

TRANSPORT FOR LONDON

BOARD

**SUBJECT: OPERATIONAL AND FINANCIAL PERFORMANCE AND INVESTMENT PROGRAMME REPORTS – FIRST QUARTER 2008/09**

**DATE: 30 SEPTEMBER 2008**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 To inform the Board of TfL's performance over the first quarter of 2008/09 (1 April 2008 – 21 June 2008).

**2 BACKGROUND**

- 2.1 Attached are reports which detail TfL's performance during the first quarter 2008/09. They are as follows:

- a) The TfL Operational and Financial Report; and
- b) The TfL Investment Programme Report.

**3 RECOMMENDATIONS**

- 3.1 The Board is asked to NOTE:

- a) TfL's operational and financial performance over the first quarter of 2008/09; and
- b) TfL's progress on the Investment Programme over the first quarter of 2008/09.

Appendix 1: TfL Operational and Financial Report  
First Quarter 2008/09





# Operational and Financial Report

First Quarter, 2008/09

The operating year 2008/09 comprises four quarters. Quarters one to three each cover three operating periods of four weeks. Quarter four covers four operating periods of four weeks. The dates are as follows:

Quarter one:	1 April 2008 - 21 June 2008	(Operating periods 1-3)
Quarter two:	22 June 2008 - 13 September 2008	(Operating periods 4-6)
Quarter three:	14 September - 6 December 2008	(Operating periods 7-9)
Quarter four:	7 December 2008 - 31 March 2009	(Operating periods 10-13)

This report details the operational and financial performance for quarter one, 1 April 2008 – 21 June 2008, and covers operating periods one to three.

## Operational and Financial Performance Report

### First Quarter, 2008/09 (1 April 2008 – 21 June 2008)

#### Performance Summary

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Quarter one continued to build upon the passenger growth of 2007/08 across the Transport for London (TfL) network, with 784 million passenger journeys during quarter 1 2008/09, 3.3 per cent higher than last year.

**London Underground:** Demand for Underground services continued to grow with 243.2 million journeys made by passengers. In spite of rising passenger numbers, excess journey time improved by 1.3 minutes compared to last quarter, representing the best start to a year on record.

**London Buses:** Demand for bus services is also increasing with 517.5 million passenger journeys in the quarter and 97.6 per cent of scheduled bus services operated.

**Docklands Light Railway (DLR):** Despite challenging operating conditions due to major project disruption for 3-car upgrade works DLR passengers made 15.5 million journeys and 95.6 per cent of DLR trains were on time.

**Customer Service:** TfL network achieved an overall Customer Satisfaction Survey (CSS) score of 79.4, 1.4 points better than target, and an improvement of 0.3 points compared to quarter one 2007/08.

**Financial performance:** In quarter one, TfL net service expenditure, at £902 million, was £35 million higher than budget. This includes a provision of £104 million for the Metronet Loan. In the full year TfL net service expenditure is forecast to be £117 million lower than budget.

**Staff numbers:** TfL employed 21,828 full time equivalent (FTE) staff at the end of the first quarter, 132 less than budget and 20 less than last quarter.

## Performance Summary – Performance Indicators

2008/09		Quarter 1				Full Year				Page no
Key Performance Indicator	Unit	Actual	Target	Var	PY	Forecast	Target	Var	PY	
<b>Service Demand</b>										
Passenger Journeys - TfL Group (excl London Overground)	m	783.7	792.8	(9.2)	758.7	3,447.0	3,456.7	(9.7)	3,345.8	4
Passenger Journeys - LU	m	243.2	256.8	(13.6)	236.5	1,110.0	1,120.0	(10.0)	1,072.5	4
Passenger Journeys - Buses	m	517.5	512.8	4.7	500.4	2,234.1	2,233.8	0.3	2,176.1	4
Passenger Journeys - DLR	m	15.5	16.0	(0.4)	14.8	71.1	71.1	0.0	66.6	4
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	224.0	209.3	14.7	212.2	205.0	205.0	-	190.8	5
<b>Service Provision (Supply)</b>										
% Scheduled Services Operated - LU	%	96.5	95.1	1.4	95.6	95.2	95.1	0.1	94.8	6
Train Kilometres Operated - LU	m	16.1	15.9	0.2	16.3	70.4	70.2	0.2	70.5	6
% Scheduled Services Operated - Buses	%	97.6	97.7	(0.1)	97.7	97.5	97.6	(0.1)	97.5	6
Bus Kilometres Operated - Buses	m	106.2	105.4	0.8	105.3	479.3	474.4	4.9	468.2	6
% Scheduled Services Operated - DLR	%	98.4	98.0	0.4	99.0	98.0	98.0	-	99.1	7
Train Kilometres Operated - DLR	'000s	960.0	1,015.1	(55.1)	1,010.5	4,439.0	4,493.6	(54.6)	4,442.9	7
<b>Reliability</b>										
Excess Journey Time (Weighted) - LU	Mins	6.5	7.5	(1.0)	7.3	7.5	7.5	0.0	7.8	8
Excess Wait Time, High Freq Routes - Buses	Mins	1.1	1.1	-	1.0	1.1	1.1	-	1.1	8
On Time Performance - DLR	%	95.6	96.0	(0.4)	97.8	96.0	96.0	-	97.3	8
On Time Performance - LO	%	92.2	91.7	0.5	not available	91.7	91.7	-	not available	8
<b>Customer Satisfaction</b>										
Overall Customer Satisfaction - TfL Group	Score	79.4	78.0	1.4	79.1	No forecast	78.3	-	78.7	9
Overall Customer Satisfaction - LU	Score	79	78	1	78	No forecast	78	-	77	9
Overall Customer Satisfaction - Buses	Score	79	78	1	79	No forecast	78	-	80	9
Overall Customer Satisfaction - DLR	Score	95	90	5	97	No forecast	90	-	97	9
Overall Customer Satisfaction - London Overground	Score	75.0	No Target	No Target	not available	No forecast	No Target	-	not available	9
<b>People</b>										
Number of Staff - TfL Group	FTE	21,828	21,960	(132)	21,114	22,111	22,030	81	21,848	18
Number of Temporary Contractors - TfL Group	FTE	1,543	1,136	408	1,557	1,203	1,111	92	1,459	18
Number of Temporary Contractors - TfL Group over 12 months	FTE	512	509	3	604	477	479	(2)	482	18
No of days sickness absence per employee: TfL Group	Days	2.1	2.2	(0.1)	2.3	10.0	10.2	(0.2)	10.3	18
Women Staff - TfL Group	%	24.5	24.2	0.2	23.6	24.9	24.9	(0.0)	24.3	19
BAME Staff - TfL Group	%	34.6	29.0	5.6	33.8	34.4	29.0	5.4	34.4	19
Disabled Staff - TfL Group	%	6.3	6.7	(0.3)	7.0	6.8	6.7	0.1	6.4	19
Women Staff in Senior Mgt - TfL Group	%	21.3	21.5	(0.1)	21.0	21.9	21.9	(0.0)	21.2	19
BAME Staff in Senior Mgt - TfL Group	%	11.9	13.0	(1.1)	11.8	13.5	13.8	(0.3)	12.2	19
Disabled Staff in Senior Mgt - TfL Group	%	4.5	4.7	(0.2)	4.6	4.5	5.2	(0.7)	4.4	19

GREEN: better than or equal to target; AMBER: within 5% of target; RED: 5% or more worse than target

Notes:

Tables may be subject to rounding errors.

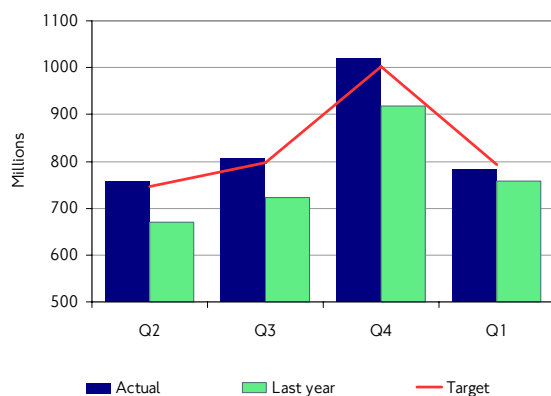
FTE = Full Time Equivalents

When considering performance compared to last year, please note that there were 2 fewer days in quarter one this year compared the same quarter in 2007/08. The Easter weekend fell during quarter four of 2007/08 and in quarter one of 2007/08.

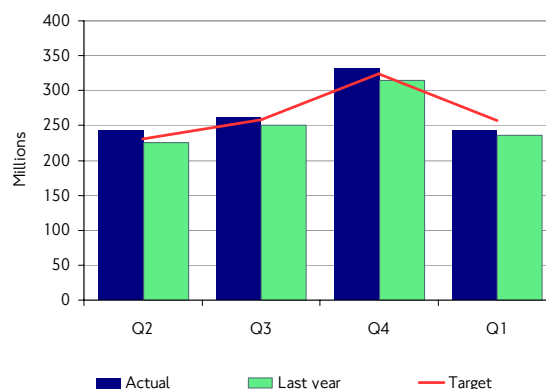
## Service Demand

- 1.0 Following on from record levels of demand in 2007/08, the number of journeys made by passengers across the TfL network continues to grow in 2008/09. In quarter one, passengers made 783.7 million journeys, 9.2 million lower than target (1.2 per cent) but 25 million (3.3 per cent) more than last year. This total does not include passenger numbers for London Overground, which are in the process of being validated for reporting later in the year.

**Total Passenger Journeys –  
Transport for London (excluding London  
Overground)**

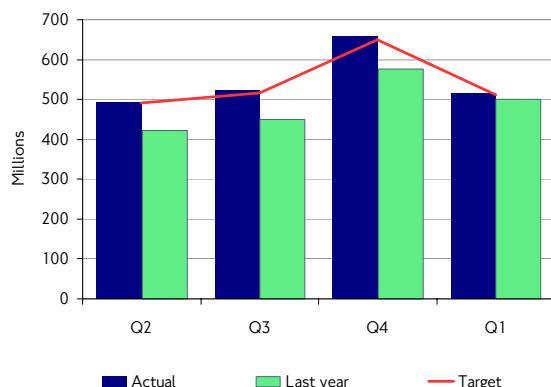


**Passenger Journeys –  
London Underground**

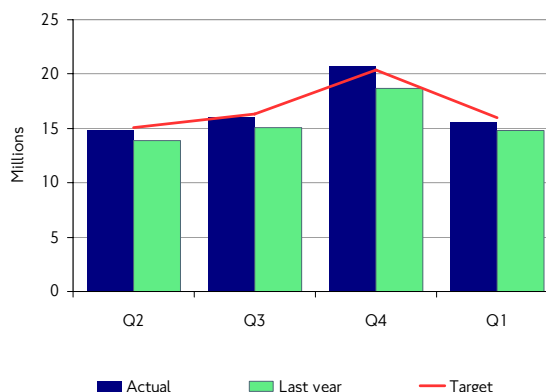


- 1.1 Service demand on the Underground continued at a record level. In quarter one, Underground passengers made 243.2 million journeys, an increase of 6.7 million journeys, or 2.8 per cent, compared to the first quarter of 2007/08. Passenger journeys were, however, lower than target by 13.6 million, or 5.3 per cent, a major factor being the early Easter and the adoption by many schools of the 'standard school year', with the spring holiday not coinciding with Easter. This was not anticipated in the phasing of the target. Its impact was to boost demand around the Easter Bank Holiday with the opposite effect in early April.

**Passenger Journeys –  
London Buses**



**Passenger Journeys –  
Docklands Light Rail**



- 1.2 Demand for bus services is also increasing. Bus passengers made 517.5 million journeys in the quarter. This represented an increase of 17.1 million journeys, or 3.4 per cent, compared to 2007/08 and 4.7 million (or 0.9 per cent) more than target.
- 1.3 In quarter one, DLR passengers made 15.5 million journeys. This represented an increase of 5.1 per cent, compared to 2007/08. DLR passengers made 2.8 per cent fewer journeys than target due to



3-car upgrade works and a greater than anticipated impact of the escalator works at Bank/Monument.

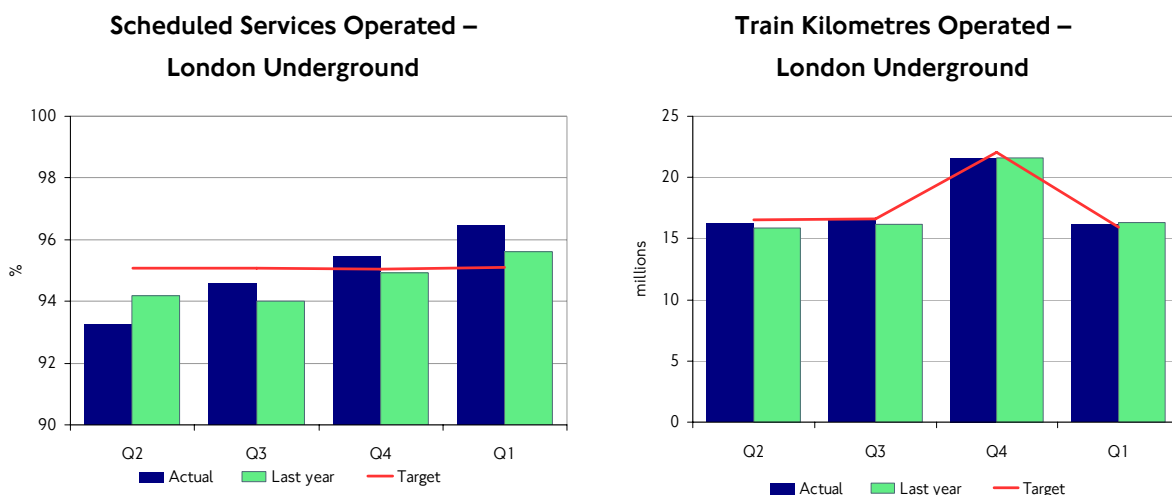
- 1.4 Cycling on the TLRN: Cycling on the Transport for London Road Network (TLRN) continued to increase and exceeded the index target by 14 index points. Quarterly targets vary over the year due to seasonal factors (including weather conditions). The highest target indices are found in Quarters 1 and 2 due to the spring/summer conditions and longer hours of daylight.
- 1.5 TfL is investing £55 million in cycle routes, cycle parking facilities, a bike hire scheme, cycle training and cycling events this year, an increase of £19 million compared to last year. TfL plans to introduce counters on Borough roads to gain a more accurate picture of flows and growth.
- 1.6 The popularity of cycling across London continues to grow with more than half a million cycle journeys made every day. In 2007/08, the number of cyclists in London increased for the sixth consecutive year, even though the summer was the wettest since 1912. Cycling on London's major roads grew by a further 4.5 per cent, with an estimated 20,500 more cycle journeys being made in London every day.

#### Fare Trends

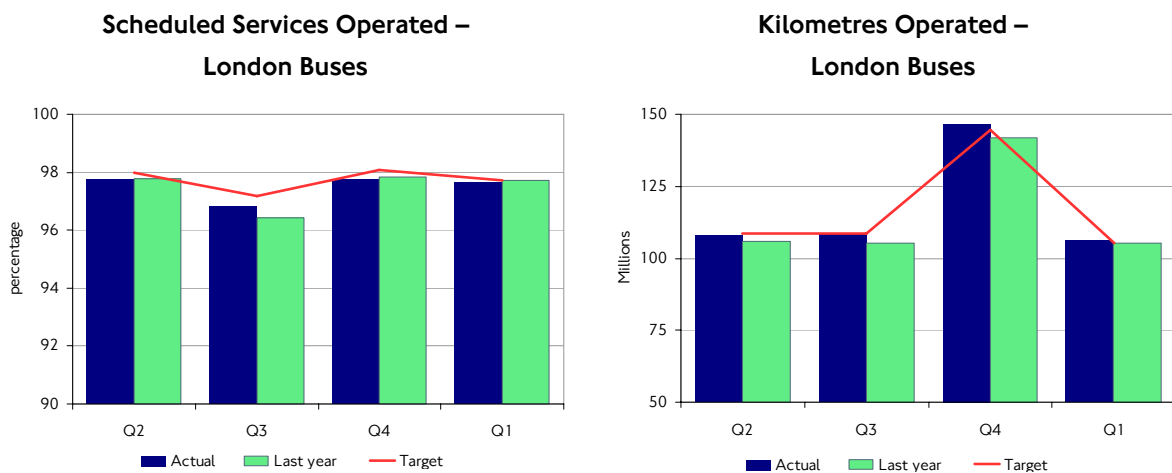
- 1.7 At the end of the first quarter, 3.1 per cent of Underground passenger journeys were cash fares, down from 3.8 per cent at quarter one last year. Oyster pay-as-you-go journeys comprised 31.3 per cent of all Underground journeys compared to 26.2 per cent a year ago.
- 1.8 On the bus network, cash single fares accounted for 1.7 per cent of all journeys (1.9 per cent including roadside ticket machines) compared to 2.1 per cent (excluding roadside ticket machines) at quarter one 2007/08. Oyster pay-as-you-go journeys comprised 17.6 per cent of all bus journeys (14.4 per cent last year).

## Service Provision

2.0 During quarter one, 96.5 per cent of scheduled services were operated on the Underground. This was 0.9 percentage points higher than last year and 1.4 percentage points better than target, giving rise to an increase of 0.2 million kilometres in service volume operated. The most disruptive single incident in the quarter was caused by an unexploded World War Two bomb that was discovered near to the tracks in the Bromley-by-Bow area. Service suspensions on the District and Hammersmith & City lines while the device was made safe resulted in the loss of some 31,000 train kilometres, or almost 0.2 per cent of the network schedule for the quarter. Just three lines showed shortfalls against their targets, the above incident and poor rolling stock availability being the main factors on the District and Circle & Hammersmith lines, while the Waterloo & City line suffered from signal, points and train radio failures as well as frequent loss of several round trips per day due to late running. The Northern was the best performing line over the first quarter.

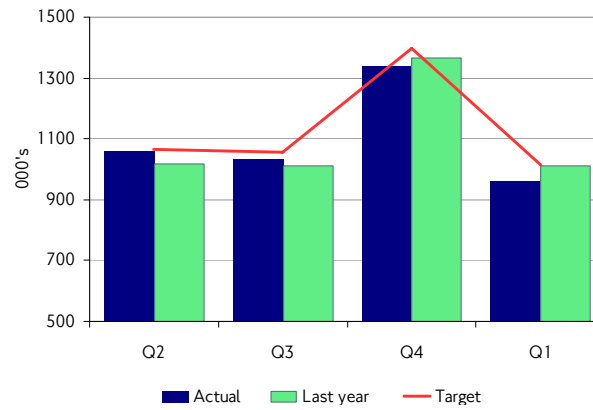


2.1 During the first quarter, 97.6 per cent of scheduled bus services were operated, 0.1 percentage points lower than last year and 0.1 percentage points less than target. Incidents which affected bus services included the closure of the Blackwall Tunnel northbound on 1 April, the London Marathon on 13 April, water main works at Greenwich between 14-22 April, a fire at Stratford on 25 April, a gas leak in Regent Street on 7 May, the closure of Oxford Street on 12 May, roadworks at Brixton, Ilford and Turnpike Lane, a burst water main on the A406 on 5-7 June and roadworks in Tottenham Court Road and Holborn throughout the quarter.



2.2 London Buses operated 106.2 million kilometres, an increase of 0.9 million kilometres (0.8 per cent) compared to last year and 0.9 million kilometres (0.8 per cent) more than target.

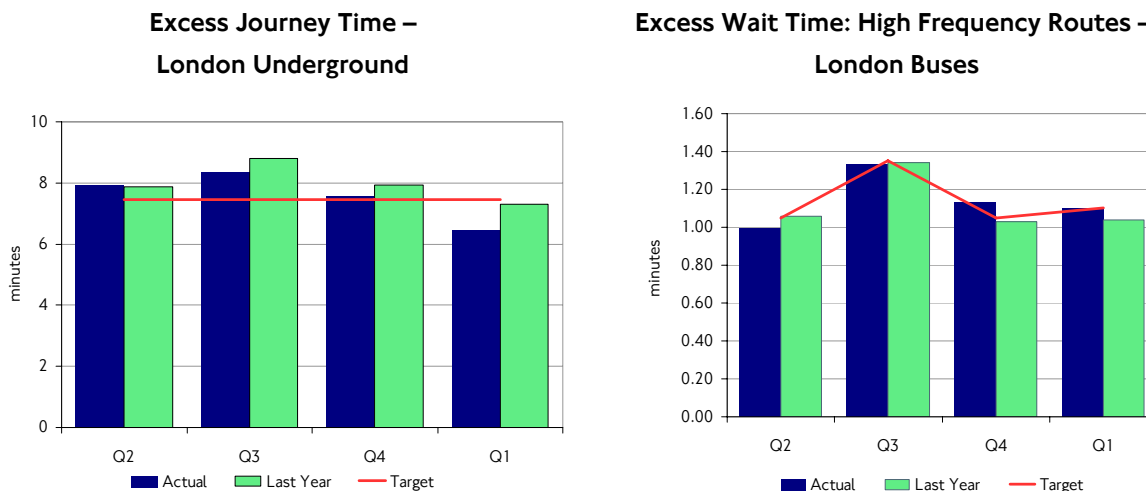
### Train Kilometres Operated – Docklands Light Rail



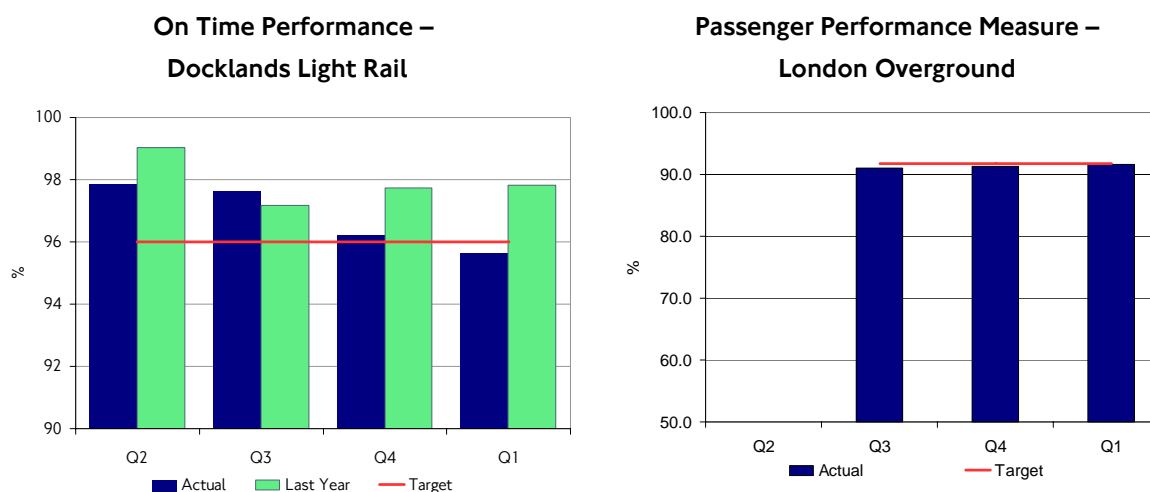
- 2.3 The DLR operated 960,000 kilometres in quarter one, 5.0 per cent fewer than last year and 5.1 per cent fewer than target. The variance to target was because more 3 car works than planned resulted in services between Canary Wharf and Lewisham being rescheduled. Also, the railcars intended for service after the May timetable change are now scheduled to enter service in September 2008.

## Service Reliability

- 2.4 Excess journey time on the Underground at 6.5 minutes was 1.0 minutes better than target and 1.0 minute better than last year. This represents the best start to a year on record and is a 1.3 minute improvement on the result of the previous quarter. All elements of the measure achieved target, notably excess journey time attributable to trains. This was 0.6 minutes better than target and, at 3.9 minutes, was also the best ever quarter one result.



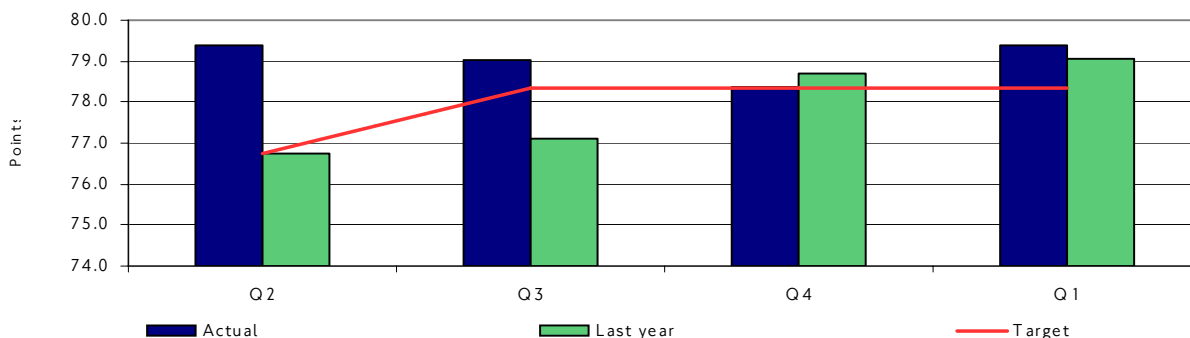
- 2.5 During the first quarter, excess wait time on London buses averaged at 1.1 minutes, in line with target but 0.1 minutes worse than last year. This was mainly due to traffic congestion in central London.
- 2.6 In the first quarter, 95.6 per cent of DLR trains were on time. This was 2.2 percentage points lower than last year and 0.4 percentage points lower than target, primarily due to the derailment at Deptford Bridge on 4 April but also due to wider major project disruption. An action plan to deliver performance improvements is being implemented by the franchisee, in conjunction with the DLR team.



- 2.7 The London Overground Public Performance Measure (PPM) is the percentage of trains which arrive at their final destination within 5 minutes of schedule. The moving annual average for PPM at the end of quarter 1 was 91.6 per cent, 0.4 percentage points better than last year. This demonstrates the effectiveness of the short-term initiatives to improve performance in advance of the introduction of new trains and infrastructure upgrades. The reliability of the existing trains has been improved and greater attention is being given to service planning. A dedicated Overground Control office opened at the end of April, which is expected to improve the management of any disruptions.

## Customer Satisfaction

3.0 In quarter one, the score for customer satisfaction with the TfL network was 79.4 per cent. This was 1.4 points better than target and an improvement of 0.3 points compared to quarter one 2007/08.



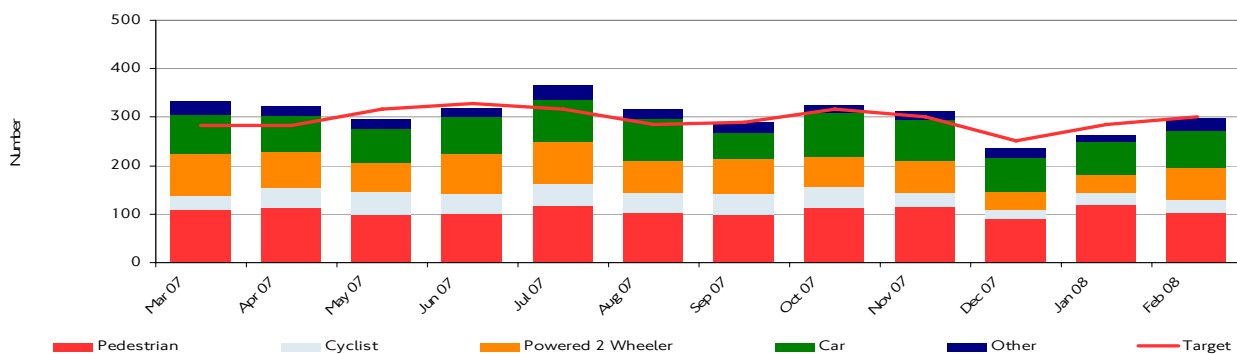
3.1 In quarter one, London Underground achieved an overall Customer Satisfaction Survey (CSS) score of 79, an increase of 3 points from quarter 4 of 2007/08. This reflects the good level of service delivery, as measured by both excess journey time and percentage of schedule, during the first quarter. This is only the second time that this score has been achieved, the previous occasion being quarter 2 of 2005/06 in the immediate aftermath of the 7 July bombings. The survey results also showed a 5 point increase in the score for staff helpfulness and availability and a one point increase in the scores for train service and cleanliness.

3.2 London Buses achieved an overall CSS score of 79, one point higher than target. The score was unchanged from the previous quarter. The scores for bus stop information, bus state of repair, general information, on bus safety and security, reliability, journey time, journey wait time and bus shelters all increased by one point. The score for satisfaction with night buses decreased by 3 points.

3.3 On London Overground, results of the quarterly TfL customer satisfaction survey conducted during quarter one, showed significant improvements in nearly all categories, compared to previous surveys, with an overall score of 75. This is the best result achieved since the concession started and reflects TfL's investment in station appearance and ambience, as well as increased station staffing at every station during the hours of operation.

3.4 DLR customer satisfaction survey results for quarter one showed a fall of 1.8 points to 95 per cent. The reasons for the decline in satisfaction are being investigated, but are likely to be related to reduced network performance and the 3-car project disruptions earlier in the year.

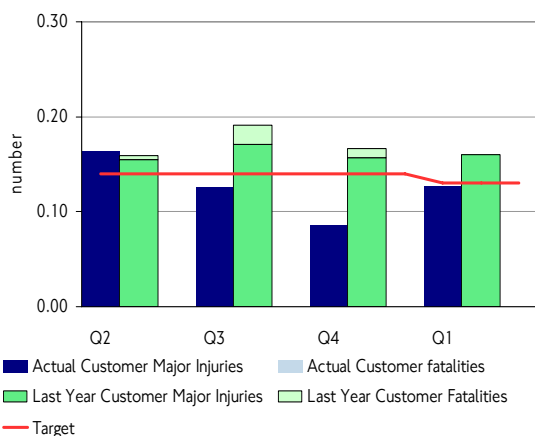
Road Traffic Accident Data (March 2007 – February 2008)



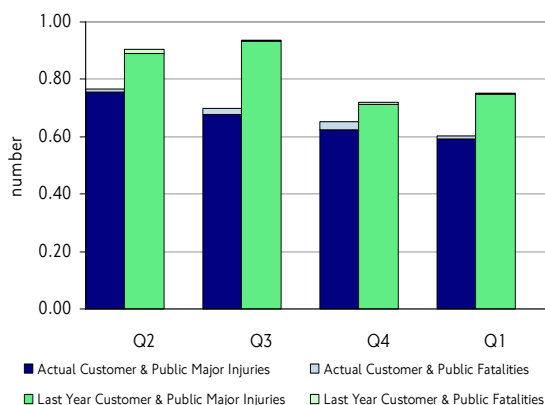
4.0 Due to reporting processes and the nature of road traffic accident data, results are reported 4 to 5 months in arrears and results are also subject to retrospective adjustments. During 2007/08 road traffic accident data was not available by the Metropolitan Police on a regular basis due to changes in the reporting system. Data analysis is currently being conducted to identify the factors determining trends. Data for January and February 2008 is now available.

4.1 Overall, there were 558 people killed or seriously injured on London’s roads in January and February 2008, 29 fewer than anticipated. Of these, 223 were pedestrians, 50 were cyclists, 103 were riders of powered-two-wheelers. There were fewer people killed or seriously injured in all categories compared to last year, with the exception of accidents involving pedestrians which increased by 3.7 per cent. However, overall there were 29 fewer casualties than in the previous year, representing a reduction of 5.0 per cent.

Customer Major Injuries and Fatalities per million passenger journeys – London Underground



Customer and Public Major Injuries and Fatalities per million passenger journeys – London Buses



4.2 The number of customer major injuries on the London Underground network in the first quarter of 2007/08, at 28, was 10 less than the same period last year. This represented an average of 0.12 injuries per million passenger journeys, 2.3 per cent better than target. There were no accidental fatalities during the quarter.

4.3 On the bus network, there were 311 major injuries and fatalities in the first quarter of 2008/09. This was 66 less than the corresponding quarter last year, representing an average of 0.60 injuries and fatalities per million passenger journeys.

## Financial performance

### Operating Income

2007/08 YTD Actual	Operating Income £m	Year to Date			Full Year		
		Actual	Budget	Variance	Forecast	Budget	Variance
(367)	London Underground	(383)	(395)	13	(1,745)	(1,751)	6
(340)	Surface Transport	(351)	(355)	4	(1,534)	(1,572)	39
(14)	London Rail	(25)	(25)	(0)	(122)	(108)	(14)
(3)	Group Directorates	(4)	(4)	(1)	(20)	(18)	(1)
<b>(724)</b>	<b>Total Operating Income</b>	<b>(763)</b>	<b>(779)</b>	<b>16</b>	<b>(3,420)</b>	<b>(3,449)</b>	<b>29</b>

Table may be subject to rounding errors

- 5.0 London Underground operating income was £13 million less than budget in the first quarter, primarily due to fares income of £12 million less than budget. This was driven by fewer passenger journeys due to the school holidays falling in April, rather than at Easter as budgeted, and retrospective travelcard apportionment adjustments. Full year operating income is forecast to be £6 million lower than budget due to lower than predicted rental income from former Silverlink properties, reduced payments to CBS and ending of the Cable and Wireless contract (for data cabling in tunnels) which was no longer required.
- 5.1 Operating income in Surface Transport was £4 million less than budget in quarter one.
- Congestion charging income was £7 million less than budget due to fewer standard charges and penalty charge notices issued. Traffic enforcement income was £4 million less than budget because of fewer CCTV and bus lane violations than expected.
  - Bus network fares income exceeded budget by £8 million in the first quarter. This is attributable to additional users during the school holidays in April.
  - Full year operating income is forecast to be £39 million lower than budget largely due to revised volume assumptions in congestion charging income (£21 million), LEZ income (£5 million) and traffic enforcement income (£10 million), and reduced commercial income at Victoria Coach station (£3 million).
- 5.2 London Rail operating income was in line with budget in quarter one. However, full year income is forecast to be £14 million higher than budget. This relates to London Trams income which was added to the forecast following the acquisition of Tramtrack Limited by TfL on June 27.

### Operating Expenditure

2007/08 YTD Actual	Operating Expenditure £m	Year to Date			Full Year		
		Actual	Budget	Variance	Forecast	Budget	Variance
581	London Underground	595	602	(7)	2,640	2,640	-
551	Surface Transport	569	581	(12)	2,632	2,643	(12)
30	London Rail	56	66	(10)	284	282	2
54	Group Directorates	77	86	(8)	409	422	(12)
<b>1,215</b>	<b>Total Operating Expenditure</b>	<b>1,297</b>	<b>1,335</b>	<b>(38)</b>	<b>5,965</b>	<b>5,988</b>	<b>(22)</b>

Table may be subject to rounding errors

- 5.3 Operating expenditure in London Underground was £7 million less than budget in quarter one. This was mainly due to lower PPP costs reflecting lower interest payment following the repayment of the Metronet debt and abatements for late BCV station project delivery. There were also savings in commissions, bank charges and bad debts, partly offset by a volume-related increase in replacement bus service costs. Total full year operating expenditure is forecast to be on budget.

- 5.4 Surface Transport spent £12 million less than budget in the first quarter largely because of lower provision for bad debts due to lower Penalty Charge Notice (PCN) enforcement income and a higher recovery rate of the PCNs (£4 million). Bus network operation costs were £3 million lower than budget because of budget phasing assumptions relating to the revised Quality Incentive Contracts. Expenditure on road safety marketing was £2 million less than budget. The full year favourable variance of £12 million predominantly relates to savings from renegotiation of contracts on the bus network.
- 5.5 London Rail operating expenditure was £10 million less than budget in quarter one, mainly due to slippage on the London Wide Oyster Rollout project, following delays in negotiations with the Train Operating Companies (TOCs). There were also savings on the fixed track access charge, which is offset by lower DfT grant recorded centrally. In the full year, London Rail forecast to spend £2 million more than budget. This reflects the inclusion of £13 million of operating costs to be incurred following the acquisition of Croydon Tramtrack, which was not budgeted for. This is partly offset by lower fixed track access payments, and negotiations with the TOCs on London Wide Oyster project.
- 5.6 The Group Directorates spent £8 million less than budget in quarter one and forecast to spend £12 million less in the full year.
- Group Planning spent £3 million less than budget due to re-programming of workstreams in Transport Network Planning and Modelling and Monitoring. These will now be undertaken later in the year. The full year forecast is £3 million less than budget due to a change in the scheduling of Borough Programme schemes at Leicester Square, Elephant and Castle and Brixton Central Square. The work is planned to be completed in 2009/10. This reduction in forecast is offset by an increase in forecast of £2 million for studies, modelling and consultation to be undertaken this year that were originally budgeted in 2007/08.
  - Finance expenditure was £2 million less than budget due to lower IM Strategy Implementation Project (IMSIP) support costs and higher procurement recharges to Rail for London. The forecast expenditure for the year is £7 million less than budget mainly due to reclassification of spend on IMSIP from operating to capital expenditure.
  - Group Services spent £2 million less than budget in quarter one largely, due to lower expenditure on agency fees because of lower recruitment demand from LU and fewer staff working in Resourcing owing to staff vacancies.

## Group Items

Group Items £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Interest Income	(29)	(20)	(9)	(96)	(70)	(26)
Debt Servicing	42	38	4	186	185	1
Contingency/Other Group Items	-	9	(9)	35	65	(30)
Provision for Metronet administration	104	-	104	104	-	104
<b>Total Group Items</b>	<b>116</b>	<b>26</b>	<b>90</b>	<b>228</b>	<b>180</b>	<b>48</b>

Table may be subject to rounding errors

- 5.7 Interest income is forecast to be £26 million higher than budget for the full year. This is due to increasing interest rates on cash balances.
- 5.8 The final amount of the loan paid by TfL to Metronet was £104 million, following Metronet's exit from administration in quarter one.



## Capital Expenditure

2007/08 YTD Actual	Capital Expenditure £m	Year to Date			Full Year		
		Actual	Budget	Variance	Forecast	Budget	Variance
79	London Underground*	81	101	(20)	396	438	(42)
36	Surface Transport*	42	53	(11)	237	280	(43)
52	London Rail*	114	145	(31)	588	722	(134)
4	Group Directorates*	15	21	(6)	79	72	7
-	Overprogramming (TfL Group)	-	(16)	16	(30)	(68)	38
(31)	Reimbursements						
<b>(141)</b>	<b>Net Capital Expenditure</b>	<b>252</b>	<b>304</b>	<b>(52)</b>	<b>1,270</b>	<b>1,444</b>	<b>(174)</b>
(30)	Capital Income	(1)	(20)	19	(47)	(49)	2
<b>(111)</b>	<b>Net Capital</b>	<b>252</b>	<b>285</b>	<b>(33)</b>	<b>1,223</b>	<b>1,395</b>	<b>(172)</b>

\*Shown after delegated overprogramming and third party reimbursements for 08/09.

Table may be subject to rounding errors

- 5.9 London Underground capital expenditure in the first quarter was £20 million less than budget mainly on station projects (£12 million), including £2 million at Shepherd's Bush due to project re-scoping and phasing and £4 million on congestion relief work at Tottenham Court Road. Rolling stock expenditure at £6 million below budget includes variances of £2 million for train cab simulators, £1 million for 7-Car C-stock project and £1 million for Bakerloo & Central lines on-train CCTV, all reflecting re-programming of work to later this year or next.
- 5.10 The full year forecast is £42 million less than budget for London Underground. £16 million is due to re-phasing of the Northern, Jubilee and Metropolitan line power upgrade projects, and £14 million is due to deferral of Connect SSL works pending approval of the revised Metronet stations programme. Expenditure on stations projects is forecast at £15 million below budget, the main reductions being £14 million for Shepherd's Bush (project de-scoped), Bank Waterloo & City entrance at £14 million (change in developer programme) and £6 million for West Ham (work for Olympic Delivery Authority no longer required), offset by increased ODA work at Stratford (£20 million). Rolling stock projects are forecast to be £12 million under budget for the reasons described in the previous paragraph. The above variances are partly offset by a reduction of £13 million in the devolved overprogramming provision.
- 5.11 Surface Transport spent £11 million less capital expenditure than budget in quarter one mainly as a result of delays to TLRN renewals and improvements (£6 million), the Countdown project due to the re-phasing of work (£2 million), delays to iBus garage roll out acceptance (£2 million), and phasing of works on West Ham bus garage (£2 million).
- 5.12 The full year forecast for Surface Transport is £43 million less than budget due to re-profiling of work and project slippage to Blackwall Tunnel north (£16 million), A406 Hanger Lane bridges (£4 million) and Ardleigh Green railway bridge (£4 million), delays and re-scoping of A406 Henlys Corner and Tottenham Hale (£7 million), delay in the final acceptance milestone for iBus (£5 million) and rephasing of the Countdown project following rescoping (£6 million).
- 5.13 Capital expenditure in London Rail was £31 million less than budget in the year to date. The main contributors were changes to phasing on the DLR three car project (£12 million), delay to the commencement of Network Rail implementation works on NLRIP (£4 million), rephased contingency on ELLP (£3 million), slow progression on stations and residual civils works on ELLP (£3 million) and savings on Stratford International western subway work (£2 million).
- 5.14 The full year forecast for London Rail is £134 million lower than budget. The ELLP forecast decreased by £58 million mainly due to rephasing of risk and contingency to later years (£27 million) and main works expenditure (£17 million). The DLR three car full year forecast has been reduced by £38 million. The main reasons are a reappraisal of the work to be done by the main

contractor (£18 million) and Phase 4A Prince Regent works now forecast for 2009/10 (£10 million). The NLRIP forecast reduced by £25 million reflecting rephasing of the project as Network Rail Board approval and subsequent contract award will be delayed to the end of the calendar year. The opening dates of these projects are not affected by the re-profiling of costs.

- 5.15 Capital expenditure in the Group Directorates was £6 million less than budget in the first quarter.
- Group Services spent £3 million less than budget because of a delay in work on Palestra. This was partly offset by a delay in the landlord's contribution to Palestra control boxes works.
  - Finance spent £3 million less than budget primarily on IM Strategy Implementation Project (IMSIP), but this will be recovered during the year. In Finance, capital expenditure on IMSIP is forecast to be £8 million more than budget by year end due to a reclassification of operating expenditure to capital expenditure of £12.9 million.
- 5.16 Capital income was £19 million less than budget in the first quarter. This relates to Hammersmith Met where sales progress has slowed as a result of changes in the financial market. The year end forecast of £2 million less than budget includes property sales of £12 million deferred to 2009/10, partly offset by new sales of £8 million.

## Efficiencies

6.0 Total full year efficiencies are forecast at £275 million which is £5 million higher than budget. New efficiencies are forecast to be £13 million higher than budget which is partly offset by lower recurring efficiencies by £8 million.

Efficiency Initiatives £m	Full Year Recurring		Full Year New		Full Year Total	
	Forecast	Variance to Budget	Forecast	Variance to Budget	Forecast	Variance to Budget
Procurement	43	(2)	33	6	76	4
Staff & BIP	23	0	30	1	53	1
Marketing	4	-	-	-	4	-
Other Back Office	15	0	14	6	29	6
<b>Total Back Office Efficiencies</b>	<b>85</b>	<b>(2)</b>	<b>76</b>	<b>13</b>	<b>162</b>	<b>11</b>
Bus Network	69	-	17	-	86	-
Road Maintenance Contract	-	-	4	-	4	-
Other Surface Transport Initiatives	-	-	-	(3)	-	(3)
LU Operational Efficiencies	16	(6)	7	2	23	(4)
<b>Total Operational Efficiencies</b>	<b>85</b>	<b>(6)</b>	<b>28</b>	<b>1</b>	<b>113</b>	<b>(7)</b>
<b>Total Cashable Efficiencies</b>	<b>170</b>	<b>(8)</b>	<b>104</b>	<b>13</b>	<b>275</b>	<b>5</b>

Brackets in variance columns show that efficiencies were lower than budget.

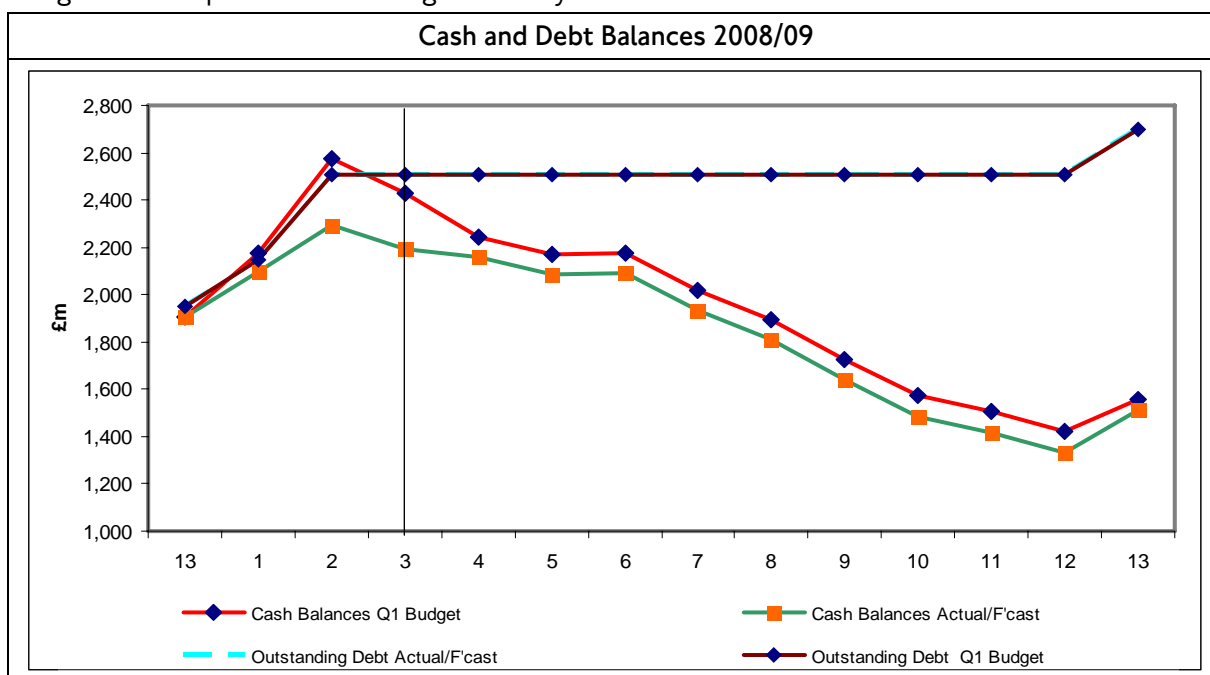
Tables are subject to rounding errors.

- 6.1 Procurement efficiencies are forecast to be £4 million higher than budget. Group Services procurement efficiencies are forecast to be £3 million more than budget because of £1m of savings from buildings which have lower rental, maintenance and facilities costs, and, other small additional savings. General Counsel forecast to achieve £2 million more procurement efficiencies than budget, largely because of additional discounts and rebates negotiated.
- 6.2 Other back office efficiencies are forecast to be £6 million higher than budget because of small savings in Surface Transport and London Underground.
- 6.3 Other recurring London Underground operational efficiencies are forecast to be £6 million lower than budget because planned ticket office closures are not expected to happen.

## Cash Summary

### Cash Balances and Debt

- 7.0 Cash balances at the end of quarter one were £2,308 million including £116 million cash held by the new Metronet subsidiaries. The new Metronet subsidiaries received £153 million on 27 May under the terms of asset transfer scheme approved by the Court in relation to the administration of the PPP Metronet companies. Since transfer, £37 million has been spent.
- 7.1 Budgeted and forecast end of year cash (£1,555 million and £1,512 million respectively) excludes:
- The Metronet balances of £116 million noted above
  - Metronet companies' spend for periods 4 through to 13
  - Additional grants of £431 million from the SR 2007 settlement, relating to the transfer of Metronet activities to TfL
  - The unspent proceeds of £500 million borrowing to fund Crossrail. This borrowing has yet to be approved by the Mayor and is not included in the budget and forecast.
- 7.2 Of £750 million approved borrowing, £560 million has been drawn down and £190 million is committed in period 13. Debt at the year end (excluding funding for Crossrail) will be £2,700 million.
- 7.3 The graph below shows the actual/forecast cash balances and debt compared to the quarter one budget at each period end throughout the year.



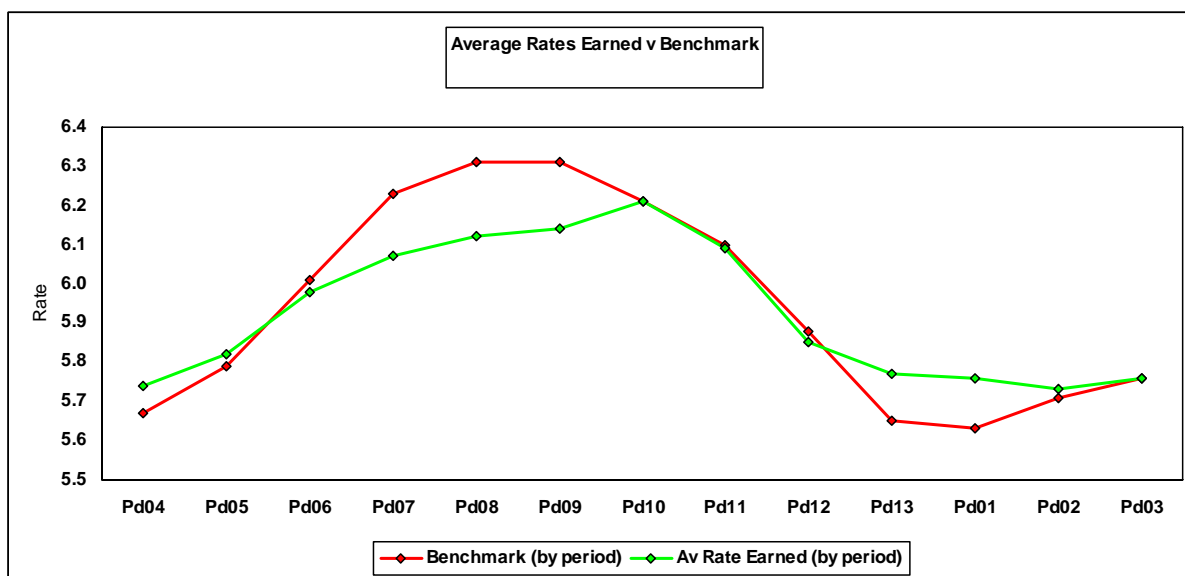
### Performance

- 7.4 Interest receivable performance (shown below) is measured against a benchmark of the average of 3 month LIBOR minus 12.5 basis points. The global 'credit squeeze,' which commenced in September last year, resulted in a severe demand/supply imbalance for deposits in the 3 – 6 months range. As a result, yields rose rapidly for these deposits, thus pushing TfL's benchmark to very high levels. While TfL achieved these higher rates on the cash it had available at the time to invest in 3-6 months deposits, it was not possible to achieve the higher benchmark returns across all deposits immediately. This was due to a shortage of surplus cash from existing longer-term maturities that had been set to meet forecast payment obligations, and the requirement to maintain higher short-term liquidity to meet obligations under the Metronet Administration loan facility. However, bringing forward the borrowing programme last year helped to offset this effect. As a result, the return for 2007-08 was 3 basis points below benchmark. However P1 - 3 results, this year, show returns now meet the benchmark.

7.5 Results for the last three periods are noted in the table below:

Treasury Management Yield	2007/08 Actual	Period 1	Period 2	Period 3	YTD Actual
Benchmark	% 5.90	% 5.63	% 5.71	% 5.76	% 5.70
Average Rate of Return	5.87	5.76	5.73	5.76	5.75
Variance to Benchmark (lower) / higher	(0.03)	0.13	0.02	0.00	0.05
Interest Earned, Period	£112.9m	£8.4m	£9.9m	£10.2m	£28.5m
Interest Earned, Year to Date	£73.9m	£8.1m	£9.1m	£8.8m	£26.0m

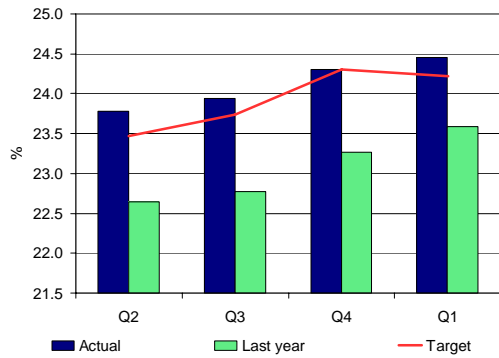
7.6 The chart below shows the Group's cash management performance relative to its benchmark. In particular it shows the effect of rising LIBOR rates in September – November last year and how TfL's returns have recovered through March-June.



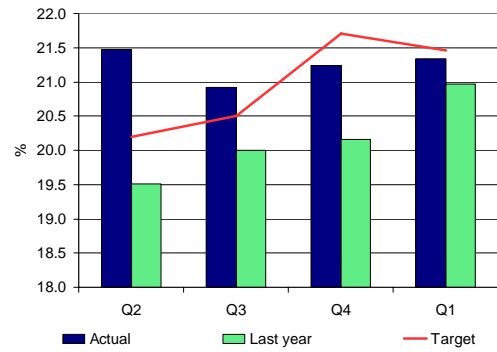


- 8.0 **Staff numbers:** TfL employed 21,828 full time equivalent (FTE) staff at the end of quarter one, 132 less than budget and 20 less than last quarter. In the operational modes staff numbers exceeded budget by 104 FTE. In London Underground, staff numbers of 14,526 FTE, exceeded budget by 46 due to higher staff levels in the support directorates. In Surface Transport there were 4,742 members of staff, 54 FTE more than budget, principally due to London Streets' re-structuring. With 250 members of staff, London Rail exceeded budget by 4 FTE. Higher staff numbers in the operational modes were offset by corporate directorate staff numbers of 236 lower than budget. There were 167 members of staff on maternity leave.
- 8.1 **Temporary staff:** At the end of quarter one, there were 1,153 temporary staff employed by TfL, 408 more than budget. Of these, 512 had been employed for more than 12 months. In London Underground the number of temporary staff exceeded budget by 155, with the majority working on the Metronet issues, in project management and on capital projects. However the number of London Underground temporary staff with service in excess of 12 months, at 223, was 17 below budget at the end of the quarter. In Surface Transport there were 170 more temporary staff than budget pending the outcome of London Streets' re-structuring and supporting IM projects. There were 190 temporary staff with service exceeding 12 months, but, Surface Transport plan to reduce this number by 47 over the course of the year to achieve budgeted levels. With 46 temporary staff, London Rail were below budget by 4 FTE. A majority of these staff were employed on the East London Line project, with 15 temporary staff having served for more than 12 months. In the corporate directorates, temporary staff were 87 FTE higher than the budget of 300 and 14 FTE had service of more than 12 months. These included 189 working in Group IM (especially on the IM Strategic Investment Programme) and 75 working in the Group Customer Services (mainly in the Oyster call centre to maintain levels of customer service in the light of increasing demand).
- 8.2 **Sickness:** TfL staff were absent for an average of 2.1 days per employee in the year to date, 4.8 per cent better than target. Operational staff were absent for an average of 2.7 days per employee which was 3.6 per cent better than target. Non-operational staff were absent for an average of 1.3 days in the year to date, which was 2.2 per cent better than target.
- 8.3 **Workforce composition:** TfL became the first transport authority in the country to achieve level five (the highest level) of the Local Government Equality Standard. TfL is only the fourth authority in the country to achieve this independently assessed equality mark.
- 8.4 The Breakthrough strategy being implemented by Group Services is designed to increase representation of minority groups in senior management. It will look at TfL's recruitment and selection process, and how internal candidates are prepared for promotion. Pearn Kandola has been appointed as the supplier to work with TfL to conduct the reviews of the strategy.

**Female Staff**

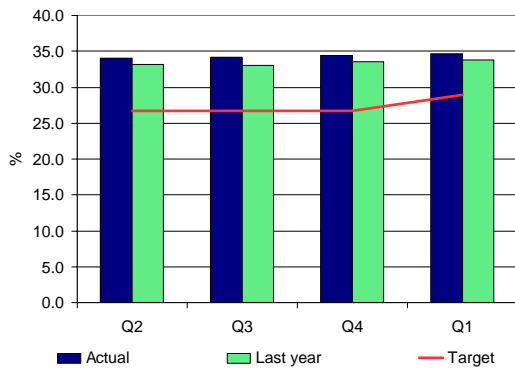


**Female Staff in Senior Management**

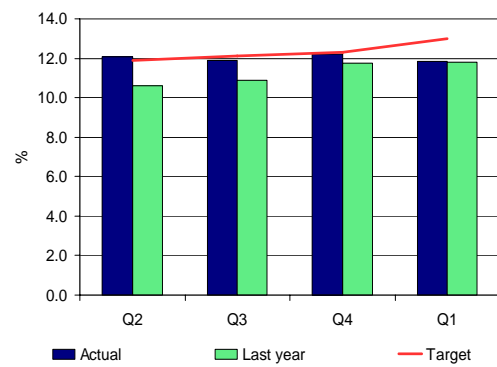


8.5 At the end of quarter one, 24.5 per cent of TfL staff were women, 0.3 percentage points better than target and 0.9 percentage points higher than last year. The percentage of women in senior management was 21.3 per cent, 0.1 percentage points lower than target but 0.3 percentage points higher than last year.

**Black, Asian and Minority Ethnic (BAME) Staff**

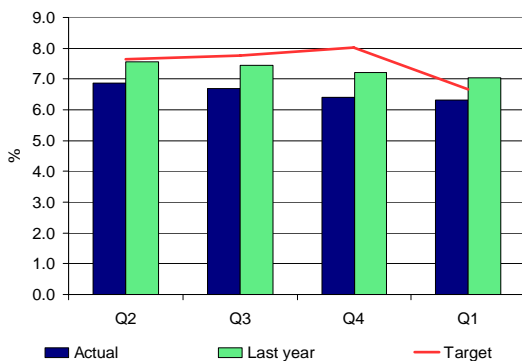


**Black, Asian and Minority Ethnic (BAME) Staff in Senior Management**

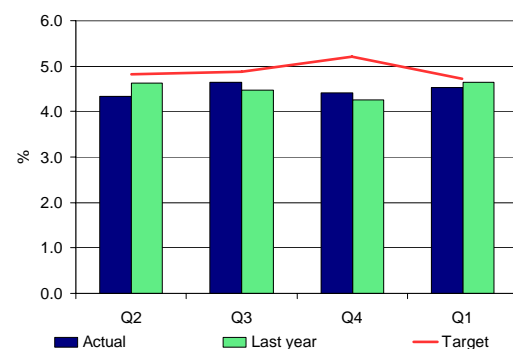


8.6 34.6 per cent of TfL staff came from BAME communities. This was 5.6 percentage points better than the target and 0.8 percentage points higher than last year. The percentage of BAME staff in senior management fell by 0.3 percentage points, since last quarter, to 11.9 per cent. This was 0.8 percentage points worse than target, but marginally better than last year.

**Disabled Staff**



**Disabled Staff in Senior Management**



8.7 The proportion of disabled staff was unchanged in quarter one, at 6.3 per cent. This was 0.4 percentage points worse than the target and 0.7 percentage points lower than last year. The decline in the proportion of disabled staff since last year was due to 44 (6.4 per cent) fewer disabled staff and 481 (5.3 per cent) more non-disabled staff in the survey. The proportion of disabled staff in TfL's senior management increased by 0.1 percentage point to 4.5 per cent in

quarter one. This was 0.3 percentage points worse than the target and slightly lower than last year.

- 8.8 Of the employees who declared their sexual orientation; 1.0 per cent were lesbians; 4.5 per cent were gay men; 0.2 percent were bisexual women; 0.5 per cent were bisexual men; 58.0 per cent were heterosexual men and 28.5 per cent were heterosexual women. The balance of employees preferred not to declare their sexual orientation.

Of the senior managers who declared their sexual orientation; 0.02 percent were lesbians; 3.4 per cent were gay men; 67.4 per cent were heterosexual men and 18.0 per cent were heterosexual women. The balance of senior managers preferred not to declare their sexual orientation.



## Annex One: Financial summary

£ millions	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Fares Income - LU, Buses and LR	(628)	(631)	4	(2,806)	(2,791)	(15)
Other Income	(136)	(148)	12	(615)	(658)	44
<b>Total Income</b>	<b>(763)</b>	<b>(779)</b>	<b>16</b>	<b>(3,420)</b>	<b>(3,449)</b>	<b>29</b>
Operating Expenditure (net of 3rd party contributions)	1,297	1,335	(38)	5,965	5,988	(22)
<b>Gross Operating Margin</b>	<b>534</b>	<b>556</b>	<b>(22)</b>	<b>2,545</b>	<b>2,538</b>	<b>7</b>
Interest Income & Debt Payments	13	18	(4)	90	115	(26)
Contingency/Other Group Items	(0)	9	(9)	35	65	(30)
Provision for Metronet Administration	104	-	104	104	-	104
<b>Total Group Items</b>	<b>116</b>	<b>26</b>	<b>90</b>	<b>228</b>	<b>180</b>	<b>48</b>
<b>Margin</b>	<b>650</b>	<b>582</b>	<b>68</b>	<b>2,773</b>	<b>2,718</b>	<b>55</b>
Capital Income (including Property Sales)	(1)	(20)	19	(47)	(49)	2
Capital Expenditure	286	349	(63)	1,484	1,682	(198)
Reimbursements from Third Parties	(34)	(29)	(5)	(184)	(170)	(14)
Overprogramming (TfL Group)	-	(16)	16	(30)	(68)	38
<b>Net Capital Expenditure</b>	<b>252</b>	<b>304</b>	<b>(52)</b>	<b>1,270</b>	<b>1,444</b>	<b>(174)</b>
<b>Net Service Expenditure</b>	<b>902</b>	<b>867</b>	<b>35</b>	<b>3,996</b>	<b>4,113</b>	<b>(117)</b>
<b>By Mode:</b>						
London Underground	293	288	4	1,249	1,283	(34)
Surface Transport	260	279	(19)	1,334	1,351	(16)
London Rail	145	186	(41)	750	897	(146)
Group Directorates	88	103	(15)	464	471	(7)
Overprogramming (TfL Group)	-	(16)	16	(30)	(68)	38
Group Items	116	26	90	228	180	48
<b>Net Service Expenditure</b>	<b>902</b>	<b>867</b>	<b>35</b>	<b>3,996</b>	<b>4,113</b>	<b>(117)</b>
Metronet Net Service Expenditure £m	86	146	(60)	515	515	-

Table may be subject to rounding errors

## Annex Two: Balance Sheet

Last Year Actual	Balance Sheet £m	Year to Date			Full Year		
		Actual	Budget	Variance	Forecast	Budget	Variance
16,716	<b>Fixed Assets</b>						
	Tangible Assets	17,107	17,100	(7)	18,509	18,674	165
	<b>Current Assets</b>						
4	Stocks	5	4	(1)	5	4	(1)
352	Debtors	190	172	(18)	157	179	22
17	Capital Debtors	19	12	(7)	21	13	(8)
212	Payments in Advance	267	241	(26)	254	263	9
1,903	Cash at Bank and in Hand	2,192	2,431	239	1,563	1,555	(8)
	<b>Current Liabilities</b>						
(855)	Revenue	(830)	(965)	(135)	(823)	(942)	(119)
(224)	Receipts in Advance	(234)	(232)	2	(255)	(242)	13
(316)	Capital	(306)	(325)	(19)	(366)	(385)	(19)
	<b>Long Term Liabilities</b>						
(2,947)	Balances with Infracos	(1,441)	(3,071)	(1,630)	(1,803)	(3,489)	(1,686)
(382)	Creditors Due after One Year	(381)	(382)	(1)	(635)	(634)	1
(1,950)	Prudential Loans	(2,510)	(2,510)	-	(2,700)	(2,700)	-
(6,862)	Capital Grants	(7,179)	(7,093)	86	(7,267)	(7,352)	(85)
(249)	Provisions	(235)	(238)	(3)	(217)	(217)	-
(607)	Pension Provision	(607)	(607)	-	(607)	(607)	-
<b>4,812</b>	<b>Total Net Assets</b>	<b>6,057</b>	<b>4,537</b>	<b>(1,520)</b>	<b>5,836</b>	<b>4,120</b>	<b>(1,716)</b>
	<b>Capital and Reserves</b>						
1,443	Earmarked Reserves	1,018	1,183	165	917	872	(45)
(607)	Pension Reserves	(607)	(607)	-	(607)	(607)	-
162	General Fund	162	162	-	162	162	-
3,814	Other Reserves	5,484	3,799	(1,685)	5,364	3,693	(1,671)
<b>4,812</b>	<b>Total Capital Employed</b>	<b>6,057</b>	<b>4,537</b>	<b>(1,520)</b>	<b>5,836</b>	<b>4,120</b>	<b>(1,716)</b>

Debtors and Payments in advance were £52m over budget, of which £32m is in Corporate, and includes an unbudgeted rebate from recruitment agencies (£10m), whereby an element of commission paid is refunded to TfL based on volumes of positions filled, Crossrail funding (£8m) and pre-paid insurance (£14m). Movements for other companies are within normal trading tolerances.

The large variance to date on creditors includes the net effect of the write-down of the finance lease obligations in respect of Metronet PPP companies (£1,681m) offset by new lease obligations (£48m) related to increased fixed asset delivery. This write-down was triggered by revisions to the Metronet Infrastructure Service Charge. Also within London Underground is a £36m reduction for revenue creditors due to earlier than expected settlement of contractual claims and a £20m reduction in capital creditors reflecting lower capital expenditure. London Rail has creditor balances below budget by £68m due to a combination of lower capital expenditure and timing differences in payment of capital creditors.

Fixed asset reduction reflects the reduced capital activity forecasts, mainly in London Rail, as reported above. These also result in the forecast variances to creditors (£129m) and deferred capital grant.

The creditor forecast includes the write-off of London Underground's finance lease obligations under the Metronet PPP as detailed above (£1,681m).

## Annex Three: Cash Summary

Cash Summary £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue Expenditure	(651)	(583)	68	(2,773)	(2,718)	55
Working Capital Movements	92	273	181	266	406	140
<b>Cash Spend on Operating Activities</b>	<b>(559)</b>	<b>(310)</b>	<b>249</b>	<b>(2,507)</b>	<b>(2,312)</b>	<b>195</b>
Net Capital Expenditure	(285)	(313)	(28)	(1,407)	(1,565)	(158)
Working Capital Movements	(12)	14	26	(46)	(73)	(27)
<b>Cash Spend on Capital Activities</b>	<b>(297)</b>	<b>(299)</b>	<b>(2)</b>	<b>(1,453)</b>	<b>(1,638)</b>	<b>(185)</b>
<b>Funded by:</b>						
Transport Grant	549	546	(3)	2,674	2,670	(4)
Precept Funding	2	2	-	12	12	-
Prudential Borrowing	560	560	-	750	750	-
Third Party Contributions	34	29	(5)	184	170	(14)
<b>Total Funding</b>	<b>1,145</b>	<b>1,137</b>	<b>(8)</b>	<b>3,620</b>	<b>3,602</b>	<b>(18)</b>
<b>Net Movement in Cash</b>	<b>289</b>	<b>528</b>	<b>239</b>	<b>(340)</b>	<b>(348)</b>	<b>(8)</b>



Appendix 2: TfL Investment Programme Report  
First Quarter 2008/09





# Investment Programme Report

## First Quarter, 2008/09





# Transport for London

## Investment Programme Report

First quarter, 2008/09 (1 April – 21 June)

### 1. Programme Highlights

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In quarter one TfL's Investment Programme generally continued to progress as planned. A number of key milestones detailed in this report were met in quarter one.

The key events in the first quarter of 2008/09 were:

- The Connect project train radio went live on the Jubilee line in April, Central line in July and is scheduled to go live on the Northern line in quarter two.
- An incident occurred on 28 May, when the GE19 bridge near Liverpool Street slipped off its temporary supports into its permanent position. Inquiries by TfL and Network Rail have been concluded.
- The train manufacturer for the North London Railway units has declared a delay of up to 13 weeks due to issues with components sourced overseas. However, testing on Network Rail track is still planned for quarter two.
- All major civils works are now complete on the DLR Woolwich Arsenal Extension. The Woolwich Information Centre opened in June to publicise the benefits of the new extension.
- Three new DLR vehicles were delivered to London during the quarter bringing the total to nine.
- The iBus project achieved its target of 3,300 buses by June.

Post quarter events include:

- The critical Central Subway for Stratford International was completed in July.
- The second phase of the Low Emission Zone to include light HGVs, buses and coaches was implemented on 7 July. Planning has begun for Phase 3 implementation to include LGVs and minibuses.

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




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

This section reports on discrete projects with a total cost greater than £50m and programmes over £10m per year. Previously, Investment Programme reports provided progress reports on the projects and programmes that constituted the TfL Oversight Top 60 projects; with the replacement of Independent Engineer reviews with a new TfL Corporate Gateway Approval process for projects of greater than £5m (as presented to the June 2008 Finance Committee) this list is no longer maintained, hence the change in the selection criteria for providing project progress reports.

For each project, key milestones are given with a forecast date against the current planned date for the 2008/09 year, and if appropriate, additional milestones from the 2008/09 Budget Deliverables document.

### Key to RAG status:

Within 1 month of target	
Between 1 - 3 month delay	
Greater than 3 month delay	

This report focuses on delivery of investment projects. For a discussion on financial performance see the Quarter 1 Operational and Financial Report.

# London Underground

## LU Line Upgrade – PPP BCV

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Waterloo & City line upgrade complete	March 2007	July 2007	Completed
Victoria line Upgrade (VLU): Commence rolling stock full production	May 2008	May 2008	Completed
VLU: Second pre-production train delivered	July 2008	July 2008	Completed
VLU: Full overlay available	July 2008	June 2008	Completed
VLU: Start Testing the New Service Control Centre (in Engineering Hours)	30-11-2008	30-11-2008	●
VLU: Start Testing T1/T2 in Traffic Hours without passengers	26-01-2009	26-01-2009	●
VLU: Approval to trial signalling control in passenger hours	22-03-2009	20-03-2009	●

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

The programme remains dependent on the timely resolution of key software and assurance issues to remain on target. The programme has been updated to incorporate a revised jointly developed (Westinghouse, Bombardier, Metronet and LU) delivery strategy.

Signalling software is still causing slippage to formal testing and regression testing may be required. Software version 6.3.1 has been released and is awaiting approval to commence validation testing. This version now has the ability to validate on the entire line thus enabling further time to increase the maturity of version 6.4.

The revised completion date of February 2012 for the Journey Time Capability (JTC) is now under pressure from these rolling stock and signalling issues. However the contractual date remains August 2013.

## LU Line Upgrade – PPP JNP

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Jubilee Line –JLS1 - Maturity Level 3 Testing	27-11-2008	29-12-2008	●
Jubilee Line –JLS2 - Maturity Level 3 Testing	13-03-2009	12-01-2009	●
Jubilee Line – TBTC Rolling Stock – Delivery of Train 59	26-10-2008	31-10-2008	●
Piccadilly Line - PLU - Contract Award	10-01-2009	05-12-2008	●
Jubilee Line – TBTC Contract - J2/3 - Ready for Revenue Service	16-03-2009	16-03-2009	●
Northern Line – no milestones. See text.			

Work is underway on both the Jubilee and Northern line upgrades which comprise signal and train control replacement.

On the Jubilee line, train conversion is forecast to deliver the last train by October 2008.

The performance of the Dual Fit Area (DFA) has improved to above 90 per cent (measured in successful transits) since the DFA began operating in passenger service.

The current project manager forecast for the combined J2/3 Ready for Revenue Service date is 16 March 2009 although the programme suggests 27 April 09. The forecast completion date for the line upgrade is now beyond the PPP contract delivery date of 31 December 09.

For the Northern line, the programme remains uncertain since Tube Lines Ltd (TLL) have been unable to agree the proposed revised build sequence (North to South) with their sub-contractor without a time and cost penalty and will now revert back to their original plan. TLL have provided a draft target programme for the Northern line and this is due to be submitted in August 2008. The forecast line completion date based on the draft programme is 21 December 2011 or three weeks prior to the PPP contract date of 7 January 2012.

For the Piccadilly line upgrade, tenders for the new rolling stock have been returned. Discussions are continuing on financing options with TLL and the Government.

TLL have not yet agreed a programme for Transmission Based Train Control with their contractor. TLL are holding weekly workshops with their contractor to develop a mutually acceptable cost and resource loaded programme by mid-August 2008.

#### LU Line Upgrade – PPP Sub-Surface Line (SSL)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Create a Strategic Level Plan for the Plan	May 2008	May 2008	Completed
Complete delivery into service of refurbished D-Stock fleet	July 2008	Apr 2008	Completed
Review & Accept the Design Compliance Report for new trains	28-08-2008	28-08-2008	●
Issue Programme Assurance Plan for approval	29-08-2008	29-08-2008	●
Complete preparations for platform works at High St Kensington	01-02-2009	01-02-2009	●
LUL Approve OPO CCTV Train Design	13-03-2009	11-02-2009	●

The SSL network (consisting of the Circle, District, Hammersmith & City and Metropolitan lines) upgrades will provide new rolling stock, new signalling and a new control centre, in order to increase capacity and reduce journey times. The programme is scheduled to complete by 2018.

The organisation and responsibilities for the Metronet/LU "One Team" have been established and the team is now in place. Development of the integrated programme and identification and baselining of programme scope are important near-term activities.

The main effort continues to be the roll-out of new trains (to be known as S-Stock), and related enabling works. Other works are to be re-scoped, and the new signalling system will be re-tendered. A plan for Phase 1 Re-scoping works has been endorsed by the Investment Delivery Meeting (IDM) and the Phase 2 plan will be presented to IDM in July 2008.

Static testing has begun on the first S-Stock train, and all eight cars of the second train are in build at the factory in Derby. The Compliance Submission is being prepared. The manufacturer of the new trains, Bombardier, will be implementing a second production line from Train 8, in order to accelerate delivery. Training Manual workshops are progressing successfully, with the first two, of seventeen, Train Operator Modules completed and agreed by LU in period1.

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

Spend to end of Q1	EFC (£m)
700.5	862.9

Milestones	Current Plan Date	Actual / F'cast Date	RAG
MRSSL give BBCEL access to hub shaft, PIC and Northern ticket hall tunnels	12-06-2008	12-06-2008	Completed
Handover the site known as the bomb gap to NR	30-09-2008	30-09-2008	●
Handover roof slab to NR	30-09-2008	30-09-2008	●
PFI power complete installation of LUL power supply	07-01-2009	07-01-2009	●
Phase 2 completion	31-12-2010	31-12-2010	●

King's Cross Congestion Relief (Channel Tunnel Rail Link) covers increased capacity at King's Cross St Pancras. Phase 1 included an expanded Tube ticket hall and new Western Ticket Hall. Phase 2 includes a new Northern Ticket Hall, step-free access to the Metropolitan & Circle lines and links to the new CTRL Terminal. The King's Cross project is funded by the Department for Transport (DfT) and contracted by London Underground to Metronet.

Phase 1 included refurbishment of the Metropolitan and Circle line platforms and was completed on 10 December 2006.

Phase 2, including the Northern Ticket Hall (NTH), is continuing on site. For the key milestones of the handover of the site known as Bomb Gap and NTH, the work remains on target. Agreement of the commercial and programme detail to accelerate the NTH opening from February 2010 to December 2009 has been concluded and a proposal is with DfT for approval.

## Bond Street Congestion Relief

Spend to end of Q1	EFC (£m)
6.8	#

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Stage D Design Complete	30-01-2009	31-10-2008	●

Bond Street station is a key interchange between the Jubilee and Central lines and suffers from significant levels of congestion at peak times. Demand and congestion is forecast to increase further as a result of growth in employment and leisure travel and the completion of Crossrail in 2017. In addition to congestion problems, the station does not have step-free access.

Funding for work up to the Royal Institute of British Architects (RIBA) stage D+ has been approved and Atkins have been appointed to undertake the design. Briefings have been given to the Foreign and Commonwealth Office regarding planned works near the Tanzanian and Botswana High Commissions and to the City of Westminster and English Heritage regarding the over-station design for 354-358 Oxford St. A project paper was approved for a Design, Manage and Construct procurement strategy via OJEU.

# Financial information is not shown here for reasons of commercial confidentiality.

## Paddington (Hammersmith & City) Congestion Relief

Spend to end of Q1	EFC (£m)
1.5	#

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Outline / Scheme Design approved RIBA C/D	30-04-2009	19-02-2009	●

Paddington (Hammersmith & City line) station is amongst LU's top priorities for congestion relief because of demand growth associated with local area redevelopment and the Sub-Surface Line Upgrade. The project seeks to deliver congestion relief/step-free access benefits and ensure the continued safe operation of the station. LU leases the station from Network Rail, who is developing proposals for a canal-side concourse which complements LU's proposals. There are other interfaces with Crossrail, who requires part of the adjoining "Triangle Site" for a re-located taxi access to the main line station, and developers Hammerson, who are freeholders of the Triangle Site.

Agreement has been reached between Crossrail, LU and Hammerson that Crossrail will compulsorily purchase the Triangle Site. Taxi access will be completed first, during 2010, followed by construction of the LU station, and finally, release of the site back to Hammerson for commercial development. A Paddington Integrated Project (PIP) team has now been formed, with a joint TfL/LU/Crossrail/Network Rail project board. Requirements have been captured, with the key principles of the LU "stand-alone" scheme being retained. The project team plan to submit the overall concept scheme to the TfL Project Board at the end of September 2008 for approval.

## Shepherd's Bush/White City

Spend to end of Q1	EFC (£m)
95.5	#

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Delivery into Service Post Compensation Event	31-01-2009	31-12-2008	●

Shepherd's Bush (Central line) station will be the principal public transport gateway to the White City Development (WCD), due to open in early 2009. LU will fund Below Ground Works (BGW) which are the provision of step-free access, congestion relief and a secondary means of escape from the platforms.

The Contract Completion date for the BGW contract is 14 January 2009, but difficulties with cost and design have been encountered and the work deferred. LU has commissioned a study to examine the options for future use of the two shafts already constructed, for Step Free Access schemes.

The Station closed on 02 February 2008 to allow the replacement of the escalators and the station modernisation, both brought forward to maximise the benefit of the closure. The works are proceeding well. Both schemes will complete in September for re-opening in October 2008.

The Above Ground Works are managed by the developer of the shopping centre, Westfield. The communications and fire systems are delayed but other work is progressing to an accelerated programme, with opening planned for October 2008.

# Financial information is not shown here for reasons of commercial confidentiality.

### Finsbury Park Congestion Relief

Spend to end of Q1	EFC (£m)
2.7	#

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Complete Stages E-G	31-03-2009	31-03-2009	●

Finsbury Park station is one of the busiest bus/Underground interchanges on the network, plus a major interchange between LU and National Rail (NR) services. The station suffers from a wide variety of problems – congestion, extensive revenue loss (no gates), no step-free access, poor staff accommodation and a poor travelling environment.

Discovery of a major NR signal cable duct in the path of piling works will require additional cable diversions. Tube Lines are currently undertaking a study to understand the extent of the additional works required, and the impact on cost and programme. The study is due to be completed towards the end of August 2008.

### Victoria Station Upgrade

Spend to end of Q1	EFC (£m)
36.6	654.6

Milestones	Current Plan Date	Actual / F'cast Date	RAG
ITT main works implementation	29-09-2008	29-09-2008	●

With 80 million people passing through it each year, Victoria is one of the most congested stations on the Underground network. Temporary station closures are regularly used to manage access to, and congestion within, the station, particularly during the morning peak. This project will provide a significant increase in passenger circulation space in key congested areas of the station and step-free access from street to platform for the Victoria line.

With the Transport and Works Act Order (TWAO) submitted in November 2007 and the objection period closed, the Public Inquiry start date has now been confirmed by DfT as 28 October 2008.

Preparation continues for the tender of the main works contract, with three tenderers shortlisted. Issue of the Invitation to Tender is now planned for September 2008.

Asbestos removal continues to plan, the aim being to complete as much as possible of it before start of the main works to avoid impact on the main works programme.

The temporary ticket office (TTO) is operational and the intention is to retain the TTO during the construction phase.

LUL is reviewing the opportunity to implement the station modernisation, originally part of PPP deliverables, as part of the project. The main works procurement will incorporate an option for the station modernisation scope.

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## Tottenham Court Road Congestion Relief

Spend to end of Q1	EFC (£m)
38.5	#

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Completion of Stage E design	28-02-2008	31-05-2008	Completed
Contract award – delivery demolition	16-01-2009	16-01-2009	●
Detailed design RIBA stage F complete	30-01-2009	30-01-2009	●
Start on site – demolition	30-06-2009	30-06-2009	●

Tottenham Court Road station is currently operating in excess of its capacity and suffers from significant congestion. Demand at the station is forecast to increase further with Crossrail. The congestion relief scheme includes an enlarged ticket hall, improved and additional entrances to the station, additional escalator access to the Northern line platforms, and improved circulation space and step-free access throughout the station.

The utility diversions works are continuing to plan, including sewers, telecommunications, gas, electric and water diversions. Highways enabling works have started in New Oxford St. BT Shaft works have also commenced.

The Powers for the new ticket hall are included within the provisions for the Crossrail Act 2008, which received Royal Assent on 22 July 2008.

The arrangements for titles and powers for compulsory purchase of property are still to be agreed between the Department for Transport, TfL, CLRL, and London Underground.

The works are packaged into two main parts – demolition and enabling works; and main works. The demolition and enabling works are being prepared and four contractors are selected for the Invitation to Tender for Demolition Works.

A public exhibition of the project took place between 24 July and 9 August.

The developer Derwent London has proposed an alternative design for the Over Site Development at Falconberg Court (at the corner of Charing Cross Road and Oxford Street), which LU is reviewing.

## Bank

Spend to end of Q1	EFC (£m)
3.1	#

The Bank project consists of two workstreams:

Bank - Walbrook Square aims to provide more convenient access to streets south and south-west of the station, reduce congestion on the Waterloo & City (W&C) line platforms, due to the increase in passenger numbers following the line upgrade, and provide step-free access to W&C line. The purpose of the project is for LU to get a station box built as part of a major redevelopment in the area, providing a new access/egress; that station box will then be fitted to comply with LU operational needs.

Bank – Congestion Relief aims to relieve current and expected congestion in the Bank station, which would lead to increasingly frequent station closures (notably of the Northern line/DLR area) if nothing is done. There are two options under feasibility/engineering review; one will be chosen to be progressed.

# Financial information is not shown here for reasons of commercial confidentiality.

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Progress on Bank – Congestion Relief: financial approval was granted in July to progress to selection of single option; the design contact has now been awarded to Jacobs.

Progress on Bank - Walbrook Square: design contracts are progressing to programme, with Jacobs for the tunnelled breakthrough to the Waterloo & City line concourse, and with TMA for fit-out of the station box.

Legal and General (L&G), promoters of the redevelopment, have advised that their leasehold sale to Metrovacesa will be delayed until the end of September 2008, following a dispute. The developer’s design team has been stood down in the interim.

#### Olympic Works (Station Accessibility)

Station	Spend to end of Q1	EFC (£m)
Green Park	1.8	96.5
Baker Street	5.9	75.0
Southfields	1.6	17.5

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Southfields contract award – detailed design	17-09-2008	24-06-2008	Completed
Southfields Delivery into Service	01-10-2010	01-10-2010	●
Green Park Delivery into Service	17-12-2010	17-12-2010	●
Baker St Delivery into Service	22-11-2011	22-11-2011	●

This programme provides step-free access at three Games-critical stations; Southfields, Green Park and Baker Street (SSL only).

**Southfields** - Intrusive surveys have been completed. The project scope now includes the station refurbishment works. TfL has approved funding for the design and build phase and the contract was awarded to Birse on 21 July 2008 after approval by the Tender Board on 11 July 2008. Although design has progressed more slowly than planned, the project currently remains on target to meet the Olympic delivery date.

**Green Park** – Stage D design of the ground/ticket hall is ongoing and the planning application was submitted in early August 2008. A briefing session with key stakeholders was held on 18 July, hosted jointly with the Royal Parks, and the scheme has been presented to Design for London, who was supportive of the scheme. A funding request for full project authority is planned to be submitted to the TfL Board in December. The programme is currently on target to meet the Olympic delivery date.

**Baker Street** – Baker Street is progressing to complete RIBA D (scheme design) in August 2008. Estimates for design and build have been received from the contractor Taylor Woodrow and are under review after which application for design and build funding will be sought from the Commissioner. It has been determined that TWA powers may be required in order provide step free access for platforms 5 and 6. TWAO preparation has begun for this component of the scheme, but a negotiated agreement with landowners is also being pursued.

Westminster City Council (WCC) have confirmed its full support for the submission of a planning application in September 2008, and also support the proposal for the Secretary of State to “call it in” as part of the TWA process. The project is currently on target to meet the Olympic delivery date.

## Stations Accessibility Works (2010 target)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Amersham SFA	23-12-2010	28-10-2010	●
Greenford SFA	23-12-2010	28-10-2010	●
Newbury Park SFA	23-12-2010	28-10-2010	●
West Kensington SFA	23-12-2010	28-10-2010	●
Osterley SFA	23-12-2010	28-10-2010	●
Kingsbury SFA	31-12-2010	05-11-2010	●

## Other Stations Accessibility Works

The Step Free Access programme intends to install lifts from ticket hall to platform level and in some cases will include the refurbishment of ticket halls. The programme is generally on plan regarding both the schedule and costs.

Station	Spend to end of Q1	EFC (£m)
Amersham	0.1	#
Greenford	0.1	#
Newbury Park	0.1	#
West Kensington	0.8	#
Liverpool Street	2.6	#
Paddington	1.5	#

**Amersham, Greenford, Newbury Park & West Kensington:** These projects will contribute to the 25 per cent 2010 DfT accessibility target. Design and build tenders are currently being evaluated and the results of this analysis were incorporated into funding paper for 29 July Funding Gateway Meeting.

**Liverpool Street Step Free Access:** The Concept Design Submission is due in August 2008. The project scope is also under review. Funding for detail design will be sought in September 2008.

**Paddington Step Free Access:** Taylor Woodrow is on course to deliver the Concept Design Submission (CDS) in August 2008. LU is currently reviewing project scope, which currently includes step free access to the District, Circle and Bakerloo lines. Funding for detail design will be sought in December 2008.

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# Financial information is not shown here for reasons of commercial confidentiality.

## Tunnel Cooling

Spend to end of Q1	EFC (£m)
64.1	171.2*

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Victoria Line Tunnel Model Stage 5 Completion	31-10-2007	25-10-2007	Completed
Air Handling Unit Factory Test and Commission Completed	31-01-2008	09-11-2007	Completed
Portable fan rollout summer 2008	31-08-2008	18-07-2008	Completed
Central services tunnel – RIBA C approval	15-09-2008	15-09-2008	●
Victoria Line – Start on site	01-10-2008	01-10-2008	●
Portable fan rollout summer 2008 decommissioning complete	31-01-2009	31-01-2009	●
Kings Cross RIBA D CDS approved	28-02-2009	28-02-2009	●

This is a long term programme to control ambient temperatures, which are already high, and without intervention could rise to unacceptable levels as more energy is used within the tunnels to provide the line upgrade train service capability. Measures include improved energy efficiency, increased ventilation, and selected station cooling systems.

Priority is being given to the work needed to enable the planned Victoria line upgrade train service capacity increase. The Victoria line cooling works consist of mid tunnel vent (MTV) shaft upgrades, and cooling at specific stations. The Design and Build contracts for the first two (of up to sixteen) MTV sites are now awarded, and work on site is planned to start in September. Designs for Green Park station are at an advanced stage with those for other stations following close behind.

In parallel with design and construction of the main schemes, other works are being undertaken to maximise the availability of existing ventilation assets, deliver short-term relief from high temperatures, and carry out tests and trials of novel solutions.

A further “long term out of service” ventilation shaft is to be returned to use shortly at Hollybush Gardens, on the Central line.

The Summer 2008 “Quick Wins” programme is progressing very well: all 39 portable fans have been commissioned, two station air supply projects are complete, impulse fans are in the process of being commissioned at two sites, a scheme to improve cooling at Seven Sisters is close to completion, and the cooling system at Euston Ticket Hall is at an advanced stage of installation.

Trials of the prototype Air Handling Unit, which needs to be perfected for the Victoria line station cooling schemes, are progressing well, and trials of evaporative cooling systems have begun. Research and development which may eventually permit air cooling of passenger saloons on deep tube trains is continuing, and plans are now being made for a full scale demonstration of a system on one car in approximately two years’ time.

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\* Programme over current business plan period to 2009/10

## Operational Accommodation (OAIP) ^

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Brixton Train Crew Accommodation (TCA) - Start on Site – Main Works	15-05-2008	04-04-2008	Completed
High Barnet TCA - Tender Award Completed	21-06-2008	20-06-2008	Completed
High Barnet - Start on Site	31-07-2008	31-07-2008	●
Edgware TCA - Commence Stage D-G	31-08-2008	31-08-2008	●
Brixton TCA - Practical Completion	30-06-2009	30-06-2009	●

This programme is to improve the condition, ambience, and capacity of staff accommodation. Beyond restoring states of good repair to deteriorating buildings and providing consistency of facilities, it addresses legislative compliance such as in the provision and segregation of lockers and showers for female staff, and increases train crew capacities to enable the higher volumes of services for the line upgrades programme.

- Brixton – Following incidents of water ingress, procedures were reviewed with the contractor, and 3 of 5 days' delay have already been recovered.
- High Barnet – Main works contract commenced on site on 31 July.
- Harrow-on-the-Hill – Options are under review to consider accommodating proposed land transfers with Harrow College to enable college expansion plans.

Other developments include the commencement of a strategy review to determine optimum achievable distribution and phasing of increases to train crew accommodation across the sub-surface network.

### Connect Airwave

Spend to end of Q1	EFC (£m)
39.6	#

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Upgrade EBTS to new airwave components – Batch 7, Schedule 6 completion	02-09-2008	16-05-2008	Completed
Upgrade EBTS to new airwave components – Batch 9, Schedule 6 completion	24-11-2008	18-08-2008	●

This project enhances the emergency services' communication system on the Underground by expanding coverage and capacity. The contract was awarded in January 2007 and all work is now progressing to an accelerated plan. 121 Qualified Take-over Certificates have been awarded by LU and 114 stations have been released into operational service by the National Policing Improvement Agency. All 125 stations are available to Thales for commissioning.

^ Financial data is not stored in an easily retrievable format as costs are embedded in various projects.

# Financial information is not shown here for reasons of commercial confidentiality.

## Connect Works<sup>^</sup>

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Connect – 4 Lines Radio Systems Go-Live	29-02-2008	29-02-2008	Completed
Central Line Radio – Commencement of train cutover	26-05-2008	14-07-2008	Completed
Northern Line Radio – Commencement of train cutover	22-09-2008	22-09-2008	●

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

**Central line** – Central line train radio went live on 14 July 2008 with 17 cabs remaining to be cut over, which is scheduled to be completed by August.

**Northern line** – Planned go live date is on target for 22 September 2008. Trial fit for Rolling Stock was completed on 18 June and the train will remain cut-over to support integration testing. Informal integration testing was completed on 2 July and signal and voice quality testing was able to commence, showing positive early indications. E-train (required for like for like replacement on Northern line radio) completed Factory Acceptance Testing in early July with no significant issues reported. This will provide ongoing capability to send train maintenance information over the radio system from train to the depot.

**Jubilee line** – Train radio went live on 26 April 2008 with cut-over for the rolling stock successfully completed by 10 May 2008.

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<sup>^</sup> Financial data is not stored in an easily retrievable format as costs are embedded in various projects.

Milestones	Current Plan Date	Actual / F'cast Date	RAG
VLU – Manor House DC protection Upgrade Complete	31-03-2008	25-01-2008	Completed
Northern Line Power – Award Design and build contract	01-04-2008	01-04-2008	See notes below
Award Finchley Road & Neasden DD&B	01-07-2008	08-05-2008	Completed
SSL Met Line DD&B issue of ITT	07-07-2008	04-09-2008	▲
Jubilee Line Power Upgrade – Award Finchley Rd & Neasden Design and build contract	01-08-2008	05-05-2008	Completed
Piccadilly - Provisional Concept Design Compete	18-08-2008	18-09-2008	●
SSL Power Upgrade – S&D package 1 staged project life end	30-09-2008	12-10-2008	●
VLU Power Upgrade – Full completion of 22kv power cable	12-12-2008	12-12-2008	●

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

The delivery phase of the Victoria line Power Upgrade remains on programme with a final completion date of December 2009. The final 'power on' date (i.e. all additional capacity available for use) of 16 June 2009 is in accordance with the PPP obligations on LU.

Several new transformer rectifiers across a number of sub-station locations have been commissioned into service with new HV switchgear. All HV cable is installed with final jointing and fettling in progress.

The EDF Energy Networks programme to build and commission the bulk supply point transformers at Manor House has been adjusted to accommodate the delays to the civil works at the site.

The Sub-Surface lines Power Upgrade is currently in the outline design phase. A Scoping & Development (S&D) contract was let to the AMEC / Siemens / Mott MacDonald Joint Venture (ASM JV) and all works are due to be completed in early October. This is 3 months later than originally planned following a slow mobilisation of the ASM JV's surveying resource. Efforts are focused on delivering design information required for the first ITT package that is planned to be issued in September 2008 and covers the power upgrade required on the Metropolitan line. Advanced procurement of the long-lead-time 132kV switchgear for the new Bulk Supply Point at Griffiths House (Edgware Road) is being progressed with EDF Energy Networks. The LU project team is also progressing property acquisitions and planning consents required to accommodate the extra equipment. Adoption Variation activities are in hand with the power PFI Contractor, EDF Energy Powerlink.

For the Northern line Power Upgrade, activity is currently on hold pending the resolution of some fundamental project issues with Tube Lines. LU previously developed a conceptual design based on the existing 630V nominal track voltage and rolling stock in August 2007. Tube Lines rejected

<sup>^</sup> Financial data is not stored in an easily retrievable format as costs are embedded in various projects.

the LU solution and is developing its own scheme based on the conversion of the existing train fleet to operate at 750V, the deliverability of which remains uncertain at this stage. The wider operational, technical and commercial implications of this are currently being evaluated.

The contract for the detailed design and build phase for the Jubilee line Power Upgrade was awarded on 8 May 2008. The contractor's (ABB) baseline programme has now been reviewed and agreed. ABB has placed all major orders with its suppliers. Progress is on plan with a completion date of late July 2009.

For the Piccadilly line Power Upgrade, the current delivery programme and budget assumes that the power upgrade for the Piccadilly line is to 630V specifications and not 750V. 630V operation would require more power sub-stations and higher cost than 750v. It is expected that 750V operation will be selected as the preferred option, and a new business case is being prepared on this basis.



# London Rail

## East London Line Extension

Spend to end of Q1	EFC (£m)
441.2	991.1

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Main contractor takes occupancy of ELL Track way & Stations	31-03-2008	01-03-2008	Completed
Completion of the launch of bridge GE19	31-05-2008	05-05-2008	Completed
Completion of main spar New Cross Gate	31-05-2008	11-05-2008	Completed
Handover of bulk supply point to EDF	31-08-2008	31-08-2008	●
Operational building complex available for use by employer	31-12-2008	31-12-2008	●
Test running	31-01-2010	14-05-2009	●
Completion	29-06-2010	19-10-2009	●

The upgraded and extended East London line (ELL) is planned to open in 2010 with TfL as the passenger service operator through a joint ELL/North London Railway concession with LOROL.

The ELL closed for operation on 22 December 2007 and was handed over to the main works contractor in January 2008, ahead of schedule. Bridge GE19 (Great Eastern mainline) was successfully launched on 5 May. On 28 May, the bridge moved and a small number of concrete planks became dislodged and fell onto the live track below. The incident caused Network Rail to close the lines, which remained closed until the following morning. Enquiries into the incident are complete and a full report was issued in August 2008. The GE19 bridge work is not on the critical path for the project.

Work in the central section tunnels began in the quarter, but was delayed by 10 days following suspected tunnel movements. Redesign of the track slab is under way to address the issue.

Works have commenced at Haggerston Station following design approval and work at Hoxton is continuing. The piling works at Dalston Junction are now complete with 1,300 piles installed in the last 11 months.

The mains works contractor has continued to deliver most of its short term milestones to plan – two were missed in Period 3, being delayed by four weeks. The rate of production of the design submissions, although improving, remains a concern.

On the Network Rail sites, it is now unlikely that the core track and signalling works at West Croydon and Crystal Palace will complete in summer 2008, with work extending to 2009. Rescheduling is underway.

The project remains on track for the ELL to re-open by the scheduled date of June 2010.

## London Rail Concession Rolling Stock

This programme is delivered under an operational lease and no direct costs are reported.

Milestones	Current Plan Date	Actual / F'cast Date	RAG
First NLR unit accepted	31-10-2008	12-11-2008	●
First ELR unit delivered for NR test track	31-12-2008	31-12-2008	●
Trains in Service - NLR	31-12-2008	31-01-2009	●
Trains in Service - ELL	30-06-2010	30-06-2010	●

The London Rail Concession Rolling Stock project will provide 216 new vehicles in three-car and four-car formation to be utilised on the North London Railway and the East London line. The first of the new London Overground branded trains (for the North London Railway) is expected to be in operation by the end of January 2009.

The train manufacturer has declared a delay in the delivery of the first North London Railway unit of 2 weeks increasing to 13 weeks for the final unit, caused by supply of interiors from overseas. The manufacturer is assessing dual sourcing options alongside speeding up assembly and testing in order to recover the programme. The milestone for trains in service for North London Railway is linked directly to the delivery of the first vehicle and is forecast to be 4 weeks late.

Currently the train manufacturer is not forecasting any delay to the ELL rolling stock delivery, although this must be at risk given they follow on from the completion of NLL stock production. However, train production is not currently on the critical path for the ELL Project. The trains in service milestone date is currently influenced more by the delivery of the East London Line Project in 2010 and therefore a 13 week delay on the delivery of the final vehicle should not affect the date of service commencement.

### DLR Bank-Lewisham 3 Car Infrastructure

Spend to end of Q1	EFC (£m)
117.1	252.4

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Shadwell track slew completed	04-05-2008	04-05-2008	Completed
Westferry platform units installed	17-08-2008	17-08-2008	●
Sectional completion package 2	05-01-2009	05-01-2009	●
Sectional completion – Cable Street viaduct	31-01-2009	30-01-2009	●
Sectional completion – Stepney causeway	13-03-2009	13-03-2009	●
Construction/trackwork/signalling complete	31-01-2010	31-01-2010	●
Service operational	31-01-2010	31-01-2010	●

This project will deliver the structural works necessary for three car operation on the DLR from Bank and Tower Gateway to Lewisham.

Most of the three-car packages are progressing from initial design to detailed design and implementation. Package 1 (Bank to Crossharbour) progress included the closure of Tower Gateway for station remodelling on 28 June. Piling works commenced at Westferry, Limehouse and South Quay. At Shadwell, the track re-alignment continues and the platform extension work is complete.

The Package 2 work continued with the introduction of single-line operation between Crossharbour and Lewisham on 30 June. Train frequency has been reduced to 6 per hour and bus services are operating during peak hours. Piling works commenced at Mudchute and Greenwich; demolition works began at Deptford Bridge.

At Canning Town Junction (package 7), below-ground obstructions have slowed progress. Detailed design work for the piling is continuing and piling work is now underway.

#### DLR Woolwich Arsenal Extension

This programme is delivered under a Private Finance Initiative (PFI).

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Completion of station	27-08-2008	27-08-2008	●
Systems testing complete	31-12-2008	31-12-2008	●
Project completion	28-02-2009	28-02-2009	●

This project delivers the extension of the DLR from King George V station to Woolwich Arsenal through a PFI contract.

The project is continuing to plan, with all major civils works now complete. The power sub-station has been energised and the conductor rail installation is complete. Station fit-out also progressed, with the installation of station lighting and furniture. The Woolwich Information Centre opened for business on 19 June to publicise the benefits of the new extension. Start of revenue service remains at 28 February 2009.

#### DLR Stratford International Extension

Spend to end of Q1	EFC (£m)
77.4	192.0

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Stratford Int. Station - Completion of New Platform Structure	18-07-2008	15-08-2008	●
Stratford Int. Station - Completion of Main Platform Canopy and Finishes	03-11-2008	31-10-2008	●
Completion of Construction of Star Lane Platform, Canopies and Signalling Equipment Room	19-02-2009	05-03-2009	●
Complete Works on Package 6	30-06-2010	30-06-2010	●

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

Package 8 (Network Rail platforms at Stratford Station) remains on target to complete by 31 July 2010; the Stratford International Station Box neared completion with the base slab and walls complete. Power has been connected and cabling work commenced. Good progress was also made on the subway works, with the critical Central Subway completed at the end of July 2008.

On Package 6 (conversion of North London line to DLR), design and approval work is continuing to plan. Construction works at Canning Town and West Ham Stations are under way; track removal at Canning Town and Star Lane has begun. In the next quarter, the contracts for power and communications are expected to be awarded. Package 6 is on schedule to complete by 1 July 2010.

## DLR Railcars

Spend to end of Q1	EFC (£m)
9.3	61.0

Milestones	Current Plan Date	Actual / F'cast Date	RAG
18 <sup>th</sup> Vehicle Delivered	18-09-2008	12-10-2008	●
18 <sup>th</sup> Vehicle in Service	18-10-2008	12-10-2008	●
24 <sup>th</sup> Vehicle Delivered	16-12-2008	24-10-2008	●
1 <sup>st</sup> railcar delivered for Stratford Int. Extension	09-01-2009	09-01-2009	●
24 <sup>th</sup> Vehicle in Service	16-01-2009	24-01-2009	●

This project covers the provision of 18 extra railcars for 3-car operation, 6 for the Woolwich Arsenal extension, 9 for the Stratford International extension and 22 for the Games.

During the quarter, three further vehicles have been delivered to London, taking the total to nine. Twelve were planned for delivery by the end of July; the remaining three are late. However, the target of 18 trains by 16 September 2008 is still considered to be achievable, with ten vehicles in production in Germany. Type testing results of the first trains have been analysed to ensure that further deliveries address initial test findings. Training and trialling have begun.

## North London Railway Infrastructure Project

Spend to end of Q1	EFC (£m)
16.1	240.0

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Completion of preliminary (GRIP4) design	30-09-2008	30-09-2008	●
Prime contract award	31-10-2008	31-10-2008	●
Project Completion	31-01-2011	31-01-2011	●

The North London Railway Infrastructure Project (NLRIP) covers a programme of track, signalling and civil infrastructure enhancements to facilitate the operation of the future London Overground service commitment, which is to be introduced in January 2011.

Negotiation with Network Rail on the terms of the Implementation Agreement has continued and substantial agreement was reached. Tenders for the Core Works contract were issued in February; the three tenderers submitted "mid-tender" market testing prices in June, based on available information. Further designs are being issued to the tenderers as they are completed and approved. The tendered prices have shown an increase over the expected amounts and are under review. Full tender returns were submitted on 28 July 2008.

Network Rail has stated that they are not prepared to award the core construction contracts until all the GRIP 4 designs are completed, introducing a three-month delay to the programme. TfL Board approval was granted in July to permit enabling works to begin prior to the core contract award, which would recover the programme. The line opening date remains at January 2011.

The Office of Rail Regulation issued a consultation to industry stakeholders on the track access options being proposed for the line. The option sets out the track access arrangements for a 30-year period. The consultation closed on 12 May and the responses were generally positive. The joint TfL/Network Rail response was issued on 3 June and further issues are now under discussion. The Transport & Works Act Order (TWAo) application was submitted on 30 April 2008. The Public Inquiry is set to begin in November 2008.

## Surface Transport

### iBus

Spend to end of Q1	EFC (£m)
50.9	81.8

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Roll out of 3,300 buses	29-07-2008	25-06-2008	●
Roll out of new technology to fleet substantially complete (7300 buses fitted)	28-02-2009	18-02-2009	●
Old system decommissioned and all operations transferred to new system	28-02-2009	30-06-2009	■

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

The target of 3,300 buses was completed by 25 June. The decommissioning of the old system has slipped to the end of June 2009, due to initial delays reaching rollout capacity, which now stands at 97 per cent of capability.

### Congestion Charging Re-Let

Spend to end of Q1	EFC (£m)
32.7	#

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Selection of Retail Service Providers	30-09-2008	30-09-2008	●
Release 1 – go-live of new contract for extended zone	01-11-2009	01-11-2009	●
Completion of Delivery Stage (release 1)	30-11-2009	30-11-2009	●
Financial Close (release 1)	28-03-2010	28-03-2010	●
Release 2 – go live of account based charging using ANPR or DSRC enforcement technology	01-11-2010	01-11-2010	●

The Congestion Charging Re-Let project is to establish new contracts for the operation of the extended zone and operate the Low Emission Zone. The re-let will allow the introduction of customer accounts and new detection technology to facilitate more flexible charging options.

The dialogue phase of the selection of retail providers was completed on the 11 July with the selection expected to be complete by 30 September.

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# Financial information is not shown here for reasons of commercial confidentiality.

## Greenwich Waterfront Transit (Phase 1)

Spend to end of Q1	EFC (£m)
3.5	48.6

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Detailed design submitted for approval	12-08-2008	02-09-2008	●
Dispatch tender documents	18-08-2008	02-10-2008	▲
Complete preparation of Orders and Planning Applications	06-10-2008	07-10-2008	●
Construction commences	31-07-2009	07-08-2009	●
Construction completed	29-08-2011	10-06-2011	●
Service commences	31-10-2011	31-10-2011	●

This project is to establish a 13km bus transit route from Abbey Wood to North Greenwich via Woolwich, part of which will be a segregated busway, to be completed by 2011.

Greenwich Council have approved the format of the draft GWT planning application drawings. A further high level meeting has been set up with the Council to agree the TfL strategy in the Royal Arsenal area, following a second meeting with the Royal Arsenal Residents Association in July, where residents continued to express their concerns about the proposed GWT route via No 1 Street.

## Programmes (over £10m per annum)

### TLRN Capital Renewal

This is an annualised programme, where projects are delivered on a rolling basis. Costs are based on a yearly budget.

Spend to end of Q1	EFC (£m)
6.5	46.6

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Q1 Target of 14 Capital Renewal schemes to achieve G2 approval	20-06-2008	20-06-2008	■
Q2 Target of 36 Capital Renewal schemes to achieve G2 approval	12-09-2008	12-09-2008	●
Q3 Target of 67 Capital Renewal schemes to achieve G2 approval	05-12-2008	05-12-2008	●
Q4 Target of 33 Capital Renewal schemes to achieve G2 approval	31-03-2009	31-03-2009	●

The Transport for London Road Network (TLRN) Capital Renewal Programme is spending £47m in 2008/9 and involves the reconstruction and resurfacing of carriageways and footpaths to improve the condition and safety. The programme also includes extensive renewal, upgrading and improvements to bridges, tunnels, lighting and other equipment.

The Q1 target of 14 schemes reaching Gate 2 (Delivery) has not been met and instead only 2 schemes have reached this level, this is due to over optimistic programming when the targets were produced. It is anticipated that more Gate 2 targets will be achieved for this financial year overall

than originally programmed, despite the slow start. A re-forecasting / re-profiling process has been undertaken and a 15 month rolling programme has been produced. Future performance will be measured against this new target. The revised forecasts were due to be presented to the Project Review Group on 8 August.

### Accident Reduction Road Safety

This is an annualised programme, where projects are delivered on a rolling basis. Costs are based on a yearly budget.

Spend to end of Q1	EFC (£m)
1.5	10.2

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Delivery of the agreed 08/09 programme for LRSU – measured by gate 2 actual sign off at Q2	12-09-2008	12-09-2008	●
Delivery of the agreed 08/09 programme for LRSU – measured by gate 2 actual sign off at year end	31-03-2009	31-03-2009	●

The Accident Reduction Road Safety Plan is spending £10 million in 2008/09 and involves making changes to the physical road layout of Borough roads at selected locations, road surfaces, signing and other changes as required for each road safety remedial measure.

### TLRN Cycling Capacity

This is an annualised programme, where projects are delivered on a rolling basis. Costs are based on a yearly budget.

Spend to end of Q1	EFC (£m)
0.7	23.4

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Delivery of the agreed 08/09 programme for Cycling – measured by gate 2 sign off at Q2	12-09-2008	12-09-2008	●
Delivery of the agreed 08/09 programme for Cycling – measured by gate 2 sign off at year end	31-03-2009	31-03-2009	●

The TLRN Cycling Capacity Programme is spending £23 million in 2008/09. The programme delivers new or upgraded assets including cycle advance areas, new crossings and on-highway priority measures, safe and secure parking, improvements to safety and access at major junctions, traffic free areas and green routes through parks and along waterways.

## Major Projects

### Thames Gateway Bridge (TGB)

Spend to end of Q1	EFC (£m)
29.6	101.3

NB: Costs given are to the end of development stage.

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Publication of Statutory Documentation (Complete Final Environmental Statement)	Dec 2008	March 2009	▲
Public Inquiry Re-opens	March 2009	June 2009	▲
Secretaries of States Positive Decisions	March 2010	July 2010	■
Financial Close and Concession Award	Autumn 2012	Early 2013	▲
Bridge Open ( to be added )	Autumn 2016	Early 2017	▲

This project is for a new fixed link between Beckton and Thamesmead to improve accessibility and support regeneration in the London Thames Gateway area.

The Mayor has asked TfL to address a number of issues, reflecting objector, Inspector and Secretary of State concerns. In addition to progressing the traffic and regeneration issues he asked TfL to engage with LB Bexley to discuss their concerns about the bridge and about transport and developments in North Bexley.

The case for the bridge and discussions with Bexley and other local Boroughs will be developed over the summer 2008, for presentation to the Mayor in autumn 2008. Subject to a strong case being established that addresses the issues raised, the Public Inquiry could be reopened in mid 2009 as stated by the Secretaries of State stated in their letter of 25 July 2007.