Unusable reserves	15,736	15,854	118	17,495	17,551	56
Total Capital Employed	20,030	19,826	(204)	21,676	21,325	(351)
Cash and Investments						
CRL Sponsor funding account	1,769	1,729	(40)	1,775	1,830	55
Other cash and investments	2,784	2,389	(395)	2,391	2,061	(330)
Total as above *	4,553	4,118	(435)	4,166	3,891	(275)

* Includes Cash and Investments, and long-term investments

Appendix C: Cash summary

Cash Summary In / (Out) Flow (£m)	Year to Date			Full Year 2013/14		
	Actual	Budget	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
£m						
Margin	(603)	(700)	(97)	(1,529)	(1,534)	(5)
Working Capital Movements	(43)	(38)	5	(94)	(245)	(149)
Cash Spend on Operating Activities	(646)	(738)	(92)	(1,623)	(1,779)	(156)
Net Capital Expenditure	(631)	(790)	(159)	(1,593)	(1,762)	(169)
Crossrail	(806)	(762)	44	(1,757)	(1,615)	142
Working Capital Movements	(48)	(50)	(2)	(178)	(63)	115
Cash Spend on Capital Activities	(1,484)	(1,602)	(118)	(3,527)	(3,440)	87
Cash Settlement of derivatives						
Non-cash items included in activity	61	29	(32)	112	52	(60)
Fair value adjustment for long term investments	2	-	(2)	-	-	-
Loans to third parties (paid) / repaid	(89)	(89)	-	(216)	(216)	-
Non-Activity Cash Movements	(26)	(60)	(34)	(104)	(164)	(60)
Grants, Precept & other contributions	2,309	2,292	(17)	5,197	5,078	(119)
Borrowings Raised	589	346	(243)	437	345	(92)
Borrowings Repaid	(82)	(13)	69	(107)	(42)	65
Total Funding	2,816	2,625	(191)	5,527	5,381	(146)
Net Movement in Cash	660	225	(435)	273	(2)	(275)

Glossary

Measure	Unit	Description
London Underground: total lost customer hours	Hours	<p>The total additional journey time, measured in hours, experienced by all customers as a result of delays that lasted two minutes or longer. A delay at a busy location or during peak hours results in more 'lost customer hours' because more customers are affected.</p>
London Underground: excess journey time	Perceived minutes	<p>The average extra time that it took to complete a journey, compared to the time it would have taken if there were no delays. This can be affected by many things, such as queues to buy tickets or board trains, escalators being out of service, delays to trains, longer walking routes within stations, or planned weekend closures. A lower EJ' figure means customers experience less delay whether planned or unplanned.</p> <p>TfL weigh' the figures according to when and where the delay occurred. For example, we know that for customers, waiting on a train that is delayed in the tunnel feels longer than waiting on a platform for a delayed train to arrive, even if the total length of delay is the same. This means that the 'minutes' used in the measure are not actual minutes, but reflect customers' perception of the delay they experience.</p>
London buses: excess wait time	Minutes	<p>Excess wait time (EWT) represents the amount of time that a passenger has had to wait in excess of the time that they should expect to wait if buses ran as scheduled.</p> <p>EWT is the key measure of reliability of high frequency bus services as experienced by passengers and is also used to calculate operator performance bonuses or penalties.</p>

Transport for London Road Network (TLRN): serious and severe disruption	Hours	The KPI measures the numbers of hours of serious and severe disruption on the Transport for London Road Network (TLRN) as a result of planned and unplanned interventions.
Docklands Light Railway: on-time performance	%	The number of valid train departures expressed as a percentage of the base service departures: valid departures must have a minimum dwell of 5 seconds, the correct number of carriages and complete the whole of the scheduled route.
London Overground: public performance measure	%	<p>The Public Performance Measure (PPM) shows the percentage of trains which arrive at their destination on time.</p> <p>The PPM combines figures for punctuality and reliability into a single performance measure. It is the rail industry standard measurement of performance.</p> <p>PPM measures the performance of individual trains advertised as passenger services against their planned timetable as agreed between the operator and Network Rail at 22:00 the night before. PPM is therefore the percentage of trains 'on time' compared to the total number of trains planned.</p> <p>In London and the South East, a train is defined as on time if it arrives at the destination within five minutes (ie 4 minutes 59 seconds or less) of the planned arrival time. Where a train fails to run its entire planned route calling at all timetabled stations it will count as a PPM failure.</p>
Emirates Air Line: availability	%	Operating availability is the ratio of actual operating hours / planned operating hours. Planned operating hours are not necessarily the same as scheduled due to instances when the EAL is open outside of schedule in support of local events – particularly those at the O ₂ .

TLRN: journey time reliability (am peak)	%	The key measure for monitoring smoothing traffic flow is journey time reliability (JTR). It is defined as the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak.
Scheduled services operated	%	The amount of service that TfL actually operated, compared to what we planned beforehand – comparing peak and off-peak times. (Peak times are 07.00 – 10.00 and 16.00 – 19.00 Monday – Friday.) This helps us check whether the service we operate at the busiest times of day is as good as during quieter periods.
Recorded crime	Per million passenger journeys	The number of recorded (or notifiable) crimes per million passenger journeys on the appropriate network.
LU and LR major injury frequency rate	Major injuries/ million hours	<p>The KPI records the number of serious injuries to customers, employees and contractors using or working on London Underground and London Rail as a measure of customer and employee safety.</p> <p>A major injury is one classified as ‘major’ under schedule 1 of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Injuries arising from criminal acts, alleged suicide attempts, and medical conditions are excluded.</p>
Cumulative reduction in killed and seriously injured (KSI) Londonwide	%	The percentage reduction in Killed or Seriously injured (KSI) KPI relates to personal injury road traffic collisions occurring on the public highway, and reported to the police, in accordance with the Stats 19 national reporting system. The KPI measures the percentage change in KSI casualties on London's roads compared to the baseline average number of KSI casualties between 2005 and 2009. The Safe Streets for London (SSfL) Road Safety Action Plan published on 6 June 2013 sets out the target of a 40 per cent reduction in KSI casualties by 2020 against the 2005-09 baseline.

Vehicles operated by FORS accredited companies	Number	The KPI measures the cumulative total of vehicles operated by Fleet Operators' Recognition Scheme (FORS) accredited companies. The numbers of vehicles recognises those from at all levels (bronze, silver & gold) of accreditation. The cumulative total starts from 2008.
Passenger journeys	Millions	It's important to know how much people are travelling on TfL services. We use this information to plan for the future.
Cycling levels on the TLRN	Index	The purpose of this indicator is to assess the level of cycle use on the TLRN. The overall ambition is to increase cycling levels by 400% such that by 2025 cycling will equate to a 5% mode share of all journey trips. This indicator does not represent cycling across London as a whole; It only represents cycling on the 5% of London's roads that are the TLRN. The indicator is presented as an indexed flow relative to a baseline of March 2000 (a flow level that is represented as 100 on the index). Sixty automatic cycle counters on the TLRN provide sample counts of cyclists using the network. The indicator converts these counts into an index that is used to represent increases in cycle flows on the TLRN over time. It does not represent the total number of cyclists in London. Automatic cycling counters are pieces of monitoring equipment that emit a magnetic field that detects the presence of a moving cycle.
Customer satisfaction	%	One of our most important performance measures is customer satisfaction; this helps us understand what the people who use our services really think. An independent research company interviews around 10,000 customers every year, as they complete their trip. They are asked to make an 'overall evaluation' of their journey experience, by giving a score out of 10. We take the average of everybody's scores and multiply it by 10, to give a final result out of 100



Investment Programme Report
Second Quarter June – September 2013/14

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Cover picture; *first trial S stock on the District line*

Transport for London

Investment Programme Report

Second Quarter, 2013/14 (23 June 2013 – 15 September 2013)

I. Programme Highlights and Key Concerns

Programme Highlights in the quarter;

- Sub-Surface Railway Upgrade Programme (SUP): The programme achieved a significant milestone on 2 September 2013 when the S Stock passenger service was extended to the whole Circle line on schedule following completion of all the necessary infrastructure modifications. The programme remains on track to complete the roll out of new trains on the Circle and Hammersmith & City lines ahead of the target of the end of 2014.
- SUP: The total number of seven-car S Stock trains (S7) delivered to London is 27, on schedule.
- SUP: All the necessary infrastructure work was completed to allow the first S Stock train to run on the District line for operator training between West Ham and Olympia stations as part of the preparations for the roll-out of S stock trains on the District line.
- SUP: New sidings have been completed at Upminster Depot with all eight roads now in use for S Stock permitting major modification to the existing maintenance sheds at Ealing Common and Upminster Depots so that they can maintain the longer trains and their air-conditioning units.
- SUP: The immunisation work on the Wimbledon Branch of the District line has now been completed.
- Track: Over a weekend closure in August, the Track Partnership celebrated the successful completion of track replacement work on the Metropolitan line while keeping the adjacent Chiltern railway service open. Previous working practice would have required the closure of the adjacent Network Rail tracks. This approach has both cost and passenger benefits.
- Track: The Track Partnership achieved 3.7 kilometres of drainage improvement works (approximately 1.6 kilometres more than originally planned).
- SSR Power: Handover of Griffith House Bulk Supply Point to maintenance.
- SSR Power: The successful integration of the former Power Services Contractor, Powerlink into LU took place on 16 August 2013 with the transfer of approximately 300 staff in total with no adverse impact on service.
- Legacy Train Systems: Installation of the Automatic Track Monitoring System on the '09 tube stock was completed on Train 2 and beneficial use achieved on target on 20 September.
- Bank Station: The formal award of the main design and build contract to Dragados SA took place as planned on 1 August, and the contractor has now mobilised. The innovative procurement route has enabled improved benefits at significantly lower costs.
- Crossrail: The first of the Tunnel Boring Machines has now successfully cleared Tottenham Court Road station. With less than a metre of clearance between the new Crossrail tunnel and the existing Northern line tunnels the recorded deflection was only one millimetre.
- Northern Line Upgrade: Over the weekend of 21/22 September, Trial Operations of the new signalling system in the complex area between Archway/Chalk Farm and Angel/Euston were very successful, enabling operational use by the end of October.

2. Programme Highlights and Key Concerns

- Jubilee and Northern Line Train Mid-life Refurbishment: Successful completion of the refurbishment of Northern line trains three, four and five which have been returned to passenger service.
- Bond Street to Baker Street Tunnel Lining: the complex and innovative works to replace the tunnel rings between Baker Street and Bond Street continues to progress with no safety incidents or service impact. Eight tunnel rings have been successfully installed.
- Overground Capacity Improvement: The Silwood enabling works are largely complete and the site is being handed over to the finishing works contractor on schedule.
- New Investment Split Cycle Offset Optimisation Technique (SCOOT): All 1,000 sites were enabled by 24 July 2013.
- Hammersmith Flyover Phase 2: Following successful completion of the tender process and evaluation results the contractor has been awarded the Framework Agreement for Early Contractor Involvement. The contractor has worked with the designer to progress concept and detailed design phases to allow the possession of site to be taken on 28 October 2013.
- New Bus for London (NBfL) Vehicle Purchase: The first route to be converted was route 24 on 22 June 2013, operated by Metroliner with the second route (11) operated by Go Ahead, converted on 21 September as planned.

Key Concerns and Mitigations

- SUP: The condition of some of the existing depot assets and utility services is adding cost and schedule pressure to these projects and has caused a number of milestones to be forecast as late but this does not impact the DfT milestone dates to complete replacement of C and D stock.
- SUP: The remainder of the immunisation work is now being progressed to an agreed schedule and is forecast to complete in early 2014. This is on the critical path for the roll out of new trains on the District line, but confidence is high that the 2016 DfT date to complete the roll-out is not compromised, and further mitigation actions are planned to minimise the impact of the delay. This does not impact the replacement of C stock which is forecast to be complete by summer 2014, ahead of the DfT target.
- SUP Automatic Train Control (ATC): Discussions with Bombardier, including a director-level review in the USA, are ongoing to reach an agreed position on the work required to deliver the ATC systems and the migration strategy to ensure successful delivery of 32 trains per hour by the required 2018 date.
- Demonstration of the ATC system at the Old Dalby test track was not achieved by the August 2013 “key date” in the Bombardier contract. Following LU review and challenge, Bombardier has acknowledged that this will not be achieved until at least June 2015. LU believes that if their current plan is continued, there will be a similar delay in contract completion taking it beyond the DfT target date of 2018. This would also lead to significant LU exposure in excess of SUP funding. A range of options are being considered to maintain delivery of the upgrade by 2018.
- Procurement of the Tunnel Cleaning Unit is to be formally placed on hold as new enabling work on tunnel infrastructure has been identified which is vital to realise the benefits of the Tunnel Cleaning Train. The work on the Motive Power Units will continue as they can be used as multipurpose vehicles. The project will be re-baselined in summer 2014 once the scope of the enabling work is agreed and authorised.

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

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

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 2013 baseline. If appropriate, milestones listed as deliverables for the year in the 2013/14 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 1 Operational and Financial Report.

The estimated final cost (EFC) of some of the projects is not included (marked as * or N/A) for reasons of either commercial confidentiality or annualised programmes.

Rail and Underground Capital Programmes

Sub-Surface Railway (SSR) Upgrade

Spend to end Q2 2013/14 £m	EFC £m
2688.5	4249.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Hammersmith to Barking (Wembley Park Sidings) approval to operate in passenger service	17-May-13	17-May-13	Complete
Extended Circle approval to operate in passenger service	30-Aug-13	30-Aug-13	Complete
ATC Signalling - Contract Data key date 2 - (Test Track Demonstration Complete)	23-Dec-14	18-Jun-15	■
Roll out of new air-conditioned trains on the Circle, Hammersmith & City Lines complete	31-Dec-14	31-Dec-14	●
Roll out of new air-conditioned trains on the District Line complete	31-Dec-16	31-Dec-16	●
Sub-Surface Upgrade complete delivering 33% capacity increase	31-Dec-18	31-Dec-18	●
Full signalling upgrade across the Sub-Surface network complete (Annex B:2018)	31-Dec-18	31-Dec-18	●
Depots	Current Plan Date	Actual/Forecast Date	RAG
Upminster Depot North Sidings Signalling Brought into Use	22-Jun-13	20-Oct-13	■
Upminster Depot Yard Enabling Brought into Use	01-Sep-13	01-Sep-13	Complete
Neasden Depot Winterisation Works Complete	31-Oct-13	14-Jan-14	▲

Rail and Underground Capital Programmes

Ealing Common Depot Yard Enabling Brought into Use	14-Nov-13	08-Apr-14	■
Neasden Depot Heavy Maintenance Facility Concept Design Complete	04-Jan-14	17-Feb-14	▲
Ruislip Depot made available to BT for train fitment	28-Feb-14	18-Nov-14	■
SUP Depots Sub-programme Completion	31-Mar-15	28-Sep-15	■
ATC	Current Plan Date	Actual/Forecast Date	RAG
DC Traction ETE - Electrical Traction Equipment - Feeder Cable Plaistow - Finish on Site	21-Aug-13	14-Jun-13	Complete
ATC Signalling - Complete retrospective documentation of VATCRATP product software baseline	29-Sep-13	29-Sep-13	●
ATC Signalling - System Design Specification Complete (SDS)	03-Nov-13	05-Feb-14	■
ESTL RUB approval of End State Track Layout Closure Programme	13-Dec-13	31-Oct-13	●
ATC Signalling - Service Control Centre - Concept layout complete	25-Dec-13	13-Nov-13	●
ATC Signalling - Complete Wayside Installation at Old Dalby Test Track	05-Jan-14	05-Jan-14	●
ATC Signalling - Old Dalby Test Track - S Stock S8 Onboard equipment Installed at Test Track location	12-Jan-14	12-Jan-14	●
ATC Signalling - Completion of integration testing at Old Dalby	11-Mar-14	08-May-14	▲

Rail and Underground Capital Programmes

Rolling Stock	Current Plan Date	Actual/Forecast Date	RAG
17th S7-Stock Contractual Acceptance for Service (AFS)	19-Jul-13	26-Apr-13	Complete
Vehicle Maintenance Instructions accepted from BTUK	14-Sep-13	30-Sep-13	▲
22nd S7-Stock Contractual Acceptance for Service (AFS)	27-Sep-13	25-Mar-13	Complete
27th S7-Stock Contractual Acceptance for Service (AFS)	01-Nov-13	04-Jun-13	Complete
Modification Workbank Package Complete	28-Feb-14	01-Apr-14	▲
S7 28 day integrated train reliability achieves 15,000km mean distance between failures	28-Feb-14	28-Feb-14	●
SUP Rolling Stock Sub-programme Completion	31-Mar-19	05-Feb-16	●
Signal Immunisation	Current Plan Date	Actual/Forecast Date	RAG
Wimbledon Branch Immunisation Restriction (R214) lifted.	04-Jan-14	31-Jul-13	Complete
SUP Signalling Immunisation Sub-programme Completion	30-Jun-14	28-Oct-14	■
Infrastructure Other	Current Plan Date	Actual/Forecast Date	RAG
Block 14 Earls Court - Ready For Integration Test	22-Jun-13	14-May-13	Complete
Extended Circle - Completion of Integration & Testing	03-Aug-13	02-Aug-13	Complete
Hammersmith to Barking - Infrastructure Full Completion	14-Sep-13	13-Sep-13	Complete
Baker Street to Wembley Park Sidings - Infrastructure Full Completion	14-Sep-13	13-Sep-13	Complete

Rail and Underground Capital Programmes

Wimbledon to Edgware Road - Completion of Integration Testing	10-Jan-14	10-Jan-14	●
SUP Enabling Other Sub-programme Completion	31-Dec-17	31-Dec-17	●
Croxley	Current Plan Date	Actual/Forecast Date	RAG
Croxley Rail Link – LU formal submission of Development Agreement to HCC for sign off	15-May-13	17-Apr-13	Complete

The first phase of the upgrade (SUP) of Sub-Surface Railway (consisting of the Circle, District, Hammersmith & City and Metropolitan lines) is to replace the rolling stock on all lines, which provides new, longer air-conditioned through-carriage trains (S Stock). This will be completed by 2016. The second phase of the upgrade will increase capacity (32 trains per hour) and reduce journey times through implementation of a new automated train control signalling system (ATC) and associated control centre, revised track layouts at key junctions, and increased electrical power supply. These benefits will be delivered by 2018.

Train roll-out

The Metropolitan line train fleet has already been replaced with 58 new eight-car S Stock trains (S8) and the associated infrastructure works completed, apart from minor snagging and recovery of redundant assets. The S8 trains are undergoing a reliability enhancement programme, of which 12 have been completed, with the remainder forecast to be completed over the next six months.

On 2 September 2013, the S Stock passenger service was extended to the whole Circle line following completion of all the necessary infrastructure modifications. The supply of new rolling stock has continued during the quarter, bringing the total number of seven-car S Stock trains (S7) delivered to London to 27.



Two new S7's at Hammersmith



S Stock on the Circle line

One Person Operation (OPO) faults, account for the highest number of train failures. The OPO improvement programme is now well developed with defined targets for reliability, which are forecast to be met by the end of the year.

Rail and Underground Capital Programmes

The depots works to support train roll-out include enhancement works to Neasden, Ealing Common, Upminster, and Hammersmith depots to enable the stabling and maintenance of the new longer trains.

New sidings have been completed at Upminster Depot with all eight roads now in use for S Stock that permit major modification to the existing maintenance sheds at Ealing Common and Upminster Depots, such that they can maintain the longer trains and their air-conditioning units. The condition of some of the existing assets and utility services is adding cost and schedule pressure to these projects and has caused a number of milestones to be forecast at late but this does not impact the DfT milestone dates to complete replacement of C and D stock.

To enable operation of the new S Stock trains on the Sub-Surface Railway (SSR) network, work is required to immunise LU and Network Rail track circuits and other signalling equipment from electro-magnetic interference from the new trains. Completion of these works has been delayed in three Network Rail inter-running areas (Wimbledon Branch, Richmond Branch and the east end of the District line) due to design issues. The work on the Wimbledon Branch has now been completed. The remainder of the work is on the critical path but confidence is high that the 2016 DfT date to complete replacement D stock is not compromised, and further mitigation actions are planned to minimise the impact of the delay and not impact the replacement of C stock, which remains on forecast to be complete by summer 2014, ahead of the DfT target.

Due to the S Stock being longer than the legacy stock and having different station stopping positions, a large number of station infrastructure and existing signalling modifications are required to roll-out the trains, as well as a number of platforms lengthened (which have now all been completed). All the necessary infrastructure work has been completed to allow the first S Stock train to run on the District line for operator training between West Ham and Olympia stations as part of the preparations for the roll-out of S stock trains on the District line.

Automatic Train Control

Progress to date on the new signalling system shows that there remain significant challenges to deliver the capacity uplift associated with this by 2018 within the overall programme funding. The programme team is engaged in discussion at a senior level with the signalling contractor to review the current status and expedite the technical solution and the delivery strategy in order to maintain the integrity of the required benefits and the overall completion date of 2018.

The Bombardier Automatic Train Control (ATC) schedule forecast for system demonstration at the Old Dalby test track is now June 2015, which is later than planned. Intensive engagement with Bombardier has been held to reach an agreed position on the scope of work required and the schedule for this. An S7 train has been handed over to Bombardier to commence the ATC signal testing at the Old Dalby test track and an S8 train will be provided in November.

Planning is underway to identify the optimum delivery strategy to implement the required track re-modelling works to remove bottlenecks at the major junctions such that this dovetails with the ATC signalling installation and commissioning, and causes the minimum of operational disruption. The timing and sequence of these track re-modelling works is being reviewed to address the uncertainty of the ATC schedule.

Construction work has commenced at Ruislip Depot to create a facility in London for retrofitting ATC equipment to S stock.

Rail and Underground Capital Programmes

Croxley

The Croxley Rail Link is the proposed extension of the London Underground Metropolitan line from Croxley to Watford Junction via Watford High Street. The scheme is being led by Hertfordshire County Council (HCC) with their principal contractor Vinci, and supported by London Underground. In December 2011, the Department for Transport (DfT) announced funding of £76m, towards a total project cost of £117m. LU are currently working with HCC to complete a programme wide review of cost and schedule, the intent of which is to confirm that the scheme remains viable within HCC's existing funding envelope.

Rail and Underground Capital Programmes

Track Renewal (BCV/SSR)

Spend to end Q2 2013/14 £m	EFC £m
55.4	121.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Deep Tube Class I Renewal - Achieve 1,670m P7	11-Oct-13	11-Oct-13	●
Points & Crossings - Achieve 8 units P7	11-Oct-13	08-Sep-13	Complete
Ballasted Track Replacement & Re-ballast Metres - Achieve 6,406m P7	11-Oct-13	25-Aug-13	Complete
Track Drainage - Replace 4,558m replaced P7	11-Oct-13	02-Sep-13	Complete
18,018m of Track replaced (total 8% replaced)	31-Mar-14	31-Mar-14	●
Deep Tube Class I Renewal - Achieve 3,510m P13	31-Mar-14	31-Mar-14	●
Points & Crossings - Achieve 14 units P13	31-Mar-14	03-Mar-14	●
Track Drainage - Replace 8,232m replaced P13	31-Mar-14	03-Mar-14	●

Track Programme SSL/BCV

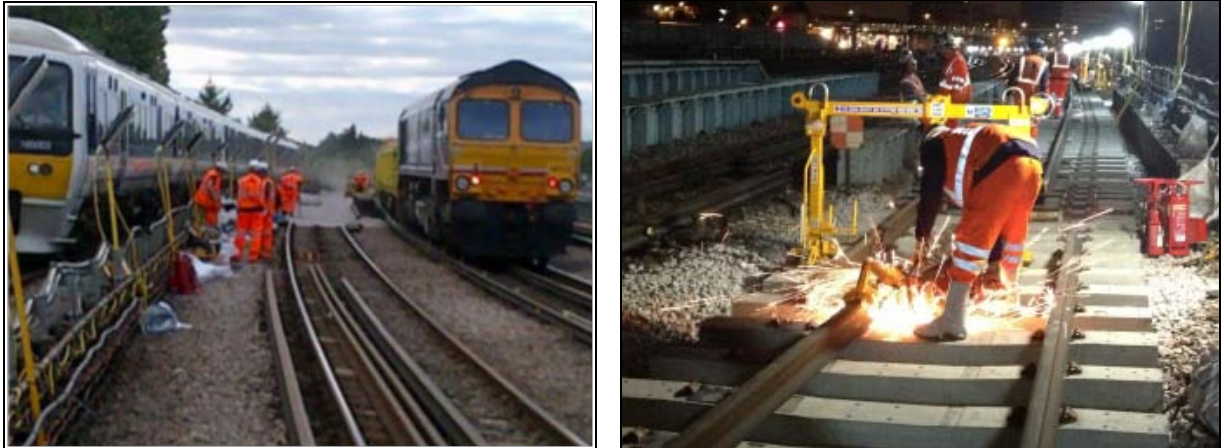
The programme remit is to deliver a five year programme (2010-2015 with an extension option for a further two years) of track, drainage and points and crossings renewals against an established schedule of work. By 2018 the target is that 25 per cent of new infrastructure will have been delivered.

Track Partnership

During quarter two, the Track Partnership delivered 2.7 kilometres of ballasted track renewal. Despite the loss of a weekend closure, due to a Games legacy event at Stratford, this was only 57 metres below the original quarter two plan.

Rail and Underground Capital Programmes

Furthermore, over a weekend closure in August, the Track Partnership celebrated a first - the successful completion of track replacement work on the Metropolitan line while keeping the adjacent Chiltern railway service open.



Track replacement work on the Metropolitan line keeping adjacent Chiltern line open

The Track Partnership also achieved 3.7 kilometres of drainage improvement works (approximately 1.6 kilometres more than originally planned), this was an exceptional delivery amount.

Also in the quarter the Track Partnership completed the planned renewal of four points and crossings units at Northolt on the Central line.

The extensive delivery completed in quarter two saw the Track Partnership achieve three programme milestones for ballasted track and drainage renewals plus Point and Crossing renewals. These milestones were met several weeks before the target dates.

Track Delivery Unit:

The Track Delivery Unit (TDU) achieved 848 metres (36 metres above plan) of Class 1 Deep Tube Renewal in quarter two.

The TDU also maximised opportunity works during a Central line closure to deliver 4.3 kilometres of rail grinding, this brought the quarterly total of rail grinding to an impressive 9 kilometres achieved.

Rail and Underground Capital Programmes

Civils (BCV/SSR)

Spend to end Q2 2013/14 £m	EFC £m
13.7	30.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
M074 EM1 & EM2 Harrow on the Hill North Harrow (Practical Completion)	27-Apr-13	19-Apr-13	Complete
Start on Site MLNE7,9,10 - (Budgetary PAM)	25-May-13	25-May-13	Complete
M032 CTS8 & CTS13 Chalfont & Latimer to Chesham (Practical Completion)	17-Aug-13	16-Aug-13	Complete
Practical Completion (PCR) (CTS1 & CTS2A & B Barkingside to Newbury Park)	24-Aug-13	23-Aug-13	Complete
MR61 - Detail Design - Parapet and Bridge approaches replacement.	14-Sep-13	16-Aug-13	Complete
M032 EM10 Chalfont & Latimer to Chesham (Project Completion)	07-Dec-13	07-Dec-13	●
Covered Way Strengthening of CW101 (Practical Completion)	01-Mar-14	01-Mar-14	●

The programme involves the strengthening, renewal and refurbishment of the Bridges and Structures and Earth Structures assets. The works are required to reduce asset risk, lower whole life costs and to extend residual asset life.

The quarter two delivery programme is on plan. Civils delivered three milestones which included two budgetary milestones. Also, as planned, three embankments/cuttings stabilisations were completed and bridge painting to 95 per cent achieved. Other activities include scour works on Bridge (MR80) between Moor Park and Rickmansworth and completion of Detail Design of parapet protection between Northwood to Northwood Hills (MR61).

- Achieved practical completion of cuttings stabilisation between Barkingside to Newbury Park to deliver a budgetary milestone.
- Practical completion of cutting stabilisation at Hanger Lane achieved.
- Bridge painting on the assets located between Watford and Croxley currently complete to 95 per cent as scheduled.

Rail and Underground Capital Programmes

- Budgetary milestone achieved with the Practical Completion successfully carried out of cuttings stabilisation between Chalfont and Latimer to Chesham.



Newly painted bridge located between Watford and Croxley

Rail and Underground Capital Programmes

Track (JNP)

Spend to end Q2 2013/14 £m	EFC £m
23.4	52.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete 1000 Mtrs of Track life extension (half year)	01-Oct-13	26-May-13	Complete
Complete 750 Mtrs of Track reconditioning (half year)	01-Oct-13	08-Aug-13	Complete
Complete 3no Ballast Track Replacement (BTR)	12-Oct-13	26-Aug-13	Complete
Complete 1500 Mtrs of UV Lining (Drainage)	05-Oct-13	19-Sep-13	●
Completion of 4000 Mtrs of UV Lining (Drainage)	30-Mar-14	30-Mar-14	●
Complete 1750 Mtrs of Track reconditioning (full year)	31-Mar-14	20-Jan-14	●
Complete 3600 Mtrs of Track life extension (full year)	31-Mar-14	08-Dec-13	●
Complete 4 no points renewal (full year)	31-Mar-14	31-Mar-14	●

The programme remit is to deliver track and associated drainage renewals and capitalised maintenance in the open, deep tube and depot environments across the JNP lines. The programme of works is prioritised by on-going condition assessments and whole life asset management decisions between Opex and Capex.

Track Partnership / Track Delivery Unit:

The integration of the JNP / BCV and SSR delivery units continues to plan.

The amalgamation of project teams caused no disruption to planned works and enhanced delivery specifically with regard to ballasted track renewals.

Three JNP Track programme milestones were achieved in quarter two, these related to ballasted track and drainage renewals and deep tube track reconditioning.

Rail and Underground Capital Programmes

The Track Partnership delivered 1.5 kilometres of ballasted track renewal and 828 metres of track drainage remediation.

The Track Delivery Unit achieved 782 metres of track reconditioning works (188 metres over plan due to utilising opportunity works) and 956 metres of track life extension works (150 metres above plan). Additionally 5.6 kilometres of scrap rail was removed from the JNP network.

Pit reconditioning works, 178 metres, fell below plan due to Northern line test trains preventing work across several sites although other opportunity works were undertaken and the shortfall is being re-planned.

Rail and Underground Capital Programmes

Cooling the Tube Programme

Spend to end Q2 2013/14 £m	EFC £m
173.1	189.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Reinstatement of Out of Service Fans - Issue ITT for final design contract for next phase of fan upgrades	24-Jun-13	12-Apr-13	Complete
Issue ITT (QF - Design & Build)	24-Jun-13	12-Apr-13	Complete
Quick Win Fans Beneficial Use	13-Oct-14	01-Sep-14	●

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.

Since the start of the programme, the investment in cooling and ventilation infrastructure has acted as an enabler for the upgrade of the Victoria line, allowing for a 30 per cent increase in train services without impacting platform and tunnel temperatures. While the line upgrade is due to implement full train service capacity in 2014, platform temperatures are currently assessed to be around two degrees centigrade below their pre-line upgrade conditions.

The Cooling the Tube Programme, in collaboration with the Railway Systems Group, continues this work developing cost effective, targeted, cooling and ventilation solutions as the enablers to allow other deep tube programmes to increase service levels and implement new rolling stock to meet ever increasing customer expectations.

Works progressed to programme this quarter. Contracts for further out-of-service fans were awarded to the contractor Mansell for Quick Wins design and build and to the contractor FirstCo for the Quick Wins supply contract. Feasibility studies for cooling works required to support the New Tube for London programme have been carried out at ten stations ahead of schedule and a further three have been commissioned. A new Centralised Cooling Control System, enabling computer-based real-time monitoring of fan conditions across the network, in order that remedial works can be carried out quickly when required, is due to become available in October.

Rail and Underground Capital Programmes

SSR Major Power Works (Signalling)

Spend to end Q2 2013/14 £m	EFC £m
7.7	37.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Start of Construction - Cable Route and Transformer Rooms	29-Jul-13	10-Jun-13	Complete
Section 1 Substantial Completion (Part 8)	30-May-14	07-Apr-14	●
Section 2 Substantial Completion (Part 8)	28-Jul-14	10-Jun-14	●
Section 3 Practical Completion (Stepney Green Part 8)	28-Oct-14	01-Aug-14	●
Finish on Site - Cable Route & Transformer Rooms - All Sites	20-Nov-14	23-Oct-14	●
Project Financial Close	31-Mar-16	01-Mar-16	●

This project will provide the main power supplies for the SSR signalling (local distribution of signalling power is covered elsewhere) and associated station lighting mains.

Progress this quarter has been to programme, with the project moving from detailed design to delivery stage in September 2013. Civils works have been completed ahead of plan at Amersham, Watford, Rickmansworth, North Harrow and Moor Park; civils works have commenced ahead of plan at Stepney Green and Wembley Park. In addition, resilient supplies to Hammersmith Service Control Centre have been completed.

The programme is on track to deliver all the Sub-Surface Upgrade Programme requirements on time.

Rail and Underground Capital Programmes

SSR Major Power Works (Traction)

Spend to end Q2 2013/14 £m	EFC £m
350.0	504.5

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Issue ITT for 132kV Cable Route to Neasden Bulk Supply Point	02-Apr-13	02-Apr-13	Complete
West Ham (New) - Building Brickwork Complete	08-Jul-13	17-May-13	Complete
Power Capacity to support Full S7 Fleet (pre-ATC) on Circle + Paddington - Hammersmith	30-Jul-13	19-Jun-13	Complete
Power Available for ATC mode north of Baker Street	20-Nov-13	20-Nov-13	●
Provision of (Firm) Power capacity to support 57S7D to Upminster	06-Dec-13	06-Dec-13	●
New Bulk Supply Point at Edgware Road	01-Mar-14	28-Feb-14	●
Power available to support full S7 stabling of trains (Ealing Common Depot).	05-Mar-14	13-Jan-14	●
Programme Stage Gate 6 Review (SSR PU Programme Close)	15-Jun-18	01-Jun-18	●

This programme will deliver the upgraded power supply capacity to support the entire SSR line upgrade. Capacity is in place to support the entire S8 fleet in pre-ATC mode. Work is now underway to support the introduction of the S7 fleet and the move to full performance under ATC.

The key achievement in the quarter was the handover of Griffith House Bulk Supply Point to maintenance. The first transformer rectifier has been delivered to Ealing Common High Voltage (HV) traction substation and key changeovers between Victoria and St James's Park stations have been completed. Civils works have been completed at West Ham and continue to make good progress at Upminster Bridge. Civils enabling works have commenced at Farringdon and Ravenscourt Park Depot HV traction substation.

This quarter also saw the successful integration of the former Power Services Contractor, Powerlink, into LU on 16 August 2013.

The programme is on track to deliver all SUP requirements on time.

Rail and Underground Capital Programmes

World Class Capacity

Spend to end Q2 2013/14 £m	EFC £m
0.5	*

Victoria

A feasibility study to define the scope, cost and business case for delivering world class levels of capacity on the Victoria Line.

- Power modelling – an analysis of disrupted service patterns was completed.
- Cooling modelling - further modelling with 36 trains per hour from Seven Sisters to Walthamstow Central, revised passenger flows and coasting profiles was completed.
- A scoping document for signalling changes to initiate recovery margins for all station to station links is complete with a follow up workshop on 30 September to conclude.
- An analysis of service ramp up requirements has been completed

Jubilee

Full funding for the feasibility stage on the Jubilee line is now in place with External Expert and Independent Investment Programme Advisory Group (IIPAG) Initiation Gate reviews complete. These were generally positive with management actions underway to address the issues raised.

The stage one feasibility study report, outlining options for increasing the Jubilee line service to 36 trains per hour and the requirement for additional rolling stock is now being produced along with a paper for decisions required from the World Class Capacity programme board.

Rail and Underground Capital Programmes

Legacy Train Systems

Spend to end Q2 2013/14 £m	EFC £m
110.6	N/A

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Inner Inter Car Barriers - Bring In To Beneficial Use (Central & W&C Line)	09-May-13	09-May-13	Complete
Battery Loco Refurbishment - 7th Loco Complete	09-Aug-13	24-Jun-13	Complete
ATMS - In Service Audio Visual & Noise & Vibration	20-Sep-13	20-Sep-13	Complete
TCT - Motive Power Unit Ready for Railway Trials (Consent to Test in Acton Works)	15-Nov-13	01-Nov-13	●
ATMS - Acceptance of Automatic Track Monitoring System on Bakerloo Line	07-Feb-14	07-Feb-14	●
Battery Loco Refurbishment - Loco 9 Complete	10-Mar-14	09-Jan-14	●
92 Tube Stock Refresh - Finish on Site 218 CarBody Ends	31-Mar-14	31-Mar-14	●

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

'92 Tube Stock Refresh

630 body ends complete against a period target of 620 and a total quantity of 795 body ends.

Automatic Track Monitoring System – ATMS

'09 tube stock train 2 installation and beneficial use achieved on target 20 September.

New Tunnel Cleaning Train (TCT)

Procurement of the Tunnel Cleaning Unit is to be formally placed on hold as new enabling work on tunnel infrastructure has been identified which is vital to realise the benefits of the Tunnel Cleaning Train. The work on the Motive Power Units will continue as they can be used as multipurpose vehicles. The project will be re-baselined in summer 2014 once the scope of the enabling work is agreed and authorised.

Rail and Underground Capital Programmes

Battery Loco Life Extension

Locomotives 8 and 9 are in work at Acton and are on target.



Battery loco undergoing works



Completed battery loco

Central Line Bogie Modifications

Gearbox overhauls and associated bearing replacement progressing to programme at eight per week with completion of 1943 gearboxes by January 2016.

Rail and Underground Capital Programmes

New Tube for London

Spend to end Q2 2013/14 £m	EFC £m
14.7	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Proof of Concept Study for Saloon Air-Cooling in a Deep Tube Train Application - Complete	26-Jul-13	28-May-13	Complete
Commencement of the First Obstacle Detection Trial	19-Aug-13	18-Apr-13	Complete
Programme Feasibility Complete (Programme Gate B)	22-Oct-13	25-Sep-13	Complete
TfL to issue ITT for the first phase of a new generation of low-energy, high-capacity deep tube rolling stock which would ultimately be applicable to the Bakerloo, Piccadilly and Central lines	29-Dec-15	09-Dec-15	●

New Tube for London (NTfL) is expected to deliver new trains and railway control systems to the Bakerloo, Piccadilly, Waterloo & City and Central lines to replace life-expired assets to realise capacity and journey time benefits, using increased levels of automation, at the lowest possible whole-life cost. This will be achieved through the introduction of more efficient train system solutions which will allow line capacity enhancements to be delivered without a major increase in energy consumption and tunnel temperatures, thereby reducing the need for capital intensive tunnel and station cooling infrastructure.

The NTfL will incorporate lessons learnt from Jubilee and Victoria line upgrades, specifically that many of the final cost and performance characteristics of an upgrade and subsequent operation and maintenance are determined by decisions / constraints made early in the programme lifecycle. Furthermore, understanding the interaction between different parts of the overall operation of the system is critical to achieving the high levels of performance and business case benefits.

The programme received a 'Pathway' Stage Gate B conditional pass on 18 September, pending the completion of four outstanding products (Programme Execution Plan; Operational and Maintenance Concept; Programme Requirements Specification; Benefits & Value Plan) by 9 October.

Feasibility (beyond Gate B) work stream activities being progressed include the inverting substation trial design, obstacle detection trials, hybrid air cooling design and ongoing supplier engagement.

Rail and Underground Capital Programmes

Crossrail and London Underground Works

Spend to end Q2 2013/14 £m	EFC £m
192.7	273.3

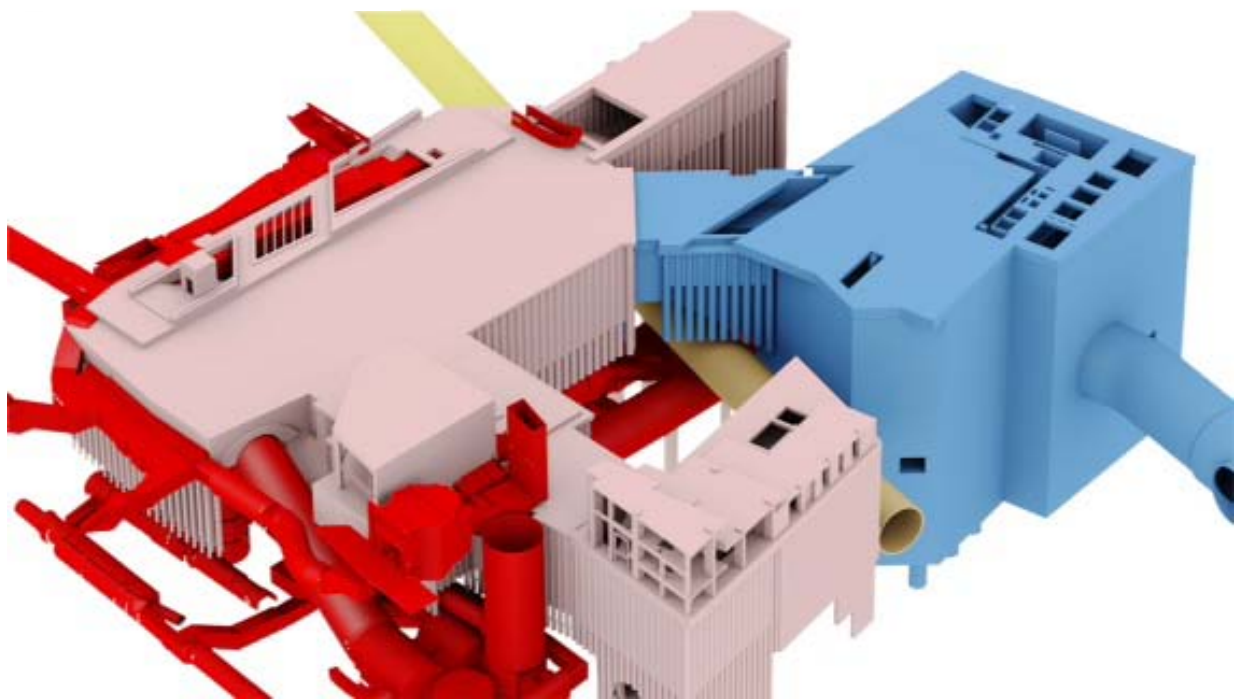
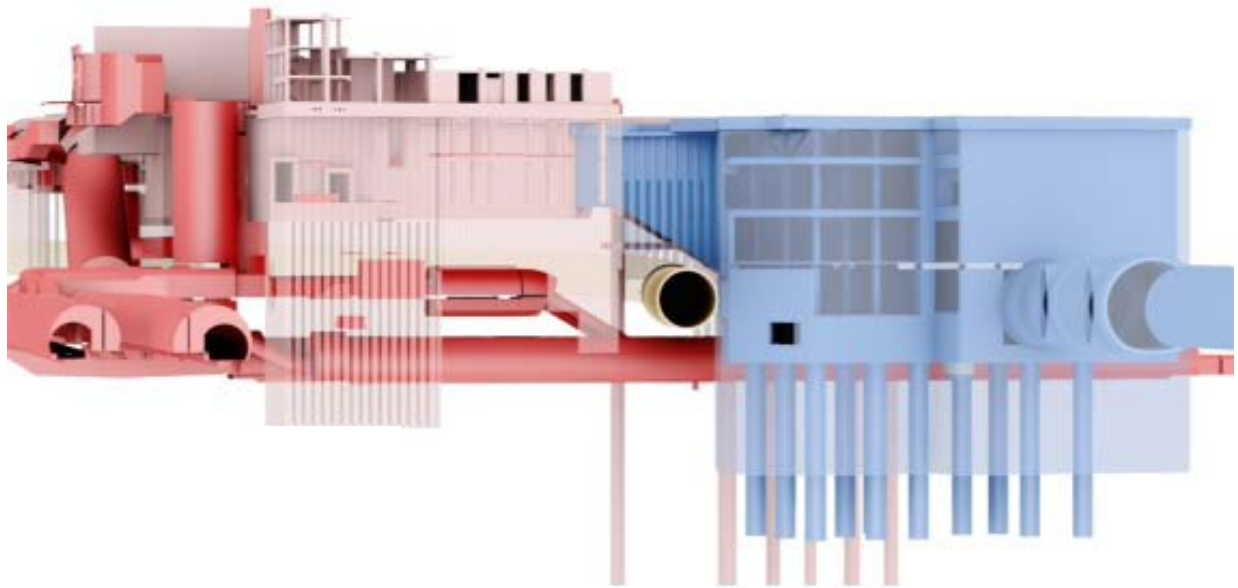
Programme level	Current Plan Date	Actual/Forecast Date	RAG
LU Support Complete for Crossrail Trial Running Stations (Central Section)	28-Feb-19	31-Dec-18	●

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

LU issued no objection for Tunnel Boring Machine (TBM) 1 to enter the zone of influence at Farringdon, where the TBM will end its journey. LU issued no objection for TBM 2 to enter the zone of influence at Tottenham Court Road station above the Northern line and it has now successfully cleared the station on its journey eastwards. With less than a metre of clearance between the new Crossrail tunnel and the existing Northern line tunnels the recorded deflection (one millimetre) was a fraction of that predicted. Please see axonometric on next page.

The LU Concept Design Statement for the Stations Operation Room Integration project has been approved by CRL. The Works Package Plan for Detailed Design phase has been agreed by CRL.

Funding for an additional lift at Whitechapel station has been agreed by LU.



	London Underground Existing Construction
	London Underground New Construction
	Crossrail New Construction
	TBM Progress to Date
	TBM Planned Progress

Tottenham Court Road Crossrail tunnel drive

Rail and Underground Capital Programmes

Station Developments

Spend to end Q2 2013/14 £m	EFC £m
1219.7	1329.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bromley-by-Bow Step Free Access (SFA) - Commence Detailed Design	27-Jan-14	04-Jun-14	■
Gunnersbury Station Refurbishment - Bring into Beneficial Use	08-Nov-13	08-Nov-13	●

Optimising opportunities to work with third parties (property developers, business interest groups and local authorities) to identify opportunities for investment in station access and capacity. The aim is to be pro-active in seeking collaborative partnerships which both unlock investment and ensure operational objectives are effectively considered.

55 Broadway: of the 19 architectural Pre-qualification Questionnaire's evaluated, five have been shortlisted to tender.

Elephant and Castle: the strategy group have agreed to look at over-site development (OSD) proposals to help strengthen the business case.

Finsbury Park spiral staircases: a month of Travel Ambassador shifts have been successfully completed. Travel ambassadors assisted with passenger way finding following the closure of the spiral staircases.

Bromley-by-Bow: the architect has not delivered the design as per the brief and the contract has been terminated. Design to be re-tendered (subject to programme board approval).

Rail and Underground Capital Programmes

Vauxhall Station Upgrade

Spend to end Q2 2013/14 £m	EFC £m
1.8	35.1

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Vauxhall Station Capacity & SFA - Bring Into Use (SFA Lift and Stairs)	23-Oct-15	01-Sep-15	●

The aim of the project is to reduce congestion and queuing at Vauxhall station through increased station capacity and reduce the risk of unplanned station closures. The project delivers additional gate line and ticket hall capacity and step-free access from ticket hall to platform level.

Vauxhall is designated as one of London's Opportunity Areas, and is set to benefit from significant investment over the coming years. These works, along with other TfL investment in improving the local transport network, will help support the regeneration of the area

Concept design statements for Communications, Electrical, Mechanical, Lift, Fire and Architectural designs have been issued and a third party wall surveyor has been appointed.

Closure requests to support Bechtel's construction phasing have been submitted.

Rail and Underground Capital Programmes

Stations Stabilisation Programme

Spend to end Q2 2013/14 £m	EFC £m
21.2	459.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Earls Court Station Commence Detailed Design	12-Jun-13	16-Apr-13	Complete
South Kensington Station Start On Site	28-Oct-13	28-Oct-13	●
Paddington Station Start On Site	15-Nov-13	21-Sep-13	Complete
Earls Court Station Start On Site	23-Dec-13	25-Nov-13	●

LU's station Stabilisation programme will undertake station-wide asset stabilisation for 74 LU stations across BCV/SSR, providing interventions to; ensure station assets are brought up to a "fair for ten years" condition; prevent degradation of the assets; and ensure safety critical systems are in full working/compliant order.

The population of the work bank ahead of final scoping has been completed at Chiswick Park, Parsons Green, High St. Kensington, Sloan Square and Greenford.

Embankment roof works have now been completed, six weeks ahead of programme.

The Jubilee line wall tiling has commenced at Baker Street, on programme which means that eight work packages are currently on site managed under 'STAKE' construction management. ('STAKE' engages directly at trade contractor level avoiding the need for tier 1 and 2 contractors).



Embankment roof: before



Embankment roof: after

Rail and Underground Capital Programmes

LU Lifts & Escalators

Spend to end Q2 2013/14 £m	EFC £m
22.3	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bank Start On Site – (Closure)	28-May-13	18-Apr-13	Complete
Bring Into Use (BIU) Canary Wharf escalator 13	06-Sep-13	23-Aug-13	Complete
Bring Into Use Westminster escalator 4	28-Sep-13	30-Aug-13	Complete
Greenford PAM Phase 1 – Escalator Start on Site	02-Oct-13	04-Sep-13	Complete
Bring Into Use Waterloo escalator 10	28-Oct-13	14-Oct-13	●
Highbury & Islington escalator 3 Return To Service (RTS)	02-Nov-13	29-Sep-13	●
Edgware Road Station Lift No. 1 & 2 Refurbishment - Bring into Beneficial Use (Return to Service (RTS))	18-Jan-14	21-Dec-13	●
Bring Into Use (BIU) Old Street escalator E3	21-Mar-14	25-Jun-14	■

The lift and escalator portfolio delivers the cyclical renewal of lifts and escalators to:

- Ensure safety critical systems are functional and compliant with standards and legislation; and
- Prevent the degradation of assets through whole life asset management decisions and modelling.

Lift and escalator refurbishment projects continue to be brought into use either on or ahead of programme. The Tube lines and London Underground Lift and Escalator delivery teams have merged to create a combined delivery team. This is expected to deliver additional efficiencies.

The reprioritisation of the Kone escalator programme across Old Street, Waterloo, Angel, and Tottenham Court Road stations has resulted in a minor delay to the completion of Old Street escalator no. 3. No operational impacts are foreseen.

Rail and Underground Capital Programmes

Tottenham Court Road Station Upgrade

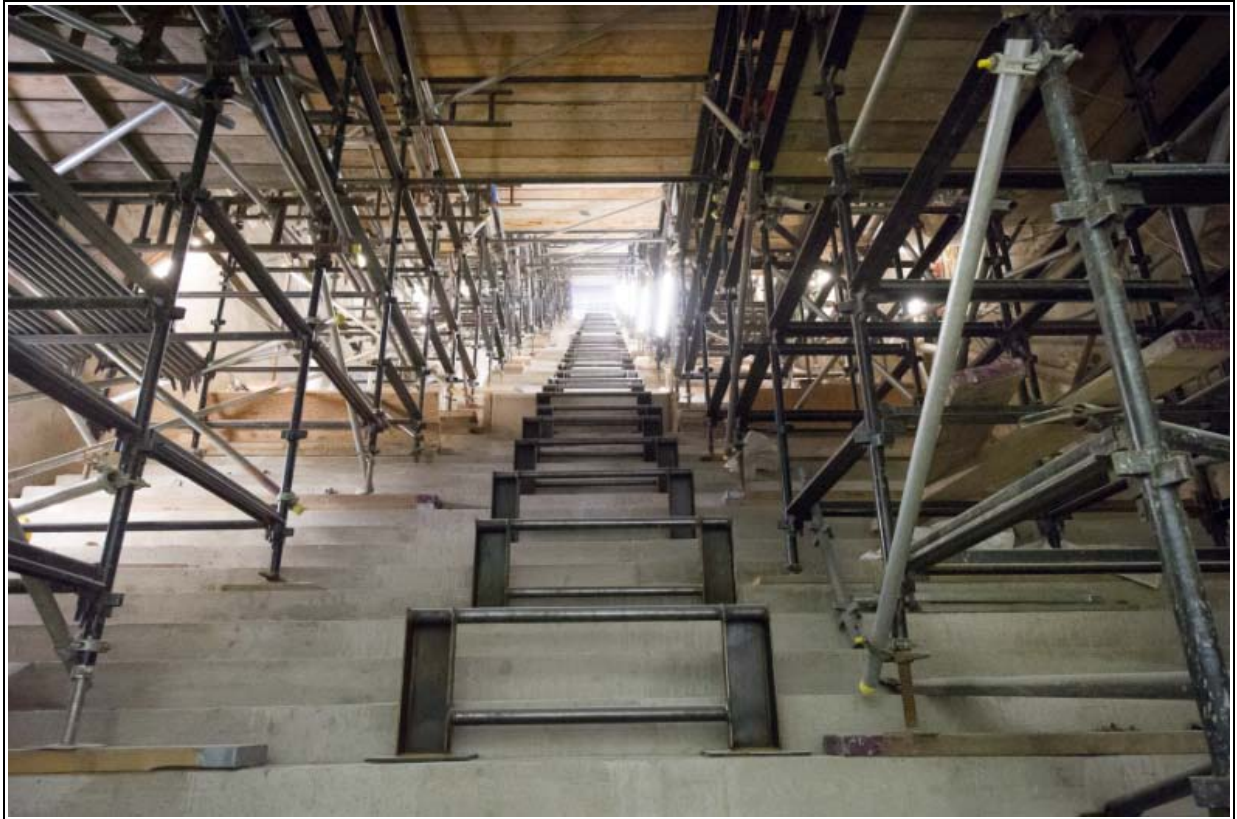
Spend to end Q2 2013/14 £m	EFC £m
317.2	485.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Section 1 Completion (Handover part Astoria site)	09-Oct-13	03-Jun-13	Complete
Start NL Concourse Fit Out	25-Nov-13	30-Oct-13	●
Completion of Goslett Yard Box	13-Feb-14	17-Dec-13	●
Section 3 Completion (Consolidated Piling)	19-Sep-14	30-May-14	●
Completion of Phase 1 (Partial Opening of the New Plaza Ticket Hall)	31-Mar-15	05-Jan-15	●
TCR - New Passenger Facilities Open - (Annex B: 2016)	20-Nov-16	06-Sep-16	●

The project will provide:

- a new ticket hall (six times larger than the existing);
- three new escalators serving the Northern line;
- improved access from street to ticket hall and from ticket hall to platform level (five new lifts);
- provision for a new public square at St. Giles Circus; and
- a significant portion of the structural works for the new Crossrail station (by LU).

The scaffold for the Northern line escalator box fit-out has been erected and fit-out works have commenced. Fixing of conduits for communication equipment to the Northern line platforms has commenced and the installation of PA systems in the back-of-house areas of the existing station has been completed.



Northern line east bound escalator to ticket hall

Actions to consolidate safety and quality strategies and improve safety performance with an eight point plan are being implemented. The project has now delivered almost 700,000 man hours without a RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995).

The original date for LU to handover the Goslett Yard Box (GYB) to Crossrail (a reinforced concrete shell that Crossrail will fit out to create one of their two Tottenham Court Road ticket halls) was August 2013. Due to the incorporation of necessary design changes instigated by Crossrail, the contractor will be able to justify an extension of time.

The respective teams have been working together closely to mitigate the effects of the delay and to date Crossrail has not suffered any negative impact to their interfacing works or on the project's critical path.

To maintain their progress Crossrail require access to the site on 26 November. LU and Crossrail have developed several options that meet Crossrail's requirements. Their preferred solution, which entails shared possession of the site at ground level and free access to -4 and -5 levels, has now been instructed and the works are progressing in line with the plan to achieve this. At all times the LU contractor has been held strictly to the terms of the contract and all delays have been mitigated to their fullest possible extent.

Rail and Underground Capital Programmes

Paddington Station Upgrade

Spend to end Q2 2013/14 £m	EFC £m
48.4	56.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Lifts 3 & 4 Installed	02-Aug-13	19-Jun-13	Complete
Acceptance of Mandatory Asset Information Deliverables (MAID) by LU	08-Oct-14	01-May-14	●
LU Fit Out Work Complete (Annex B:2014)	01-Nov-14	11-Mar-14	●
Paddington (H&C) Congestion Relief - Final Fit Out BIU (Practical Completion)	28-Jul-14	25-Feb-14	●

Paddington (Hammersmith & City line) station is one of LU's top priorities for congestion relief due to demand growth associated with local area redevelopment and the Sub-Surface Railway upgrade. The project will provide:

- a new ticket hall;
- significantly enlarged passenger concourse with three staircases to platform level;
- provision of new step-free access from street to platform level (H&C platforms); and
- the East and West Plazas have now been brought into use.

Fit-out works are continuing to progress well, ahead of the anticipated project completion in early spring of 2014.

Rail and Underground Capital Programmes

Bond Street Station Upgrade

Spend to end Q2 2013/14 £m	EFC £m
163.8	292.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Demolition of sub-structure Complete	02-Feb-13	03-May-13	Complete
Start of main tunnelling operations (Annex B:2013)	14-Oct-13	05-Jul-13	Complete
Close escalators 1 & 2 for tunnelling	28-Apr-14	09-Mar-14	●
Early hand back Jubilee Line Platforms, Escs 6,7,&8, 3,4,&5, 4/092 into public use	02-May-15	02-Mar-15	●
Tunnelling Set Up Decommissioned	28-Sep-15	22-Jan-16	■
SC03 OSD Frame to be handover to Developer - Planned Date	06-May-16	13-May-16	▲
Bond St Station Upgrade - Practical completion (Annex B:2017)	28-Apr-17	20-Mar-17	●

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 platforms on both the Central and Jubilee lines; and
- a step-free route to Crossrail.

Twenty (of almost 100) ground stabilisation “tube-a-manchette” (TaM) grouting tubes have been successfully installed. The first stage of the excavation of shaft 1 (main shaft), the thrust block for the pipe arch installation and the mid level sewer lining works are complete.

Rail and Underground Capital Programmes

The tunnelling schedule has been re-sequenced. Tunnelling decommissioning is not expected to impact the project end date.

The over-site development (re-build of 354-358 Oxford Street) has re-commenced.



Bond Street shaft 5 with "tube-a-manchette" (TaM) drilling rig



Bond Street concrete lining spray of shaft 1

Rail and Underground Capital Programmes

Bank Waterloo & City

Spend to end Q2 2013/14 £m	EFC £m
16.6	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Contract Award for Implementation Works	03-Feb-14	03-Feb-14	●
Bank Stn (W&C) - Bring Into Use (Stage 5) (Annex B:2015)	31-Dec-15	23-Dec-15	●

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

The London Underground Design Governance Board has agreed to omit all perimeter wall cladding to the public areas within the station saving the project £400k. Invitation to tender for the station fit-out works has been issued and is due for return on 30 October. Mid-tender clarification meetings have taken place. The project is currently discussing the option of including "John Hutton" glazed panels within the station design.

Bloomberg have advised that they are currently behind programme due to extended archaeology works. This could delay the delivery of the station box to LU and may impact the forecast date for delivery into service at the end of 2015. Further details of Bloomberg's revised construction programme are awaited.

Rail and Underground Capital Programmes

Victoria Station Upgrade

Spend to end Q2 2013/14 £m	EFC £m
277.6	589.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete PAL 1618 Squarework Tunnelling	12-Jul-13	28-Jun-13	Complete
Commence South Ticket Hall Demolition	07-Aug-13	08-Jul-13	Complete
Complete North Ticket Hall Piling	06-Dec-13	27-Nov-13	●
Shaft 29 (Allington Street) complete	13-May-14	07-Nov-13	●
Ground Treatment Complete	11-Nov-14	13-Jun-14	●
North Ticket Hall Civils Complete (inc removal of Traffic Management)	13-Mar-15	15-Dec-14	●
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) - DIS (Annex B:2016)	23-Oct-16	04-Dec-16	▲
VSU - South Ticket Hall and remainder of VSU works (Sectional completion S2) - DIS (Annex B:2018)	04-Jun-18	06-Oct-17	●

The Victoria Station Upgrade project will deliver:

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

The Rail and Underground Managing Director visited the site to review the considerable progress the project has made. Demolition of the old ticket hall roof continues to plan and the

Rail and Underground Capital Programmes

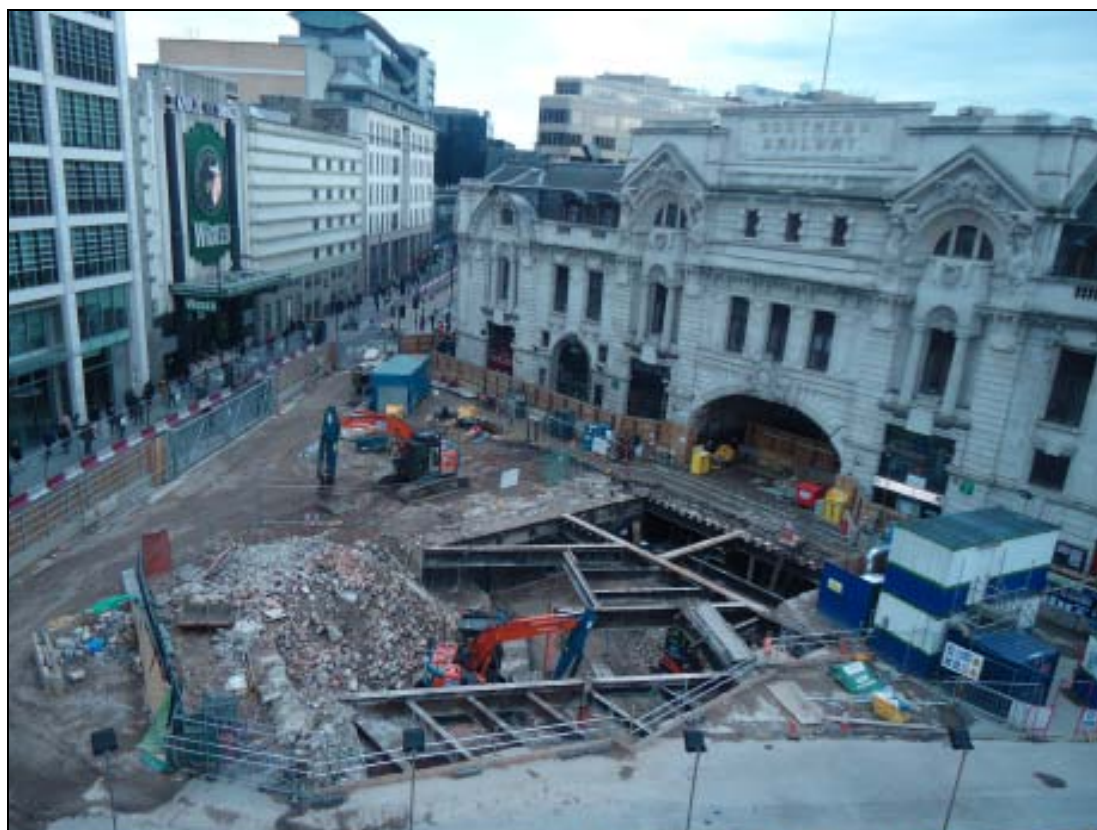
south ticket hall enabling works have been completed. The north 'paid area link' tunnel has been constructed in open-cut across the whole site (93 metres) and the base slab poured.

The complex task of threading the jet-grout columns around the District and Circle running tunnels continues, with 77 per cent of 2,200 columns having been completed.

Additional funding authority to allow for the upgrade of the District and Circle line platforms has been requested. These works were not originally included within the scope or funding for the main station scheme.



Overview of north area of site



Overview of south area of site

Rail and Underground Capital Programmes

Bank Station Capacity

Spend to end Q2 2013/14 £m	EFC £m
71.3	563.8

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Submit for Transport & Works Act Order (TWAO)	27-Aug-14	16-Jul-14	●
TWAO Grant of Powers	15-Jun-16	21-Apr-16	●
Completion of all designs to Compliance to SI 538	23-Feb-16	23-Feb-16	●
Start on Site	16-Jun-16	21-Apr-16	●
New Ticket Hall Open to Public	14-Sep-21	25-Aug-21	●
Works to relieve station congestion on the Northern Line at Bank Complete (Annex B:2021)	31-Dec-21	31-Dec-21	●

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 formal award of the main design and build contract to Dragados SA, took place as planned on 1 August, and the contractor has now mobilised. The first programme for acceptance has been submitted by Dragados and accepted by London Underground.

Confirmation has been received that the proposed Docklands Light Railway (DLR) headshunt (reversing road) will be excluded from the scheme, and that DLR staff will relocate from the traffic room to the new station operations room when complete. Very positive articles on Bank and the success of the Innovative Contractor Engagement (ICE) process have recently been published in "New Civil Engineer".

Rail and Underground Capital Programmes

Jubilee Line Upgrade (JNP)

Spend to end Q2 2013/14 £m	EFC £m
52.3	72.8

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete Axle Counter Block modification	30-Nov-13	30-Nov-13	●
Decommissioning and removal of old assets	30-Jun-14	30-Jun-14	●

To upgrade the Jubilee line with new signalling systems and other asset improvements to provide faster journey times for customers, enabling a 30 trains per hour peak service.

Within the quarter performance of the new signalling system remained strong. On-going enhancements and roll-out of the signalling software will support the improvement in reliability and see a positive trend in reducing service disruption from its current position of five minutes per day, down to the achievable target of two minutes per day, monitored over a 28 day period.

Rail and Underground Capital Programmes

Northern Line Upgrade (JNP)

Spend to end Q2 2013/14 £m	EFC £m
210.3	394.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Commence ML3 System Testing NMA4 (Old Street/Euston to Oval)	12-Jul-13	12-Jul-13	Complete
Commence ML3 System Testing NMA5 (Stockwell to Morden)	19-Jul-13	18-Jul-13	Complete
Ready for Operational Proving NMA2 (Mill Hill East to Highgate)	27-Jul-13	12-May-13	Complete
Commence ML3 System Testing NMA6 (Edgware to Belsize Park)	02-Oct-13	02-Oct-13	Complete
In Revenue Service NMA2 (Mill Hill East to Highgate)	25-Nov-13	23-Jun-13	Complete
Ready for Operational Proving NMA3 (Archway/Chalk Farm to Angel/Euston)	30-Nov-13	20-Sep-13	Complete
Ready for Operational Proving NMA4 (Old Street/Euston to Oval)	08-March-14	22-Nov-13	●
Northern line upgrade complete, delivering 20% increase in capacity (Annex B: 2014)	31-Dec-14	31-Dec-14	●

The Northern line Upgrade 1 (NLU1) involves the replacement of life-expired signalling assets that date back to the 1960s. As well as re-signalling the line with a moving-block Automatic Train Control (ATC) signalling system, the programme also includes the replacement of some conductor rail and track.

Reliability in the combined High Barnet to West Finchley (Northern Migration Area [NMA] 1) and Highgate to Finchley (NMA2) area improved to a moving average of six minutes per day with plans in place to reduce service disruption further to the steady state target of two minutes.

Over the weekend 21/22 September, revised plans for Trial Operations between Archway/Chalk Farm and Angel/Euston (NMA3) area were delivered. The Trial Operations were very successful, with only a few minor issues on Saturday and an unprecedented zero Transmission Based Train Control (TBTC) delay minutes on Sunday. There is high confidence to move to revenue service on 26 October following the resolution of the late assurance paperwork issues. This remains a significant achievement with NMA3 being the most complex area as it contains the Camden Town junction.

Rail and Underground Capital Programmes

Jubilee & Northern Line Mid Life Refurbishment (JNP)

Spend to end Q2 2013/14 £m	EFC £m
3.8	56.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Northern Line Mid-life refurbishments complete	31-Dec-14	31-Dec-14	●
Jubilee Line Mid-life refurbishments complete	05-Feb-17	05-Feb-17	●

This Project will deliver the Mid Life Refurbishment of the 63 Trains on the Jubilee line and 106 Trains on the Northern line. The Mid-life refurbishment is required to preserve fleet saloon condition and to meet residual life, performance (ambience) and Rail Vehicle Access Regulations (RVAR) 2010 requirements.

The quarter has seen the successful completion of the refurbishment of Northern line trains three, four and five which have been returned to passenger service.



Before refurbishment



After refurbishment

Rail and Underground Capital Programmes

Bond Street to Baker Street Tunnel Lining (JNP)

Spend to end Q2 2013/14 £m	EFC £m
13.7	35.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Start on Site (SOS) Specialised Segment Removal Plant - Baker Street to Bond Street Tunnel Relining	16-Jun-13	16-Jun-13	Complete
Replace 25 No of Baker Street to Bond Street Tunnel rings (mid year)	15-Nov-13	15-Nov-13	●
Replace 50 No of Baker Street to Bond Street Tunnel rings (full year)	30-Mar-14	30-Mar-14	●

To remediate 215 metre length of concrete tunnel lining rings that are showing signs of deterioration on the Jubilee line between Bond Street and Baker Street.

The complex and innovative works to replace the tunnel rings between Baker Street and Bond Street continues to progress with no safety incidents or service impact. Eight tunnel rings have been successfully installed, which is less than planned as a result of earlier challenges with engineering vehicles not communicating reliably with the Transmission Based Train Control (TBTC) system. These problems have been resolved and other improvements have been made which will provide a longer working window within engineering hours. In addition two closures have been secured which will assist in recovering some of the early delays. Mitigation is in place, recovery in the new year is expected and schedule completion is still forecast for January 2016.



Cutting head being readied to begin removal of crown section of expanded concrete ring.

Rail and Underground Capital Programmes

Northern Line Extension (JNP)

Spend to end Q2 2013/14 £m	EFC £m
12.8	964.6*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Define Programme Management methodology	30-Apr-13	30-Apr-13	Complete
Issue Invitation to Tender (ITT) for Innovation Contractor Engagement contract	30-Sep-13	30-Sep-13	●
Define Delivery Model for non-civils works	20-Dec-13	20-Dec-13	●

The Northern Line Extension (NLE) will extend the Northern line Charing Cross branch from Kennington to a new southern terminus within the Battersea Power Station site with an intermediate station within south Lambeth.

During the quarter the Technical Dialogue phase for the Main Design and Build Contract has continued, with the four shortlisted bidders attending the methodology and programme sessions. The four bidders have provided detailed submissions, demonstrating a high level of engagement from the market. From the information gathered so far there are many opportunities to de-constrain the Invitation to Tender.

The consultation period has ended and there were 235 objections, 22 letters of representation and 38 letters of support received. The planning team are now actively reviewing the objections and will respond prior to the commencement of the Public Inquiry which will commence in November 2013, with a decision expected in autumn 2014.

*Post quarter update: additional funding for land purchases has been approved, the above figure is net of property purchase and sale.

Rail and Underground Capital Programmes

Infrastructure and Special Projects (JNP)

Spend to end Q2 2013/14 £m	EFC £m
61.2	493.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete painting works on 20 no bridges	30-Apr-13	30-Apr-13	Complete
Bring into use (BIU) Northfields Train Crew Accommodation	10-May-13	10-May-13	Complete
Complete painting works on 26 no bridges	31-Jul-13	31-Jul-13	Complete
Complete painting works on 29 no bridges	14-Sep-13	31-May-14	■
Start On Site (SOS) Structural Bolting to Vent Shaft openings (JNP)	30-Sep-13	02-Sep-13	Complete
Finish On Site(FOS) at Canons Park Northbound Embankment	14-Jan-14	17-Dec-13	●
Start On Site (SOS) Queensbury embankments - earth structure refurbishment (EM2 and EM3) works	06-Feb-14	09-Jan-14	●
Bring into Use (BIU) 23 no Depot Track Isolation Switches	31-Mar-14	31-Mar-14	●

Programme works to remediate the JNP Civils assets, principally earth structures, track drainage, deep tube tunnels and bridges and structures, prioritised by detailed condition assessments.

Canon's Park northbound embankment works progressed to programme with a total of 282 strengthening piles successfully installed in the quarter. Access arrangements for the southbound embankment have been finalised which will now allow the residual works to be completed.

Whilst the quarter saw the achievement on the milestone for painting works on 26 bridges a quality investigation has highlighted some concerns of the paint system which will result in re-work being undertaken by the contractor. This has impacted the achievement of the milestone for 29 bridges which has now been re-forecast.

Rail and Underground Capital Programmes

Wimbledon Line Enhancements

Spend to end Q2 2013/14 £m	EFC £m
2.1	30.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Issue Invitation to Tender for twin tracking	10-Dec-13	10-Dec-13	●
Place order for additional trams complete	31-Mar-14	02-Aug-13	Complete

The Wimbledon Line Enhancement Programme is a programme of works to address congestion on services between Therapia Lane and Wimbledon. To provide these improvements, the programme comprises three work streams:

- twin tracking of existing single track sections of the Tramlink network between Beddington Lane and Mitcham Junction and associated infrastructure enhancements;
- delivery of an additional platform and new tram infrastructure at Wimbledon Station, including extension of running rights at the station; and
- procurement of four additional trams to facilitate the increased services into Wimbledon Station.

The Invitation to Tender (ITT) for the infrastructure works is progressing well and undergoing final review prior to issue.

The Network Change application to facilitate the removal of the existing Network Rail infrastructure at Wimbledon Station has completed the required notice period and approval is awaited. This enables signature of the Implementation Agreement with Network Rail and is the more critical process.

The Station Change application was submitted on 5 September 2013 and further engagement is progressing with Stakeholders to support the application approval.

Tramlink placed the order for the four new trams on 2 August 2013 with Stadler. A delivery programme has been issued in line with the agreed programme dates.

Rail and Underground Capital Programmes

Overground Capacity Improvement

Spend to end Q2 2013/14 £m	EFC £m
21.3	182.5

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Award ELL Stabling infrastructure contract	01-Oct-13	28-Jun-13	Complete
Completion of ELL Stabling enabling works	01-Nov-13	01-Nov-13	●
Completion of ELL Depot enabling works	01-Mar-14	01-Mar-14	●

The London Overground Capacity Improvement Programme is a programme of works addressing the increasing demand on the London Overground network. It includes conversion of the existing fleet of 57 London Overground Class 378 four car trains to five car trains on all routes. To achieve this increase in capacity, a series of infrastructure enhancements are required including:

- additional stabling at Silwood Triangle and Willesden and the associated connections to the network;
- reconfiguration of New Cross Gate Depot and Willesden Train Maintenance Depot to enable maintenance of the five car fleet;
- platform extensions, signalling and associated systems works;
- infrastructure changes to support additional capacity (including enhancement of existing turn-back sidings); and
- procurement of 57 new Class 378 rolling stock cars to extend the existing four-car units to five-car units plus potentially two additional five-car units to increase peak service frequency.

All East London line delivery contracts have now been awarded and the detailed design stage has commenced. The Silwood Enabling works are largely complete and the site is being handed over to the Finishing works contractor. Mobilisation to the site at the New Cross Gate Depot has commenced.

North London line tenders have been issued for signalling and platform extension works. The tender for the Depot and Stabling works will be issued in the next period.

Corporate

Integrated Transport Smartcard Organisation

Spend to end Q2 2013/14 £m	EFC £m
60.0	65.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Head Office Processing System (HOPS) Operational	06-Sep-12	11-Mar-13	Complete
Reader hardware rollout complete	30-Apr-13	18-Oct-13	■
ITSO on Prestige (loP+) Stage 2 certification	18-Dec-12	7-May-13	Complete
ITSO on Prestige (loP+) Stage 3 certification	30-Sep-13	29-Nov-13	▲
ITSO on Prestige Project Complete	24-Dec-13	24-Dec-13	●

ITSO (Integrated Transport Smartcard Organisation) is the smartcard specification mandated by the 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 processing both Oyster and ITSO tickets, establishment of a Head Office Processing System (HOPS), new and upgraded communications links and other system changes. The project is responsible for the technical changes required to support ITSO acceptance on the TfL controlled reader estate but a live operational system is dependent on Train Operating Companies (TOCs) being capable of integrating with the system and appropriate commercial agreements. The project is being funded by the DfT under an agreement with TfL dated 28 May 2009.

The TfL HOPS is working in the live environment and is successfully communicating with the Southern HOPS. Live testing of Stage 2 software has been undertaken at 64 stations. Journeys by the test team are being successfully completed from outside to inside London and vice versa. A customer launch is planned for mid October.

Stage 3 formal certification is two months later than originally planned, this activity is now underway and proceeding without issues and the delay in this area has not impacted the completion date.

Rights functionality has been agreed as removed from scope of the project.

The project has engaged with other parties and the DfT to discuss deployment options across the rail industry once the project is complete. Central to delivery of live operational schemes is agreement of the Commercial Agreements that are being progressed by Association of Train Operating Companies (ATOC) outside the scope of this project.

Corporate

Future Ticketing Project

Spend to end Q2 2013/14 £m	EFC £m
51.8	68.5

Programme level	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	31-May-12	13-Dec-12	Complete
Phase 2 - start of integration of TfL and 3rd party back office systems	14-Jun-13	14-Jun-13	Complete
Phase 2 - introduction of contactless bank card acceptance for multi-modal daily travel, with daily and 7 day capping (Annex B: 2014)	31-Jan-14	15-Dec-13	●

The Future Ticketing Programme introduces the acceptance of contactless bank cards and compatible devices as payment for travel, improving customer convenience and enabling cost savings for TfL through reduced card issuance and commission costs.

Phase 1, acceptance of contactless payment cards for single journeys on TfL bus services, was successfully launched on 13 December 2012.

Phase 2 – the system is in the final stages of formal assurance and accreditation by the payment card industry. Issues found in the certification process for the new payment model are expected to result in a two week delay to the technical completion of the project. A pilot for 5,000 staff, key stakeholders and members of the public will now run from early December 2013, followed by a full roll out in early 2014.

Surface

Barclays Cycle Hire Scheme

Spend to end Q2 2013/14 £m	EFC £m
115.1	144.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
CHEI: Contract variation signed	15-May-13	09-May-13	Complete
CHEI: Start of construction programme	03-Jun-13	04-Apr-13	Complete
CHEI: Start of installation programme	30-Aug-13	19-Aug-13	Complete
CHEI: Operational commencement	13-Dec-13	13-Dec-13	●
Phase 2: Start of Phase 2 Close (Gate 2)	20-Jan-14	30-Jun-14	■
CHEI: All sites complete	31-Mar-14	31-Mar-14	●
Phase 2: End of Phase 2 Close (Gate E)	30-Apr-14	30-Sep-14	■
CHEI: Project closure approved	31-Jul-14	31-Jul-14	●

The Barclays Cycle Hire scheme launched successfully to registered members on 30 July 2010 and was opened up to all users on 3 December 2010. The scheme costs annual members less than 25 pence per day, as the vast majority of their trips are less than 30 minutes. This is a low-cost and convenient alternative for many travellers.

Phase 1 – launched in July 2010 and the project formally concluded on 4 July 2012.

Phase 2 – Geographic expansion launched on time in March 2012, increasing the number of bicycles to 8,333. Major system improvements are being delivered in stages; the final stage went live in September 2013, improving customer usability and billing. The two project closure milestones have been reforecast to mid 2014 to align with the contractual milestones agreed with Serco.

Cycle Hire Expansion and Intensification (CHEI) – takes Cycle Hire west and south-west into areas of anticipated high demand including parts of Wandsworth, Hammersmith and Fulham, and the additional areas of Lambeth, and Kensington and Chelsea. This will increase the number of bicycles to around 11,000 across the whole scheme, supported by approximately 5,000 docking points. The scheme is due to launch in December 2013 with full completion by spring 2014. Planning consent issues with a cluster of sites are being resolved. Priority sites are being appealed and additional sites identified, to improve the network for delivery in early 2014.

Surface

New Investment SCOOT

Spend to end Q2 2013/14 £m	EFC £m
17.0	17.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
240 Sites commissioned onto UTC (FY 11/12) 413 Cumulative	30-May-12	30-May-12	Complete
115 UTC Design Briefs complete (FY 12/13)	08-Dec-12	08-Dec-12	Complete
115 Sites civil engineering complete (FY 12/13)	01-Mar-13	01-Mar-13	Complete
115 Sites SCOOT Loops installed (FY 12/13)	18-Mar-13	18-Mar-13	Complete
115 sites commissioned onto UTC (FY 12/13) 528 cumulative	31-Mar-13	31-Mar-13	Complete
115 Sites infrastructure installed (FY 12/13)	31-Mar-13	31-Mar-13	Complete
Final signal technology enabling completed (Annex B: 2015)	31-Jul-13	24-Jul-13	Complete
Project closure approved	31-Dec-13	31-Dec-13	●

The Split Cycle Offset Optimisation Technique (SCOOT) programme will upgrade traffic signal technology to help meet the Mayoral objective of smoothing traffic flow. Costs shown are for the New SCOOT Investment project, which has delivered 528 sites of the 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 were planned to be installed in the 2011/12 financial year, bringing the total to 413 sites of the 528 the project has contributed towards the planned 1,000 total. These sites were delivered by the end of May 2012.

The remaining 115 sites have been installed in the 2012/13 financial year, taking the total to the full 1,000 sites. At the end of the fourth quarter, 115 design briefs had been completed, 115 detailed designs completed, 115 civil engineering sites completed, 115 SCOOT loops installed and 115 sites commissioned. All 1,000 sites were enabled by 24 July 2013.

Surface

Road Space Management SCOOT

Spend to end Q2 2013/14 £m	EFC £m
0.1	57.1

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Feasibility approved	30-Jul-13	18-Jul-13	Complete
200 sites commissioned	31-Mar-14	31-Mar-14	●

The Road Space Management SCOOT delivery portfolio will upgrade the traffic signal technology at a further 1,500 sites. This will allow TfL to manage traffic in a more policy responsive manner.

The delivery portfolio has progressed through the approvals process. Approval to deliver the first two years (600 sites) was granted in mid July 2013. At the completion of this rollout, 75 per cent (a total of approximately 4,500 out of 6,000 locations) of London's traffic signals will be operating SCOOT.

Surface

Cycle Superhighways

Spend to end Q2 2013/14 £m	EFC £m
29.5	113.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
CS Route 2 Extension – preliminary design complete	31-Jan-13	07-Jan-13	Complete
CS Route 2 Extension – detailed design complete	30-Apr-13	13-Sep-13	Complete
CS Route 2 Extension – route open	31-Aug-13	31-Oct-13	▲
CS Route 5 – construction started *	31-May-13	01-July-13	Complete
CS Route 5 – construction complete *	31-Oct-13	09-Dec-13	▲

The Cycle Superhighways project is delivering radial cycle commuter routes from outer to central London. The first four routes (CS2, CS3, CS7, and CS8) were opened in 2010 and 2011. The next stage of delivery is now underway with an extension of CS2 from Bow to Stratford, and the first phase of CS5 from New Cross to Oval, both due to be completed by the autumn.

The remainder of the forward programme is being reviewed following the publication of the Mayor's Cycling Vision in March 2013. The revised programme will be confirmed during the next quarter and will include upgrades to the existing routes and a number of new routes delivered during the current mayoral term, sitting alongside the east-west and north-south Cycle Superhighways through central London.

**The first phase of CS5 will be delivered in 2013.*

Surface

Hammersmith Flyover Phase 2

Spend to end Q2 2013/14 £m	EFC £m
4.1	77.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Designer appointed	25-Oct-12	25-Oct-12	Complete
Award of framework agreement or contract	31-Mar-13	28-Mar-13	Complete
Approval of concept design (design stage 2)	28-Jun-13	28-Jun-13	Complete
Approval of detailed design (design stage 3)	03-Sep-13	18-Oct-13	▲
Approval to Award Design and Build Work Package	17-Oct-13	17-Oct-13	●
Possession of site	04-Nov-13	28-Oct-13	●
Construction complete	21-Apr-15	21-Apr-15	●
Project close	09-Oct-15	09-Oct-15	●

The Hammersmith Flyover project is part of a portfolio investment in eight specific road tunnels and structures on the Transport for London Road Network (TLRN) that have been identified as requiring capital investment in order to improve road network safety, network resilience and stability, and reduce the whole-life costs.

The first phase of works, addressing immediate risks to the safety of the structure, was completed in May 2012. The second and final phase of works, developing and implementing a long-term strengthening solution, commenced shortly thereafter and design activities have been progressed following the appointment of the designer, Ramboll, in October 2012.

Following successful completion of the tender process and evaluation results in March 2013 the contractor has been awarded the Framework Agreement for Early Contractor Involvement. The contractor is engaged through a call-off contract and has worked with the designer to progress concept and detailed design phases to allow the possession of site to be taken on 28 October 2013.

Surface

London Road User Charging and Traffic Enforcement Notice Processing Contract re-let Project

Spend to end Q2 2013/14 £m	EFC £m
2.4	99.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Invitation to Participate issued	18-Feb-13	18-Feb-13	Complete
Invitation to Submit issued	20-Aug-13	20-Aug-13	Complete
Evaluation of ITS bids complete	23-Oct-13	23-Oct-13	●
Approval to award contract	19-Nov-13	19-Nov-13	●
Contract signed	13-Jan-14	13-Jan-14	●
Traffic Enforcement Notice Processing go-live	21-Jun-15	21-Jun-15	●
Business Operations service go-live	01-Nov-15	01-Nov-15	●
Enforcement Operations service go-live	01-Nov-15	01-Nov-15	●

The upcoming expiry of both the London Road User Charging (LRUC) and Traffic Enforcement Notice Processing (TENP) contracts provides TfL with an opportunity to maximise efficiency by grouping common activities while enhancing customer satisfaction. These contracts contribute to smoothing traffic flows and improving bus journey time reliability on the Transport for London Road Network (TLRN). LRUC includes the central London Congestion Charging and Greater London Low Emission Zone and TENP provides the notice processing services for decriminalised traffic offences on the TLRN.

In order to align the LRUC and TENP contracts, the current LRUC contract with IBM has been extended by 12 months to October 2015. A procurement process is underway with the objective of the new services having a staggered go-live in 2015, with the new TENP service coming on line in June 2015 and the LRUC service in November 2015.

All milestones remain on target. The Invitation to Participate (ITP) stage concluded on 9 August and two of three bidders progressed to Invitation to Submit (ITS) stage. Final bids for evaluation were received on 11 September; the preferred bidder(s) will be agreed at Decision Panel on 15 October. A Gate 5 (Contract Award) Integrated Assurance Review (IAR) is underway. TfL Board approval for contract award and additional project authority to deliver the project to completion is scheduled for 11 December.

Surface

Transport for London Road Network Capital Renewal Programme

Spend to end Q2 2013/14 £m	EFC £m
16.5	56.5

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 reliable network.

Capital Renewals is a rolling 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, reconstruction or refurbishment.

Schemes are identified, prioritised and programmed using a risk-based approach. An additional ten per cent of schemes was identified from the forward programme to act as reserves. The reserves create flexibility that caters for unplanned scheme deferrals, caused by factors such as severe winter weather, refusal of permits on congestion grounds, and utility works.

Programme outputs

Output	Unit	Annual target	YTD actual	YTD forecast *	Commentary
Carriageway resurfacing	m ²	650,000	169,370	274,459	26 per cent of annual target achieved - on course to achieve full year target.
Footway resurfacing	m ²	58,000	2,240	3,633	4 per cent of annual target achieved - on course to achieve full year target.
Lighting columns	Nr.	900	2	166	0 per cent of annual target achieved - the delivery of Q1 schemes was deferred so they could be designed to the new British Standard which allows lower lighting levels for the TLRN. Designs are progressing and delivery will start in Q3. On course to achieve full year targets.
Vehicle restraint barriers	m	5,000	0	0	0 per cent of annual target achieved - sites identified and investigations and designs progressing; delivery programmed for Q3 and Q4. On course to achieve full year targets.
Pumping station upgrades	Nr.	7	0	0	0 per cent of annual target achieved - sites identified and investigations progressing; designs started in Q2 with delivery planned to start in Q3. On course to achieve full year targets.
Expansion joints replaced	Nr.	6	0	0	0 per cent of annual target achieved - sites identified and designs progressing; delivery planned to start in Q3. On course to achieve full year targets.

**The forecasts were set prior to the appointment of the delivery contractors.*

Although a number of the deliverables are behind the original forecasts, they remain on plan to achieve the full year targets. Upon review, the forecasts were optimistic and reflected the delivery profile of a mature contract rather than the first year of a major new contract, the London Highways Alliance Contract (LoHAC) that introduced new ways of working.

Surface

Better Junctions

Spend to end Q2 2013/14 £m	EFC £m
8.9	17.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Top 100 reviews completed	31-Dec-13	Under review	n/a
First 50 schemes delivered	31-Dec-13	Under review	n/a

The programme comprises a set of high-profile junctions which are recognised barriers to cycling, and where substantial changes could be made to improve vulnerable road user safety and utility. The junctions are typically complex with either high cyclist/pedestrian flows or recognised as having negative effects on cycling, and walking. In line with TfL's target to increase cycling 400 per cent by 2026, the programme is currently being reviewed to focus resources on tackling priority, key junctions.

Surface

New Bus for London (NBfL) Vehicle Purchase

Spend to end Q2 2013/14 £m	EFC £m
25.3	220.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Conversion of first route completed	30-Jun-13	22-Jun-13	Complete
Conversion of second route completed	31-Oct-13	21-Sep-13	●
Delivery of 600 buses into service	30-Apr-16	30-Apr-16	●

This programme will deliver 600 NBfL buses into London by the end of April 2016. The buses are being built by Wrightbus in Ballymena, Northern Ireland, to the same generic design as the prototypes that were introduced onto route 38 in February 2012.

The fixed price contract with Wrightbus is for £212.7m equating to an average price per vehicle throughout the contract of £354,500. This price includes upgrade requirements to Euro VI engines during 2014.

The first route to be converted was route 24 on 22 June 2013, operated by Metroline with the second route, route 11 operated by Go Ahead, converted on 21 September as planned. Planning is underway to convert route 9 operated by London United on 26 October and route 390 operated by Metroline before the end of the year. Other routes are being evaluated and negotiations are taking place with a number of operators. Further routes for conversion will be announced in due course.