

TRANSPORT FOR LONDON

BOARD

SUBJECT: 2010/11 BUDGET

DATE: 24 MARCH 2010

1 PURPOSE AND DECISION REQUIRED

- 1.1 Approval of the budget is a matter reserved to the Board. This report outlines TfL's detailed budget for 2010/11, reflecting both the Mayor's agreed budget for 2010/11 and changes that have arisen since the Business Plan was approved. The 2010/11 Budget is part of an updated forecast that extends to 2017/18 to ensure that the budget is affordable in the long as well as the short term.
- 1.2 The draft budget was considered and recommended to the Board by the Finance and Policy Committee at its meeting on 9 March 2010.
- 1.3 Once approved a public budget document will be published, including key highlights of delivery planned during that year.

2 BACKGROUND

- 2.1 The 2010/11 Budget is based on the first year of the Business Plan that was approved by the TfL Board in October 2009. This is a challenging business plan that addressed significant financial pressures by the extension of the savings programme (from £2.4bn to more than £5bn over the period to 2017/18) and programme changes, including the rephasing of project expenditure. A revised fares policy has been implemented in order to keep the plan balanced.
- 2.2 This budget is consistent with the first year of the Business Plan. The only material changes are the increased cost of inflation principally affecting employee costs and a number of phasing changes to the delivery of projects, which have been accommodated within the available funding. This leaves TfL with a level of cash reserves at a minimum level sufficient to maintain service delivery in unforeseen circumstances.

3 KEY OUTCOMES

- 3.1 2010/11 will see Londoners benefiting from service increases resulting from the completion of major investment projects. Key investments completing in the year include the East London Line Extension, the upgrade of the DLR network to three car operation, the King's Cross congestion relief scheme and completion of the Jubilee Line upgrade. At the same time, work continues on the other key upgrades to the London Underground network.
- 3.2 The cycling revolution will take a significant step forward with the introduction of the central London cycle hire scheme and the first cycle superhighways.

4 STRUCTURE AND CONTENT OF THE BUDGET REPORT

- 4.1 The main budget document contains the key financial, operational and Investment Programme deliverables for TfL during the financial year, including comparison with the current financial year where appropriate. Appendix 1 gives the key operational performance outcomes. These targets will form the basis of the in-year monitoring of operational performance and progress will be report to the Board each quarter as part of the Operational and Financial report.
- 4.2 The detailed financial budget is given at Appendix 2. This forms the basis of the delegated authority from the Board to TfL officers for the delivery of outcomes during the year, subject to the necessary additional controls in respect of projects and procurement set out in Standing Orders. The forecast balance sheet is set out at Appendix 3, and an analysis of budgeted expenditure by type is contained in Appendix 4.
- 4.3 Appendix 5 sets out the key deliverables for each major area of expenditure, along with a brief description of the activity. These deliverables are in the form of operational performance targets, or key milestone deliverable dates for projects. These, together with the targets set out in Appendix 1, form the basis of TfL Group and unit performance scorecards which are monitored throughout the year.

5 RECOMMENDATION

- 5.1 That the TfL Board APPROVE the 2010/11 budget.

6 CONTACT

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2010/11

TfL Budget

The first two of 12 planned Cycle Superhighways will be opened during the year. They will provide a safe, fast, direct, continuous and comfortable way of getting from outer London into central London by bicycle along recognised commuter corridors.

Transport for London

Budget 2010/11

INTRODUCTION

- 1.1 This paper outlines TfL's budget for 2010/11, reflecting the Mayor's agreed budget for 2010/11 and changes that have arisen since the Business Plan was approved in 2009. During the course of this TfL expects to utilise fully reserves built up in previous years with cash balances being drawn down to the minimum level considered prudent to maintain service delivery.
- 1.2 2010/11 will see Londoners benefiting from service increases resulting from the completion of major investment projects. Key investments completing in the year include the East London Line Extension, the upgrade of the DLR network to three car operation, the King's Cross congestion relief scheme and completion of the Jubilee Line upgrade. At the same time, work continues on the key upgrade of the London Underground network.
- 1.3 The cycling revolution will take a significant step forward with the introduction of the central London cycle hire scheme and the first cycle superhighways.

BUDGET PRESSURES

- 2.1 The 2010/11 Budget is based on the first year of the Business Plan that was approved by the TfL Board in October 2009. This is a challenging business plan that addressed significant financial pressures by the extension of the savings programme (from £2.4bn to more than £5bn over the period to 2017/18) and programme changes, including the rephasing of project expenditure. A revised fares policy has been implemented in order to keep the plan balanced.
- 2.2 This budget is consistent with the first year of the Business Plan. The only material changes are the increased cost of inflation principally affecting employee costs and a number of phasing changes to the delivery of projects, which have been accommodated within the available funding. This leaves TfL with a level of cash reserves at a minimum level sufficient to maintain service delivery in unforeseen circumstances.

OPERATIONAL DELIVERY

- 3.1 Passenger journeys continue to be impacted by the downturn in the economy, as reflected in the Business Plan. Passenger journeys are forecast to be 1,037m on the London Underground, and 2,183m on the bus network during 2010/11.
- 3.2 In terms of service provision, scheduled Underground kilometres are decreasing slightly in 2010/11 compared with the forecast for 2009/10. This reflects the increasing works on the upgrade of the network. There also remains some uncertainty around the final delivery date of the Jubilee Line Upgrade. Autumn 2010 is the new anticipated date, rather than the missed contractual commitment of December 2009. Kilometres operated on the buses are forecast to slightly decrease compared with 2009/10 at 482m.
- 3.3 Services operated on the Docklands Light Railway (DLR) will increase by 23 per cent to 5.5m as a result of the completion of three car operation across the DLR network and the Stratford International Extension.
- 3.4 The key operational highlights are included below and the full detail can be found in Appendix I.

IMPROVING THE UNDERGROUND

- 3.5 **London Underground** – Operational performance in 2010/11 will continue to deliver benefits from the upgrade programme. Most notably, the completion of the Jubilee Line upgrade will enable a reduction of average journey times by 26 per cent and an increase in peak capacity into central London of 33 per cent. This will continue to be done in an environment that customers find safe and welcoming and customer satisfaction levels will remain at their historically high levels.
- 3.6 Delivering the substantial capital works required to bring these benefits to all the network will continue to be a huge challenge with closures for planned engineering works remaining a feature of Tube travel for next year. As a result of the disruption anticipated from upgrade commissioning there is expected to be a slight worsening in the percentage of schedule London Underground can operate.

EXPANDING THE OVERGROUND

- 3.7 **London Overground** - From June 2010, there will be a new Overground service operating on the upgraded East London Underground Line connecting Dalston in the North with West Croydon and Crystal Palace in the South.
- 3.8 The infrastructure improvement works on the North London Railway will continue, with Network Rail delivering the civil and signalling works. There will be temporary closures on various parts of the Overground network over the course of the year. The programme of works is anticipated to be completed in 2011.
- 3.9 **DLR** - DLR will be completing most of its rebuilding and extension projects during the year. This includes the delivery of additional railcars ready for the extra services required for the 2012 Games. Together with the completion of infrastructure works, this will allow the roll out of three car operation across the network. This will deliver a 50 per cent capacity increase, reducing overcrowding and support increasing passenger demand.

GETTING LONDON MOVING

- 3.10 **Smoothing Traffic Flow** - traffic flow will be addressed through the review of traffic signals, a permitting scheme for roadworks, trial and implementation subject to DfT approval of pedestrian countdown at traffic signals, and encouraging shift to more sustainable modes. A major element is the upgrade of existing traffic signal sites to SCOOT (responsive traffic lights) technology.
- 3.11 **Articulated Bus Withdrawal** – A further two routes currently being operated using articulated buses will be converted by the end of 2010, with the remaining seven routes converted early 2012.
- 3.12 **Western Extension Zone Removal** - The 2010/11 Budget includes the removal of the Western Extension of the Congestion Charging zone. If following the Mayor's Transport Strategy (MTS) consultation it is confirmed by the Mayor in the published Strategy, a Variation Order to the Congestion Charging Scheme to remove the Western Extension would be required. A public consultation on a draft Variation Order would follow the publication of the final MTS. If the Variation Order is confirmed by the Mayor, it is intended that the Western Extension would be removed by December 2010.
- 3.13 **Road maintenance** - 2010/11 will also see 252,000m² of carriageway and 36,000m² of footways resurfaced.

ENCOURAGING MORE CYCLING

- 3.14 **Cycling** - From Summer 2010, Londoners and visitors to the Capital will be able to pick up and drop off hire bikes at up to 400 locations across nine of the London boroughs and several Royal Parks in Central London. Initially, 6,000 bikes will be available and the scheme is expected to generate around 40,000 extra daily cycle trips.
- 3.15 The first two of 12 planned Cycle Superhighways will be opened during the year. They will provide a safe, fast, direct, continuous and comfortable way of getting from outer London into central London by bicycle along recognised commuter corridors. The routes will include a package of innovative

interventions and information to encourage people to cycle. The routes will be easy to recognise and to follow, and will help Londoners commute to work by bicycle or to access the local cycle network.

IMPROVING THE URBAN ENVIRONMENT

- 3.16 **A New Bus for London** - The detailed design and development commenced in January 2010. The prototype is expected to be delivered by the end of June 2011, with manufacture of the first five production vehicles commencing in September 2011 for delivery in early 2012.
- 3.17 **Walking** – Legible London, a new pedestrian wayfinding system, has been successfully introduced in three distinct locations: South Bank and Bankside, Clear Zone partnership area (Covent Garden and Bloomsbury), and the Richmond and Twickenham area. This pilot phase has demonstrated the system’s Londonwide relevance and paved the way for external funders to deliver further local schemes in cooperation with TfL.
- 3.18 **Pedestrian Countdown** - Trials will begin in 2010 at traffic signals, a safety system that tells pedestrians how much time they have left to cross the road after the ‘green man’ symbol disappears.

INVESTMENT DELIVERY

- 4.1 Key areas of Investment activity in 2010/11 are shown below, for more detail see Appendix 5.

IMPROVING THE UNDERGROUND

- 4.2 **London Underground Upgrades** – London Underground will continue the biggest transformation in the Tube’s history, including improvements to track, trains, signals and stations. This budget represents the largest ever capital investment in the Underground. The Line Upgrade programme forms a major part of this work. During 2010/11, this will include the completion of the Jubilee Line Upgrade.
- 4.3 The Victoria Line will make substantial progress during 2010/11 towards completion of the line upgrade, which will deliver a 21 per cent increase in peak capacity by 2012/13. During the year over half of the train fleet – the last key milestone in completing the upgrade with new signalling already installed – will be replaced with new trains which provide more space, are more accessible and have CCTV throughout.
- 4.4 The planned upgrade of the Sub-Surface railway is the single biggest piece of work in the investment programme on the Underground. This year will see the letting of a major contract for a new signalling system for the Sub-Surface lines. This contract is critical to delivering the benefits from the upgrade: two-thirds of the capacity enhancement come from enabling trains to be run more frequently with reduced journey times. The system will also enable a more reliable service by replacing signalling equipment that has come to the end of its life. Also 191 trains are already being built for the line. These trains have walk-through carriages and, for the first time on the Tube, air conditioning in all cars. In addition they will be fitted with CCTV throughout and enhanced customer information systems. The first new train will enter service this year.
- 4.5 During the year a major contract will be let to deliver a fleet of more spacious and faster trains for the Piccadilly Line. Once the Piccadilly Line upgrade is complete in 2014 capacity will be increased by 24 per cent and overall journey times cut by 19 per cent.
- 4.6 **Victoria Station Upgrade** – This project relieves the chronically overcrowded Victoria station. It will minimise the time that customers are held back during the peak period and allow the benefits that the Victoria line upgrade brings to be fully exploited. A new ticket hall will be built to the north-east of the current station, and the existing interchange with the National Rail station will be greatly enhanced. In early 2010/11 LU will sign the main contract of works. The project will be completed in 2018.

- 4.7 **Tottenham Court Road station upgrade** – Main construction will continue at Tottenham Court Road station. By 2017 a significantly expanded ticket-hall will be complete at this heavily used central-London station. The upgrade of the station will prevent the need to implement closures of the station, deliver step-free access throughout and is an essential prerequisite for operating Crossrail and maximising the benefit from the Northern line upgrade.
- 4.8 **Stratford station upgrade** - The Stratford area will see a huge increase in passenger numbers over the next eight years because of continued development, including the new Stratford City shopping centre. Also, the station will be the primary access point to the 2012 Games, generating demand far in excess of normal traffic.
- 4.9 The upgrade will include a new westbound Central line platform, step-free access to all platforms, new mezzanine gateline to link to a new 'town centre link bridge' which will connect the current town centre with the Stratford City development, and a new Northern ticket hall connecting directly to the development and providing easy access to the Olympic Park. These will be complemented by a new improved signage scheme for the station.

EXPANDING THE OVERGROUND

- 4.10 **London Overground** - The East London Line extension is scheduled to be opened in June 2010. It will run from Dalston Junction in the North to New Cross, Crystal Palace and West Croydon in the South.
- 4.11 TfL, along with the Olympic Delivery Authority and Network Rail, are providing funds to upgrade tracks and signalling on the Overground network. These works are being carried out by Network Rail and will enable TfL to run more frequent and reliable services on all routes from 2011.
- 4.12 **East London Line Extension – Phase 2** – The construction work on the new 1.3km link between the existing South London Line and Surrey Quays is scheduled to commence in the autumn of 2010.
- 4.13 **DLR Upgrades** - Three car operation will be introduced on the whole of the DLR network. This activity covers the structural works (platform extensions, track realignment and viaduct strengthening) necessary for three-car operations of the DLR network.
- 4.14 **DLR Extensions and New Services** - The DLR extension to Stratford International station is due to open in Summer 2010. This project is for the extension of the DLR from Canning Town, using the existing North London Line alignment to Stratford Regional station. It provides three new intermediate stations and new construction onwards to Stratford International station. This will provide access to international and high-speed domestic commuter services.

CROSSRAIL

- 4.15 **Crossrail** - The 2010/11 Budget includes TfL's commitment to deliver Crossrail. The delivery of Crossrail in 2017 is a key part of TfL's plans to deliver services to support the growth of London. In particular, Crossrail will increase London's total rail transport capacity by 10 per cent (21 per cent for the City and 54 per cent for Canary Wharf), encourage regeneration and boost the job market in many areas of London, including the West End.
- 4.16 The budget year will see the start of the main works to deliver two of the six new central London stations; the fully accessible Tottenham Court Road and Farringdon stations will be fully integrated with London Underground services. Enabling works will also begin at Bond Street and Paddington stations. In addition, work will begin on the tunnel portals at Royal Oak and Pudding Lane in advance of the start of tunnelling in 2011.

GETTING LONDON MOVING

- 4.17 **Bus Garages** - The new bus garage at West Ham will be completed and will become fully operational in May 2010. The new garage will provide accommodation for around 320 buses will include engineering facilities, a new head office building, bus driver training school and a separate bus washing and fuelling facility.

ENCOURAGING MORE CYCLING

- 4.18 **Cycling** - Work has started on laying the foundations for up to 400 Cycle Hire scheme docking stations, the points where users will pick up and drop off their bicycles. Once completed, each docking station will consist of at least one payment terminal, a row of docking points and bicycles. This “above the ground” equipment will be installed shortly before the scheme goes live in the summer. The terminals will feature a touch screen with information in multiple languages, maps specifically designed to help people navigate around central London by bicycle plus the tariff and the scheme’s code of conduct.

IMPROVING THE URBAN ENVIRONMENT

- 4.19 **Brixton Central Square** - The final phase of improvement works, which will be completed in Autumn 2010, will see the creation of a new public space at the southern end of Brixton Road and has already seen Brixton Hill gyratory removed and converted to a two-way traffic system in November 2009 which resulted in improvements to traffic flows and journey time savings. Major improvements to public realm will be delivered by introducing wider footways in the town centre, de-cluttering of street furniture, removal of guardrails and pedestrian crossings improvements.

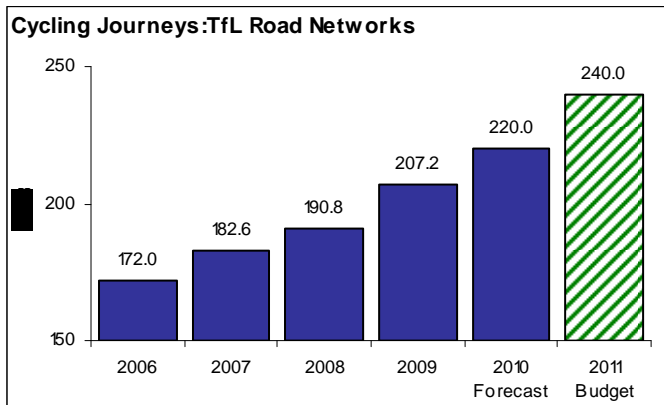
IMPROVING THE JOURNEY EXPERIENCE

- 4.20 **Making public transport safer** - TfL will strive to maintain the number of police officers on buses, the tube, trains and at suburban stations while delivering annual savings from policing budgets including savings from the Metropolitan Police Service transport policing budget. Focus during 2010/11 will be on maintaining low crime levels on the transport system and improving passenger perceptions, particularly for those passengers whose use of public transport is affected by concerns about crime and disorder. In addition TfL’s Revenue Protection Inspectors maintain a uniformed presence on the bus network to tackle fare evasion and discourage crime and antisocial behaviour.
- 4.21 **London Underground Rolling Stock** - New trains will enter service on the Victoria line during the year, which have more capacity and an improved passenger environment. New trains in conjunction with the new signalling system will improve journey time. Improved long-term reliability of the new trains will result in reduced lost customer hours of 33 per cent compared with current levels. The new S stock fleet will also be entering service from 2010/11 on the Metropolitan line and will be the first on the Tube to have air conditioning. The new trains will also be more spacious and will have enhanced accessibility features.
- 4.22 **London Overground Rolling Stock** - A total of 216 new vehicles in three-car and four-car formations have been ordered. The new trains have wider gangways, onboard CCTV, air conditioning, wider seats, more handrails, dedicated wheelchair bays, audio and visual announcements and regenerative braking.

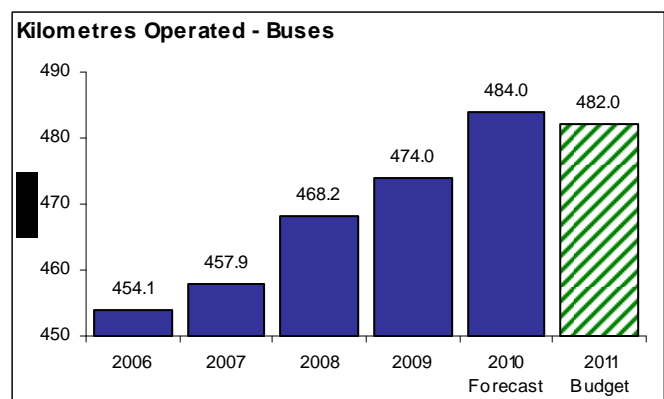
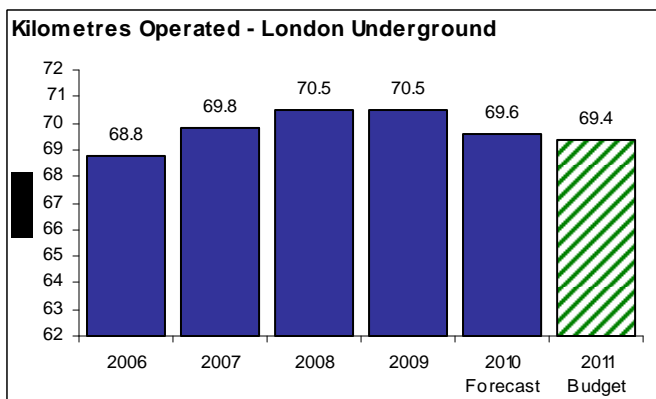
PERFORMANCE OUTCOMES

5.1 The performance outcomes included in the 2010/11 Budget are based on levels in the Q3 2009/10 forecast. Where the final outturn for the year exceeds the forecast, the budget will be amended to maintain the level of improvement.

Supporting Economic Development and Growth

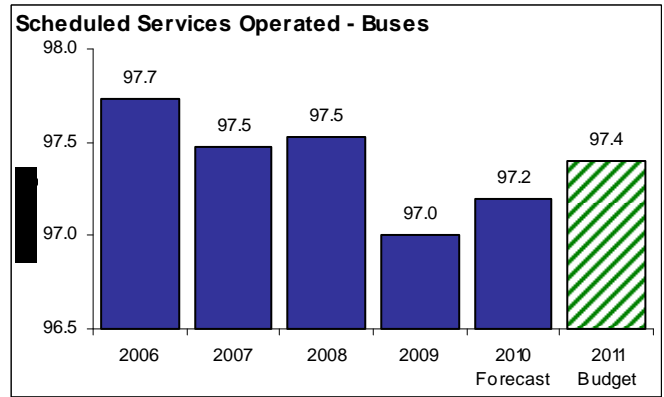
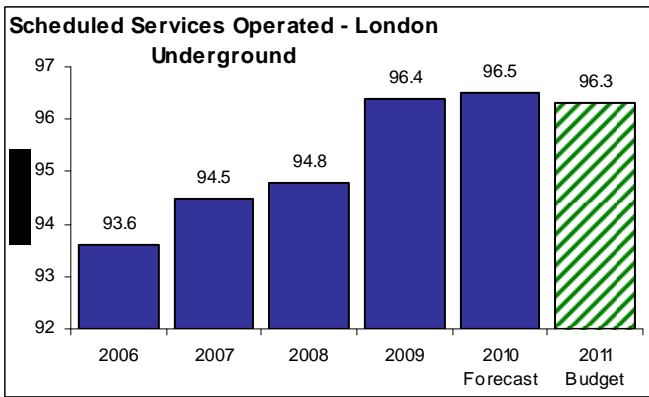


5.2 Some half a million cycle journeys are being made each day in the Capital and the numbers are constantly growing – an eight per cent increase over the past year amounts to an extra 45,000 journeys a day. In 2010/11 Cycling Journeys on the TLRN are expected to increase by a further nine per cent. This reflects a number of programmes designed to promote cycling, and the introduction of the two new Cycling Superhighways

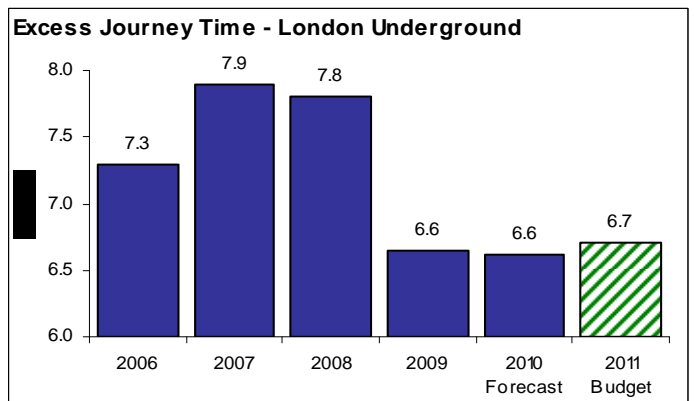
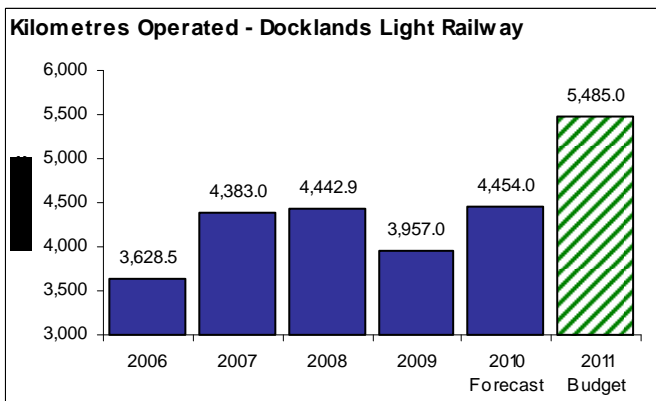


5.3 Overall kilometres operated on the London Underground are budgeted at 69.4m in 2010/11, slightly less than forecast for 2009/10. The forecast for 2009/10 assumed that the Jubilee line upgrade would be delivered and utilised within the year. The late delivery of the upgrade by Tube Lines means that the 2009/10 forecast now stands at 69.4m km, and the same level is expected for 2010/11.

5.4 Bus kilometres operated will reduce slightly compared with 2009/10 to 482m. The network will be kept under constant review to ensure supply best matches demand.

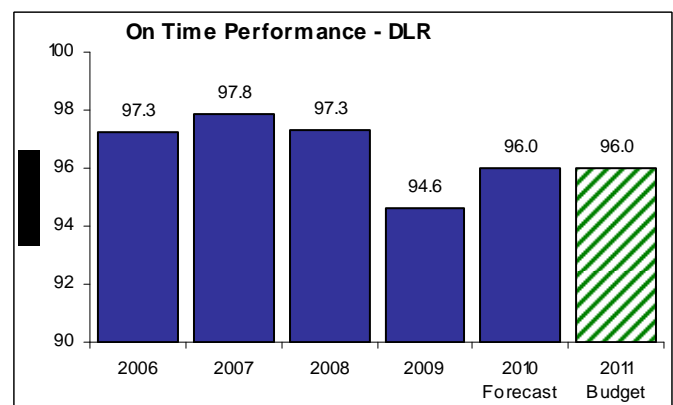
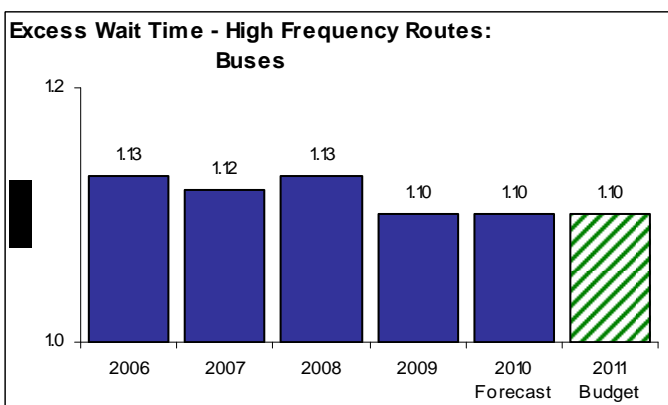


5.5 In 2010/11, London Underground is scheduled to operate at least 96.3 per cent of its scheduled services. This reflects short-term disruption expected from commissioning new assets as well the challenges present in delivering the operational efficiency programmes. The London buses scheduled services operated are expected to increase marginally, to 97.4 per cent.



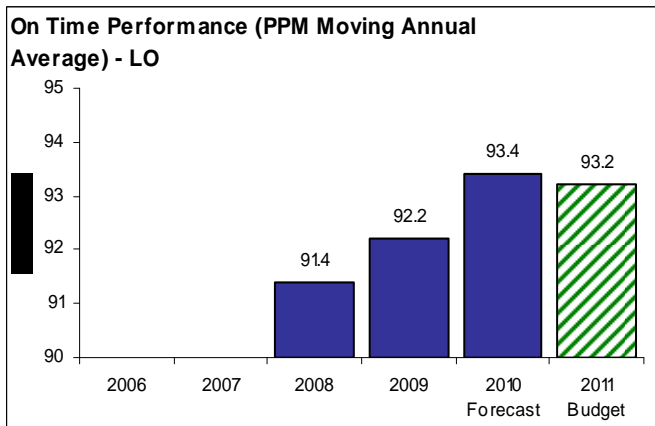
5.6 Docklands Light Railway is scheduled to operate 5.5m kilometres in 2010/11, which is 23 per cent higher than the anticipated level for 2009/10. This is in line with the expected completion of key deliverables in the Upgrade programme, specifically the Three Car Upgrade and Stratford International Extension.

5.7 The Excess Journey Time target for London Underground for 2010/11 reflects a small increase in disruption caused by the commissioning of new assets delivered by the upgrades, which at the very beginning of their life are more likely to suffer reliability issues.



5.8 Excess wait times across the bus network is forecast at 1.10 minutes for 2009/10. This level is expected to be sustained in 2010/11.

- 5.9 Docklands Light Railway is increasing kilometres operated by 23 per cent but is still targeted to maintain the on time performance at 96 per cent of trains on time.
- 5.10 On time performance for London Overground is expected to marginally decrease in 2010/11 by 0.2 per cent to 93.2 per cent as a result of the upgrade works on the network. TfL began operating the Overground network in November 2007.

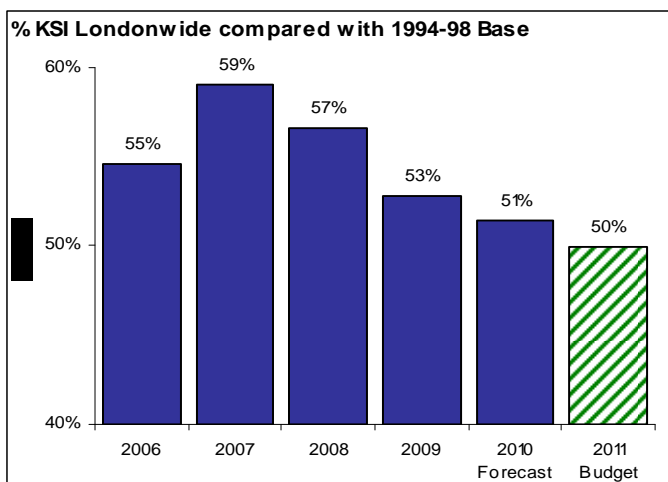


Quality of Life

- 5.11 London Underground is targeted to maintain the overall customer satisfaction score of 79 points throughout 2009/10 and 2010/11, despite on going disruption due to line upgrade works.
- 5.12 London Buses anticipate a customer satisfaction score of 79 points throughout 2010/11. This is despite ongoing pressures on maintaining service quality due to roadworks.
- 5.13 The targeted customer satisfaction score for the DLR in 2010/11 is 80 points. London Overground’s customer satisfaction score target for 2010/11 is 75 points.

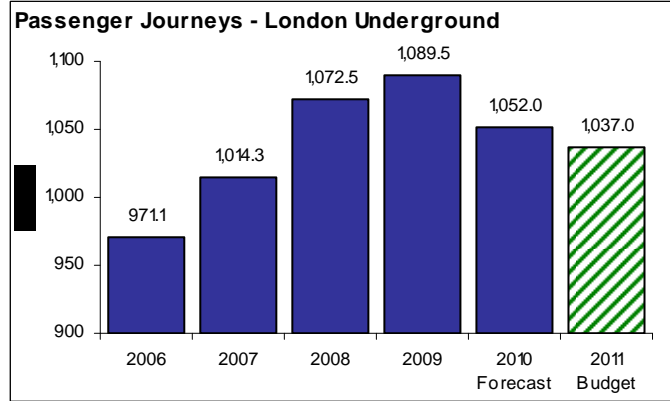
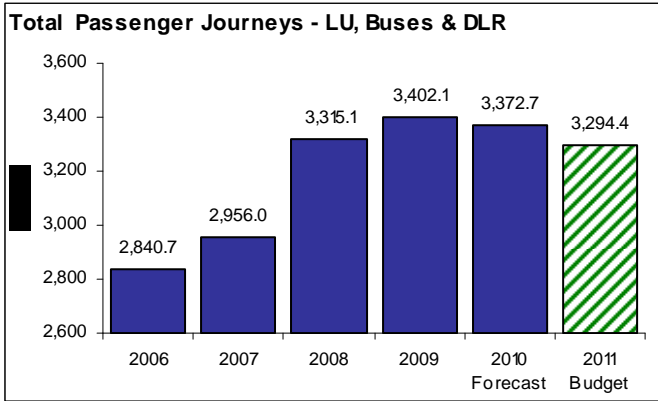
Safety and Security

- 5.14 Road safety has also improved, with the number of fatalities and serious injuries falling in all categories except cycling, where there has been a slight increase but in a period that has seen a far greater rise in numbers taking up cycling. Road casualty rates continue to fall in the Capital. The London Road Safety Plan’s original targets, including a 40 per cent reduction in the number of people killed or seriously injured (KSI) by 2010, were mostly met by 2005 and two of the revised targets have also been reached already. By 2008, a 60 per cent reduction in child KSIs had been exceeded (66.9 per cent) along with a 25 per cent reduction in slight casualties (36.8 per cent).
- 5.15 Killed and Seriously Injured (KSI) on roads Londonwide is expected to decrease on 2009/10 numbers by three per cent to 3,342. It is expected that the target to reduce KSIs by 50 per cent from the 1994-98 base will be met in 10/11.

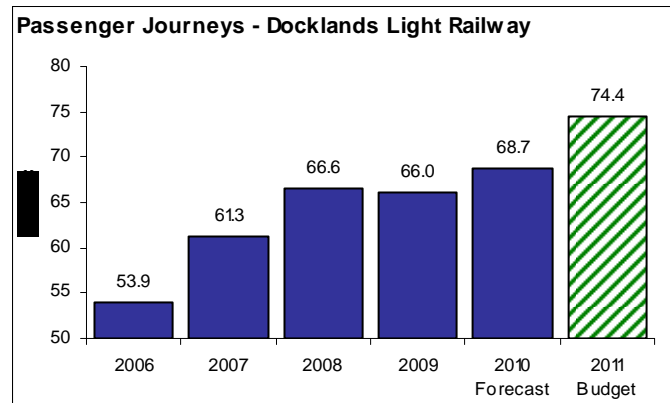
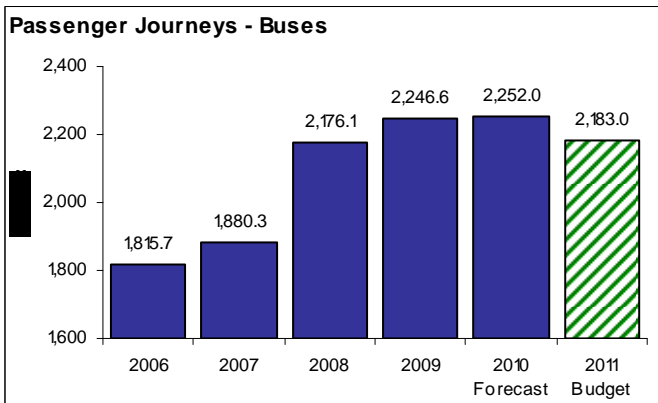


Passenger Demand

5.16 Total passenger journeys for London Underground, DLR and Buses are budgeted to be 3,294m in 2010/11. This is 78m or two per cent lower than 2009/10 (Period 9 Forecast). This mainly relates to 69m less journeys on the bus network, 6m more journeys on the DLR, and 15m less journeys on London Underground.



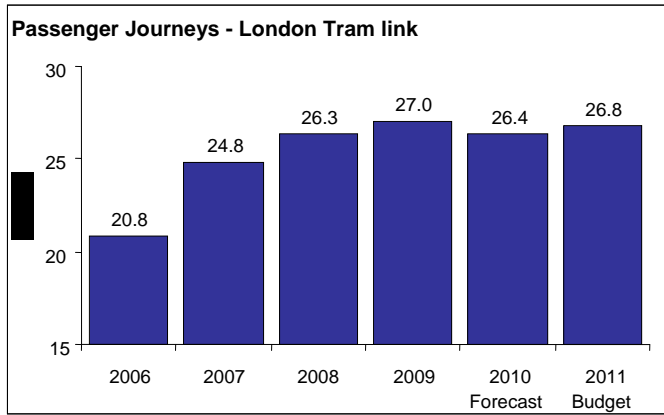
5.17 Demand on the London Underground is expected to decrease on 2009/10 levels by 1.4 per cent to 1,037m. The economic downturn is expected to affect demand into 2010/11, with growth forecast to return in 2011/12. This level is based on the Q3 2009/10 forecast, however more recent data suggests that the recovery may be picking up and this should emerge as an improvement in the passenger journeys forecast.



5.18 Demand on the bus network is currently forecast to fall to 2,183m journeys in 2010/11. However, early indications following the January 2010 fares increase suggest that demand in 2009/10 will be higher than was forecast at Q3 2009/10. If this trend continues the target for 2010/11 will be revised.

5.19 The Docklands Light Railway is forecast to carry 68.7m passengers in 2009/10. Passengers are expected to make 74.4m journeys in 2010/11, six million or eight per cent more than in 2009/10. This reflects the impact of the Three Car Upgrade and Stratford International Extension.

5.20 London Tramlink passengers are expected to make 26.8m journeys in 2010/11, which is 0.4m or 2 per cent higher than the journeys in 2009/10. It is anticipated that passenger journeys will return to previous levels after the disruption caused by engineering works at East Croydon during the summer of 2009.



OPERATING AND CAPITAL FINANCIAL BUDGET 2010/11

- 6.1 TfL produces separate operating and capital budgets. This enables TfL to ensure that recurring income is sufficient to cover its recurring costs and therefore borrowing is only for investment. It continues to be important to demonstrate sound financial management to investors in TfL's bonds and the rating agencies.
- 6.2 TfL's overall budget of net expenditures is shown in the Table 1 below. A detailed breakdown of the budget by business unit is provided in Appendix 2, and by activity with detailed descriptions of deliverables in Appendix 5.
- 6.3 The 2010/11 Budget is based on the first year of the Business Plan, which was approved by the TfL Board on 21 October 2009. The key changes since the Business Plan are shown in the following table.

Table 1: Key Changes since the Business Plan

£m	2010/11	2010/11
Business Plan Net Expenditure (including Crossrail Expenditure)		5,558
Early Prestige Termination	(100)	
Carry/forward of expenditure anticipated in 2009/10 in the Business Plan	50	
Rephasing of the LU Sub-Surface Programme	(40)	
Rephased East London Line Extension expenditure	(24)	
Higher employee costs (from an updated RPI assumption in the budget)	16	
Additional replacement bus service for the further Jubilee Line Closures	15	
Higher Cost for Blackwall Tunnel Northbound refurbishment	11	
Higher fares income (from an updated RPI assumption in the budget)	(5)	
Other movements	19	
Total Movements		(58)
2010/11 Budget		5,500

- 6.4 Changes in project timing have resulted in reduced forecast 2009/10 expenditure, materialising after the second quarter. The expenditure on these additional items totalling £50m in 2010/11 will be funded from earmarked reserves carried forward from 2009/10. Surface Transport has rephased capital projects of £25m to 2010/11, mainly from 2009/10. In the Corporate Directorates IM savings of £11m have been rescheduled from 2009/10 to 2010/11 following delays in implementing the savings programmes. This is offset by £30m of revenue projects that have been carried forward from 2009/10.
- 6.5 On 26 February, TfL repaid the debt associated with the Prestige PFI contract. The Prestige contract was terminated in August 2008, and will come to an end in August 2010. TfL has chosen to repay the debt earlier, in order to save approximately £4 million on the debt service cost. The debt repayment follows an agreement with Transys, the PFI contractor that also provides continuing income from advertising on the ticketing system, and a transfer of the Oyster brand to TfL. The profile of associated up-front payments has now been agreed which involves payments falling into 2009/10 rather than 2010/11 as assumed in the business plan.
- 6.6 London Underground has revised the profile of expenditure on the Sub-Surface Programme in line with the latest expectations of the project.
- 6.7 London Rail has rephased £24m of expenditure on phase 2 of the East London Line Extension from 2010/11 to 2011/12, although this does not impact the delivery schedule. The grant funding for the extension, which was anticipated in the plan before the end of 2010/11, is now expected in 2012/13. This, combined with a rephasing of grant receivable from the Olympic Delivery Authority, has resulted in a reduction in overall grant of £19m in 2010/11.

- 6.8 There are increased employee costs of £16m resulting from a revised RPI assumption, although this is partially offset by £5m from additional fares income. There are also £15m of additional replacement bus services for further closures on the Jubilee Line. In addition, costs of the Blackwall Tunnel Northbound refurbishment, which are now clearer following the procurement process, are £11m higher in 2010/11 than anticipated in the Business Plan.
- 6.9 In addition to the items detailed in table 1, there are changes in presentation which are reflected in table 2.

Table 2: Operating and Capital Budget

£m	2009/10 Forecast at Quarter Three (restated) ¹	2010/11 Budget		
		Plan (restated) ²	Net Amendments	Budget
Income				
London Underground	(1,743)	(1,789)	(3)	(1,792)
Surface Transport	(1,533)	(1,570)	(22)	(1,592)
London Rail	(129)	(173)	5	(167)
Group Directorates	(38)	(51)	-	(51)
Operating Expenditure				
London Underground	2,487	2,836	69	2,905
Surface Transport	2,623	2,582	38	2,619
London Rail	286	341	(4)	338
Group Directorates	364	289	12	301
Gross Margin	2,318	2,465	97	2,561
Capital Expenditure				
London Underground	1,242	1,575	(145)	1,430
Surface Transport	226	264	33	297
London Rail	555	275	(24)	252
Group Directorates	144	239	(81)	158
Crossrail	1,100	734	-	734
Overprogramming	(21)	(209)	92	(117)
Capital Receipts and Reimbursements				
London Underground	(103)	(36)	(33)	(69)
Surface Transport	(36)	(16)	1	(15)
London Rail	(19)	(13)	3	(9)
Group Directorates	(14)	-	-	-
Group Items				
Contingency and Group Items	48	110	1	111
Capital Income (incl. property sales)	(61)	(33)	4	(29)
Debt Servicing	168	207	(6)	201
Investment Income	(13)	(5)	-	(5)
Net Service Expenditure	5,535	5,558	(58)	5,500
Grant (incl. GLA Precept)	(3,040)	(3,723)	310	(3,413)
Prudential Borrowing	(1,100)	(405)	(291)	(696)
Crossrail Funding Sources	(172)	(1,237)	-	(1,237)
Working Capital and Reserves	(1,223)	(193)	39	(154)
Total Funding	(5,535)	(5,558)	58	(5,500)

Numbers may be subject to rounding

Income

6.10 The increase in income of £22m in Surface Transport mainly reflects the income from the cycle hire scheme which was included in the Business Plan on a net basis within operating expenditure.

¹ Restated to reflect organisational changes since the Q3 forecast and the early Prestige termination payment to ensure consistent presentation with the 2010/11 Budget.

² The Crossrail project was included in the Business Plan on the basis of TfL's cash commitment. For consistency with the TfL Budget this has been restated to the level of anticipated expenditure by the project.

Operating Expenditure

- 6.11 The increase in London Underground operating expenditure relates largely to a reclassification of £29m of capital expenditure to operating expenditure as a result of the application of consistent standards following the integration of former Metronet's expenditure into TfL, in addition to the employee cost and additional replacement bus costs mentioned above.

Capital Expenditure

- 6.12 London Underground movements in capital expenditure include the rephasing of £40m of expenditure on the Sub-Surface programme into future years of the plan and, as mentioned above, £29m has been reclassified as operating expenditure. At the time of the Business Plan the overprogramming provision was calculated on the basis of savings yet to be identified against specific projects and an allowance for timing changes.
- 6.13 Specific savings have been allocated to individual projects within the London Underground capital programme. The remaining overprogramming balance consists predominantly of £100m in London Underground and is recognition of timing differences and other unknown changes which are inevitable in a programme of this size caused by events that are outside of TfL's control.
- 6.14 The reduction in capital expenditure in the Group Directorates in 2010/11 compared with the business plan assumption is due to changes in the timing of the acquisition of assets associated with the termination of the Prestige PFI.

Funding

- 6.15 The Business Plan includes £1.3bn of replacement funding that was originally due to be raised by Metronet over the second 7½ year period of the PPP contract. The Plan assumed that this was to take the form of additional grant. It has since been confirmed by the DfT that the 2010/11 element of £291m will consist of increased prudential borrowing, and this has been reflected in the budget.

BALANCE SHEET AND CASH

Table 3: Balance Sheet

£ m	Forecast 31 March 2010	Budget 31 March 2011
Fixed Assets	21,176	23,229
Current Assets	1,723	1,645
Current Liabilities	(1,724)	(1,761)
Long Term Liabilities	(18,210)	(19,537)
Total Net Assets	2,964	3,577
Earmarked Reserve	(613)	(1,397)
General Fund	(155)	(155)
Other Reserves	(2,196)	(2,025)
Total Capital Employed	(2,964)	(3,577)

Numbers may be subject to rounding

- 7.1 The increase in fixed assets from the 31 March 2010 forecast position primarily consists of additions of £2.8bn in addition to £259m delivered through the Tube Lines PPP contract. Depreciation and disposals total £946m for the year.

- 7.2 The increase in long term liabilities includes an additional £696m of prudential borrowing during the year, including £291m for the replacement Metronet funding, an increase in Deferred Grants of £878m and an increase of £62m in the amounts owed through the PPP contract with Tube Lines.
- 7.3 Earmarked reserves are anticipated to increase by £784m during the year primarily in respect of the Crossrail project. A more detailed balance sheet is included as Appendix 3.

Table 4: Cash Summary

£ m	2009/10 Forecast	2010/11 Budget
Net Revenue Expenditure	2,521	2,869
Net Capital Expenditure	3,014	2,632
Working Capital Movements	(322)	(105)
Cash Spend	5,213	5,395
Funded by:		
Transport and other Grants	3,028	3,401
Precept Funding	12	12
Prudential Borrowing	1,100	696
Crossrail Funding Sources	172	1,237
Third Party Contributions	171	83
Total Funding	4,483	5,429
Net Movement in Cash	(730)	34
Crossrail Sponsors Funding Account	373	539
Other TfL Cash Balances	1,629	733
Opening Cash	2,002	1,272
Crossrail Sponsors Funding Account	539	987
Other TfL Cash Balances	733	319
Closing Cash	1,272	1,306

Numbers may be subject to rounding

- 7.4 Budgeted cash balances at 31 March 2011 of £1,306m represent an increase of £34m from those forecast to be held at 31 March 2010 (based on the Quarter 3 forecast). The closing balance includes £987m held on behalf of the Crossrail project; this amount is ring fenced and is not available for use on any other TfL expenditure.
- 7.5 A minimum level of £250m is included for general TfL purposes this is the lowest level considered prudent to allow for fluctuations in income and expenditure. The remaining £69m balance consists of £47m in London Transport Insurance (Guernsey), which is not available to fund general TfL expenditure and £22m of smaller cash balances held by individual TfL businesses, such as cash in transit at London Underground ticket offices.
- 7.6 The balance sheet and opening cash will be adjusted in light of TfL's actual closing position as reported in the 2009/10 statutory accounts. This will impact the closing balance sheet and closing cash, with expenditure remaining as budgeted.

COST REDUCTION PROGRAMME

- 8.1 The scope and ambition of TfL's savings programme has more than doubled since last year's budget, with £1.3bn in savings now assumed over the three years to 2011/12, and more than £5bn in total over the period of TfL's Business Plan. This represents an ambitious and comprehensive change programme encompassing all areas of the organisation.
- 8.2 The Business Plan on which last year's budget was based included £2.4bn of efficiencies (arising from 'back-office' and support expenditure) resulting from the Operating Cost Review. On coming to office and faced with significant financial pressures, the Mayor challenged TfL's management and staff to deliver further cost savings in order to reduce the need to cut investment or frontline services.
- 8.3 A Continuous Savings Exercise was undertaken as part of TfL's planning process, in which all budget holders were asked to identify options to meet a savings target, through further efficiencies, opportunities to generate additional secondary revenue and by identifying or cutting out the lowest priority areas of expenditure, without affecting frontline services.
- 8.4 The result of the exercise has identified opportunities which will realise at least £5bn net savings by 2017/18 and £284m net savings in 2010/11.

Table 5: Overall TfL Cost Reduction in 2010/11 Budget

All Figures in £m	2009/10 Forecast	2010/11 Budget
Corporate and Group Wide	55	122
London Rail	3	8
London Underground	76	171
Surface Transport	93	136
Total Gross Saving	227	438
Implementation cost	(92)	(154)
Total Net Savings	136	284
LU Project Efficiencies	15	70

- 8.5 TfL's comprehensive savings programme comprises around 250 individual initiatives, ranging from small scale local savings projects to high value organisational change programmes. Specific examples of initiatives that will be delivered in 2010/11 are:

London Underground

- Continued reduced staffing requirements within LU following organisational integration of Metronet and roll-out of SAP
- Reductions in LU Sub-Surface Upgrade costs following rationalisation of project requirements
- Savings in LU's capital project costs following value engineering and procurement strategy reviews by project teams
- Reduced LU maintenance costs following consolidation of contracts under Total Purchased Services
- Savings on project costs for the power upgrade for the Sub-Surface Railway, reflecting better procurement and specifications
- Savings on LU costs by delivering a more efficient access regime
- Rationalisation of LU Central Services budgets

Surface Transport

- Ongoing savings from the re-let of the Congestion Charging contract to IBM and the sale of East Thames Buses during 2009/10
- Continued reduced staffing levels in Enforcement and Streets following reorganisations
- Reduced bus network costs through discontinuation of QICs 2 contracts, removing uncommitted bus network service initiatives and achieving lower tender prices.
- Integration of walking, cycling and Smarter Travel within the Integrated Programme Directorate in Surface
- Anticipated savings in MPS policing budgets from 2010/11 (paragraph 4.20 above)

Corporate and Group Wide

- Lower spend on customer information without compromising the service provided
- Reduced accommodation costs following disposal of premises under the Accommodation Strategy
- Delivery of savings through achieving better value contracts
- Savings from the termination of the Prestige contract and procurement of more cost-effective arrangements
- Savings on non-permanent labour
- Ongoing reduced support costs for desktops, servers and networks following delivery of the Information Management Strategic Investment Programme

8.6 In addition, following the introduction of an efficiency target applied across LU's investment programme, LU is taking forward a number of initiatives that aim to deliver savings in the cost of capital projects, for example:

- Changing the way LU procures and operates signalling and other specialist equipment, making better use of proven technologies and minimising development costs
- Savings on project costs for the power upgrade for the Sub-Surface Railway

STAFF

9.1 Overall, the staff numbers are increasing during 2010/11 by 493 Full Time Equivalents (FTE). This is mainly due to the increased FTEs in London Underground operational staffing partially off set by reduction within other modes.

Table 6: Total Staff

Full Time Equivalent (FTE) staff	Forecast at Qtr 3 for 31 March 2010	Budget 31 March 2011	Change
London Underground	20,289	20,876	587
Surface Transport	3,886	3,792	(94)
London Rail	236	209	(27)
Corporate Directorates	2,573	2,494	(79)
Crossrail	209	315	106
Total Staff Employed (FTE)	27,193	27,686	493

9.2 London Underground staffing numbers will mainly increase to enable the delivery of additional services associated with the line upgrades and timetable enhancement. London Underground is undergoing an Organisational Change Programme as part of the £5bn savings programme included in the latest Business Plan. The consultation is ongoing, and any reductions in staff are not reflected in the figures above.

9.3 The staffing decrease within London Rail is primarily connected to the expected completion during the year of the East London Line Extension Project.

- 9.4 Within Surface Transport, the principal staffing level decreases are in Bus Performance, where the implementation of the iBus project has resulted in a reduction in the number of Traffic Recorders. The other decreases can largely be attributed to efficiency initiatives implemented across the majority of Directorates.
- 9.5 Across the Corporate Directorates, the staffing reductions are mostly within Group Marketing and Communications (GMC) and Finance. Within GMC, the reductions are mainly attributable to the introduction of a new telephony system implemented as part of the Customer Services Transformation project. Within Finance, the decrease in FTEs can mainly be attributed to efficiency driven initiatives, partially offset by an increase largely due to the integration of Metronet and additional resources where services are now being provided on behalf of the GLA.
- 9.6 The Crossrail staffing increase is in line with the planned mobilisation to support the delivery of this project.

RISKS AND OPPORTUNITIES

10.1 To assure delivery of the 2010/11 Budget, TfL senior management identifies and evaluates possible risks that may have a material impact on delivery. It also ensures that appropriate actions and resources are in place to manage those risks, and reduce the impact should any occur. Safety risk is dealt with separately as part of the management of the safety case, but strategic and operational risks, and opportunities are dealt with as part of the business planning and performance monitoring processes.

10.2 A number of risks have been identified to the 2010/11 Budget including:

a) Downturn in the London Economy

It is TfL's practice to set group-wide assumptions on economic growth based on credible external forecasts of the time. Since the Business Plan was published, there have been little change in the outlook for the London and wider economy and consequently, forecast assumptions underpinning the plan have not changed materially. The revised forecast assumptions have been factored into the 2010/11 budget and will continue to be kept under review. Overall income levels will continue to be impacted by the pace of recovery in the London economy and any materialisation of a 'double dip' recession.

One of the most important drivers of TfL's cost and revenue is inflation, which affects (directly or indirectly) fare income, contract costs, wages and construction costs. Since the Business Plan, inflation data has been higher than that assumed. Going forward over the next three years, the potential for high inflation and further unpredictability of RPI poses a risk.

b) Ability to deliver TfL's £5bn+ savings programme

TfL's Business Plan assumes that £1.5bn of savings will be achieved over the three years to 2011/12 (in excess of £5bn over the Plan as a whole). Delivering the efficiencies in the Business Plan will be a significant challenge. Although progress has already been made with programmes to achieve the efficiencies either in place or under development, some are still at a feasibility stage. This is the first step in a long and continuous process. Savings are dependent on factors such as successful and timely Trade Union consultation and implementation activity.

c) Arbiter's final determination on Tube Lines second period contract costs

The Arbiter made a final decision on second period costs on 10 March resulting in a £65m increase in costs from £4.394bn to £4.459bn in 2008 prices. When inflated using his inflation assumptions, the Arbiter estimated the funding gap as £330m over the course of the second 7 ½ year period (2010-2017). However, the Arbiter has assumed that LU can afford to pay £288m more than it has in the Business Plan and therefore the funding gap is estimated to be in the region of £618m. A final determination is due on 29 April. The Arbiter has invited LU and its stakeholders to state by 9 April whether they wish to make any amendments to the

contract or to the amount of service charge that LU proposes to pay in the second and subsequent review periods.

d) Capital Expenditure

Project expenditure is subject to issues outside TfL's direct control such as planning permission and other stakeholder agreements. In recognition of this, and the many hurdles that projects in complex environments face, TfL has included overprogramming to a total of £117m in the budget for 2010/11. This mainly relates to the London Underground Investment Programme. None is held at a Group level.

Risk Management

- 10.3 In successfully delivering the 2010/11 Budget, TfL has to understand the possible risks and ensure appropriate actions and resources are in place to manage them and mitigate any possible impact. TfL seeks to maintain a General Fund balance of £150m (and a minimum cash balance of £250m), to protect TfL from the short-term effects which may arise from the crystallisation of specific risks, and to ensure liquidity. Should there be a significant call on the General Fund, provision would be made in future years' budgets to rebuild the reserve to this target level.
- 10.4 TfL has a strategic risk management policy that is approved on an annual basis by TfL's Audit Committee. Risk management is the responsibility of all managers within TfL. The top 10-15 risks to the Business Plan objectives are identified through a process that includes direct input from all Chief Officers, and risks are regularly reviewed throughout the year by the director-level Risk Management Group. Information on TfL's risk management activity is reported to the TfL Audit Committee, and mitigations are monitored by TfL's Internal Audit directorate.

Appendix I: Performance Indicators

Performance Indicator	Units	Forecast 2009/10	Performance Change	Budget 2010/11
Supporting economic development				
Excess journey time - LU	Mins	6.62	-0.08 mins worse	6.70
Scheduled services operated - LU	%	96.5	-0.2points worse	96.3
Excess wait time: high frequency routes - Bus	Mins	1.10	Maintain	1.10
Scheduled services operated - Bus	%	97.2	+0.2 points better	97.4
On time performance - DLR	%	96.0	Maintain	96.0
Scheduled service operated - DLR	%	98.0	Maintain	98.0
Passenger performance measure – moving annual average – LO	%	93.4	-0.2 points worse	93.2
Operated kilometres - LO	000s	No forecast	N/a	5,825
Scheduled service operated – LT	%	98	Maintain	98.0
Person journey time (roads) – (journey time per mile per person)	Mins	04:24	-0:01 mins worse	04:25
Cycle flows - TLRN	Index	220	+9% better	240
Quality of life				
Customer satisfaction survey – overall LU	Score	79.0	Maintain	79.0
Customer satisfaction survey – overall Bus	Score	79.0	Maintain	79.0
Customer satisfaction survey - overall DLR	Score	No forecast	N/a	80.0
Customer satisfaction survey – overall LO	Score	73.0	+2 points better	75.0
Customer satisfaction survey overall LT	Score	85.5	+0.5 point better	86.0
Overall satisfaction with Dial-a-Ride service	%	93.0	Maintain	93.0
Total NOx emissions	Tonnes	7,115	-123 tonnes better	6,992
Total PM ₁₀	Tonnes	125	-3 tonnes better	122
Safety and security				
Reduction killed or seriously injured (London wide) from 1994-98 base	%	48.6	+1.4 points better	50.0
Recorded crime (per million journeys) - LU	No.	13.3	-3% better	12.9
Recorded crime (per million journeys) - Bus	No.	11.0	-7.2% better	10.2
Londoners whose use of public transport is significantly affected by crime and disorder concerns	%	32.5	-4.5points better	28.0
Transport opportunities				
LU accessible: Step-free to platforms	%	21.9	+1.1 points better	23.0
Accessible bus stops with accessible footways	%	50.0	+1 point better	51.0
LU stations enhanced (Additional security, access and information provision- current PPP projection)	%	60.1	+7.6 points better	67.7
Climate change				
Total CO ₂ emissions from TfL operated or regulated transport services	Thousand tonnes	1,864	-20, 000 tonnes better	1,844

Abbreviations List:

LT: London Tramlink
 TLRN: TfL Road Network
 CO₂: Carbon Dioxide
 NO_x: Nitrogen Oxide

Appendix 2: Operating and Capital Budget by business unit

TfL Group (£m)	Operating Budget			Capital Budget	
	Income	Operating Expenditure	Capital Expenditure	Receipts and Reimbursements	Net Capital Expenditure
London Underground					
Traffic Revenue	(1,659)	-	-	-	-
Secondary Revenue	(133)	-	-	-	-
Operations	-	715	-	-	-
Maintenance	-	476	-	-	-
Projects (incl. PFI)	-	307	-	-	-
Line Upgrades	-	11	-	-	-
Tube Lines (PPP)	-	881	-	-	-
Central Services	-	406	-	-	-
Revenue improvements	-	60	-	-	-
Capital Expenditure	-	-	1,430	(69)	1,361
LU Overprogramming	-	-	(100)	-	(100)
LU Risk	-	50	-	-	-
	(1,792)	2,905	1,330	(69)	1,261
Surface Transport					
Bus Network	(1,186)	1,693	-	-	-
Enforcement (incl. Congestion Charge and Policing)	(363)	297	6	(2)	4
London Streets	(3)	223	163	(7)	156
Integrated Programme Delivery	-	145	17	-	17
Other Bus Support Costs	(22)	98	31	(2)	29
London River Services	(2)	12	1	(1)	-
Assisted Transport Services	-	15	-	-	-
Dial a Ride	-	32	-	-	-
Management Support and Strategy	-	83	78	(3)	75
Victoria Coach Station	(15)	15	1	-	1
Overprogramming	-	5	(22)	-	(22)
	(1,592)	2,619	275	(15)	260
London Rail					
DLR	(83)	122	104	(3)	101
London Overground	(66)	169	146	(6)	140
Trams	(18)	22	1	-	1
LR Development and HQ	-	24	5	-	5
	(167)	338	257	(9)	247
Crossrail	-	-	734	-	734
Group Directorates					
Office of the Commissioner	-	3	-	-	-
General Counsel	(2)	13	-	-	-
Group Marketing and Communications	(6)	43	4	-	4
Finance	(32)	203	154	-	154
London Transport Insurance	(3)	-	-	-	-
Planning	-	30	-	-	-
London Transport Museum	-	6	-	-	-
Financial Reporting	(8)	3	-	-	-
	(51)	301	158	-	158
Net Service Expenditure before group items	(3,602)	6,164	2,754	(93)	2,660
Group Items	(5)	312	-	(29)	(29)
Net Service expenditure	(3,607)	6,476	2,754	(122)	2,632

Numbers may be subject to rounding

Appendix 3: Balance Sheet

£ m	2009/10 Forecast at Quarter Three	Movement during 2010/11	2010/11 Budget
Fixed Assets			
Tangible Assets	21,176	2,053	23,229
Current Assets			
Stocks	23	-	23
Debtors	429	(113)	316
Cash at Bank and in Hand	1,272	34	1,306
Current Liabilities			
Creditors	(1,724)	(37)	(1,761)
Long Term Liabilities			
Balances with Infracos	(1,823)	(62)	(1,885)
Prudential Loans	(4,118)	(696)	(4,814)
Creditors Due after One Year	(591)	13	(578)
Capital Grants	(9,920)	(525)	(10,445)
Provisions	(1,759)	(57)	(1,816)
Total Net Assets	2,964	613	3,577
Capital and Reserves			
Earmarked Reserve	(613)	(784)	(1,397)
General Fund	(155)	-	(155)
Other Reserves	(2,196)	171	(2,025)
Total Capital Employed	(2,964)	(613)	(3,577)

Appendix 4: Subjective Analysis

<i>All Figures in £m</i>	Forecast 2009/10	Budget 2010/11
Income		
Fares Revenue	(2,857)	(3,018)
Congestion Charging	(180)	(174)
Enforcement Income	(173)	(154)
PCO and VCS Fees	(34)	(33)
Advertising Income	(92)	(91)
Rental Income	(53)	(51)
Other Income	(54)	(81)
	(3,442)	(3,602)
Operating Expenditure		
Employee Expenses	1,710	1,782
Premises	267	252
PPP Payments	586	913
PFI Payments	255	193
Bus Contract Payments	1,631	1,653
CCS and Other Road Contracted Services	71	69
Asset Maintenance and Local Authority Payments	439	380
Professional Fees and Management Consultancy	88	74
Engineering Project Management and Other Technical Consultancy	58	158
Ticket Commissions	37	46
Customer Information	45	52
National Rail Payments	9	9
Franchise Payments	193	203
Information and Communication Technology	117	133
Insurance	41	47
Traction Current	74	85
Bad Debt Provision	76	70
Other Expenses and Savings	63	45
	5,760	6,164
Net Operating Expenditure	2,318	2,561
Capital Expenditure	2,167	2,136
Capital Expenditure - Crossrail	1,100	734
Overprogramming	(21)	(117)
Third Party Contributions	(171)	(93)
Group Items	142	279
TOTAL NET SERVICE EXPENDITURE	5,535	5,500

Numbers may be subject to rounding

Appendix 5: Deliverables

LONDON UNDERGROUND

£ m	Income	Operating Expenditure	Capital Expenditure
Traffic Revenue	(1,659)	-	-
Secondary Revenue	(133)	-	-
Operations	-	715	-
Maintenance	-	476	-
Programmes (incl. PFI & PPP)	-	307	-
Line Upgrades	-	11	-
Tube Lines (PPP)	-	881	-
Central Services	-	406	-
Revenue improvements	-	62	-
Capital Expenditure	-	-	1,361
Overprogramming	-	-	(100)
Risk	-	50	-
	(1,792)	2,905	1,261

1.0 INCOME

1.1 Traffic Revenue

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

Deliverables

Description	Units	Target
Passenger Journeys	Millions	1,037

1.2 Secondary Revenue

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

2.0 OPERATING EXPENDITURE

2.1 Operations

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

timely service. The delivery of the train service, as well as its control and regulation, also forms part of these day to day activities.

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

Deliverables

Description	Units	Target
Scheduled Service Operated	%	96.3
Excess Journey Time (weighted)	Mins	6.70
Overall customer satisfaction	Score	79.0
Train Kilometres Operated	Millions	69.4
Customer Major Injuries per million	No.	0.13
Stations with step-free access (street-platform)	%	23.0
Recorded Crimes per million journeys	No.	13.3

2.2 Maintenance

This activity covers the maintenance of all track, rolling stock, signals, stations and civil assets on the Sub-Surface and Bakerloo, Central and Victoria Lines.

Deliverables

Description	Units	Target
Lost Customer Hours	'000s	15,600

2.3 Projects and PPP

The Project directorate is responsible for the management of Capital and non-capital project contracts. The Capital project contracts include PPP, PFI and National Rail agreements. The non-capital projects include those associated with the PPP, the general management of Procurement and Contract Services; utility costs including gas, electricity and water.

Over the life of the PPP contracts, most of the network will receive a substantial programme of works to improve and maintain the asset condition of stations, and provide a significant upgrade of train systems, coupled with improved routine and preventative maintenance. Together these will deliver a better environment, a more reliable service and shorter journey times.

In addition there is a Power PFI which provides for the operation, maintenance and renewal of the Underground power network and Connect PFI which provides for and maintains an integrated digital radio communications system and transmission services system across the Underground network. Milestones for specific projects are covered under the Capital Projects section of this report.

Deliverables

Description	Units	Target
Lost Customer Hours	'000s	25,500

2.4 Line Upgrades

This activity is associated with the management of the upgrade of each Underground line, as part of a co-ordinated renewal and replacement of assets, aimed at delivering increased capacity, and overall performance improvements. Further details of Line Upgrade activities are provided within the Capital Projects section of this report.

2.5 Central Services

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

Deliverables

Description	Units	Target
Forecast Accuracy – Operating Expenditure	%	2.5
Forecast Accuracy – Capital Expenditure	%	5.0
Operating Cost Review Savings	£m	62.2
Employee Satisfaction Survey- People Index	Index	72

2.6 Risk

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

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

3.0 CAPITAL PROJECTS

Gross capital expenditure represents expenditure on capital investment that is managed directly by London Underground. It does not include indirectly managed investment by Tube Lines.

The key deliverables shown below identify the projects that will be active during the year. Where a project has a key milestone during the year, this has been highlighted in the section below. It should be noted that not all active projects have key milestones during 2010/11.

3.1 Station Upgrades

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

- Station Enhancements programme (PPP) - will lead to improvements to 250 LU-owned stations including the renewal of dated station assets, as well as the modernisation or refurbishment of selected stations.
- Lifts and Escalators programme (PPP) - will bring the fleets of lifts and escalators back to a state of good repair and overcome the backlog of investment.
- Accessibility (LU) - stations will benefit from some accessibility improvements as part of the enhancement programme but additional major investment is required to deliver step free access.

Deliverables

Description	Date
Victoria Station upgrade - main works contract award	Jun-10
Victoria Station upgrade - utility works planned completion date	Mar-11
Tooting Bec station refurbishment - delivery into service	May-10
Colliers Wood Station refurbishment - delivery into service	Jun-10
Archway Station modernisation - delivery into service	May-10
King's Cross Station modernisation - delivery into service	Oct-10
Barbican Interlocking Machine Room (IMR) - start on site	Jun-10
King's Cross redevelopment programme - completion of phase II work (including post Northern Ticket Hall works)	Oct-10
Notting Hill Gate Station modernisation - practical completion	Oct-10
Warren Street Station modernisation - delivery into service	Nov-10
Marble Arch Station modernisation - practical completion	Jan-11
Aldgate Station modernisation - delivery into service	Oct-10
Rail Vehicle Accessibility Regulations (batch 03)	Dec-10
Oxford Circus lift & escalators replacement - start of closure	May-10
Green Park step free access - detailed design approved RIBA EF (Phase 3) below ground	July -10
Green Park step free access - lift 5 & 6 installation start	Mar-11
Canary Wharf E18 Module 1 refurbishment - return to service	Jun-10
Central and Bakerloo Lines: LV Mains - delivery into service, circuit 1 to Bond Street	July-10
London Bridge DC to AC conversion - return to service	Aug-10
Southfields step free access - delivery into service	Oct-10
Heathrow 123 step free access - completion of design works	Jun-10

3.2 Station capacity

The Congestion Relief programme aims to address severe congestion at certain times of the day, leading to crowd control measures at some stations and, in the extreme, station closures at peak times and limitations on the operable train service.

Deliverables

Description	Date
Bond Street Station Upgrade Project - Main works contract award	Sep-10
Bond Street Station Upgrade Project - Possession of 354-358 Oxford St	Jan-11
Walbrook Square: Integrated Waterloo & City Line Entrance / Exit	Nov-10
Paddington - Crossrail completion of detailed design	Nov-10
Tottenham Court Road Congestion Relief - commence construction (main works)	Mar-11
Tottenham Court Road Congestion Relief - completion of demolition of Goslett Yard	Mar-11
Highbury & Islington - start on site	Jan-11
Bank Northern Line - RIBA C design phase completed	Feb-11

3.3 Track

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

Deliverables

Description	Units	Target
Sub Surface Railway (SSR) ballasted track replacement/ reballast by September 2010	Metres	6,750
SSR ballasted track replacement/reballast by March 2011	Metres	13,250
Sub Surface Line points and crossings	Units	3
BCV ballasted track replacement and reballast metres	Metres	1,500
BCV points and crossings	Units	6
BCV Class 1 (expected trackform life of 40 years)	Metres	2,400

3.4 Structures (civils)

The 312km tunnels, embankments, cuttings and 1,104 bridges and viaducts that comprise the civil infrastructure are as important as the track assets. Managed partially through the PPP, this will involve regular upkeep including fence repairs, painting of structures, and management of line side foliage and maintenance of over 1,000 drainage pumps.

Deliverables

Description	Date
Earth Structures 3, 4, 7, 8 & 9 - Perivale to Greenford, practical completion	Jun-10
Earth Structures 12 & 13 - Rickmansworth to Moor Park	Dec-10
Earth Structures – Pinner to North Harrow – practical completion	Oct-10
Earth Structures – Amersham to Chalfont – start on site	Oct-10
Earth Structures – West Acton to North Acton – start on site	Aug-10
Underbridge D83A at Ravenscourt Park - bridge slide possession weekend	Nov-10

Description	Units	Target
Track Drainage (SSR & BCV) – replaced by Sept 2010	Metres	5,950
Track Drainage (SSR & BCV) – replaced by March 2011	Metres	8,250

3.5 Line Upgrades

Over the next 20 years, the majority of LU lines will be upgraded. A line upgrade involves a co-ordinated renewal of assets to increase overall capacity.

Upgrade works typically include some combination of improvements to:

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

Sub Surface Railway

Description	Date
Pre-production S8 train ready for use in Traffic Hours	Jun-10
First S8 train in Passenger Service	Sep-10
Baker Street - S8 enabling works - complete (incl. train arrestors)	May-10
Operational readiness - driver training (sufficient LU drivers trained before start of running)	Sep-10
ATC Supply - confirm approved shortlist and invite best and final offers	Jun-10
Appoint ATC contractor	Feb-11
Neasden – New Cleaning shed operational	Sep-10
Lillie Bridge ready for Operational use (working timetable 10)	Jan-11
S7 test train delivered to London and available for testing	Mar-11
Station ready for integration tests - Farringdon	Sep-10
Station ready for integration tests - Moorgate	Sep-10
Station ready for integration tests - Kings Cross	Sep-10
Station ready for integration tests - Liverpool Street	Oct-10
Delivery to Test Track - train 4 (production train 2)	Jul-10
Delivery to Test Track trains 5,6,7 (production trains 3,4,5)	Aug-10
Delivery to Test Track trains 8,9 (production trains 6,7)	Sep-10

Bakerloo Central and Victoria line upgrade

Description	Date
10 VLU production trains delivered	Jul-10
20 VLU production trains delivered	Dec-10
Central Line Bogie modifications - 1420 Frames delivered to Fleet	Mar-11
Start Trialling the New VLU Service Control Centre (Line Control) in Passenger Hours	Jun-10
Demonstrate Operation of the New Service Control Centre Demo (VC)	Aug-10

3.6 Power

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

Deliverables

Description	Date
SSR Power Upgrade - package 2 contract award	May-10
SSR Power Upgrade - package 1b (Eastcote), civil works - start of construction	Jul-10
SSR Power Upgrade - package 1b (Eastcote) commission/energise QICC Part 8 - TOC	Oct-10
SSR Power Upgrade - package 1a (Neasden Depot) available to supply traction power	Sep-10

3.7 Cooling the Tube Programme

LU is pursuing tunnel cooling options in order to mitigate the effect of rising temperatures on the network through the Cooling the Tube Project (CTP).

Deliverables

Description	Date
Victoria line mid tunnel vents tranche #1 - all Tranche 1 and 1A sites brought into beneficial use	Aug-10
Victoria line mid tunnel vents tranche #2 - first site brought into beneficial use	Oct-10
Victoria line mid tunnel vents tranche #3 - first start on site	Dec-10

3.8 Accommodation

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

Deliverables

Description	Date
Harrow-on-the-Hill, secure lease	Sep-10

3.9 Information Technology

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

Deliverables

Description	Date
Completion of Electronic Service Update Board installations on JNP sites by Tube Lines (not including sites where there are post-installation or survey / heritage issues)	Jul-10

3.10 Crossrail Enabling

A programme of work to ensure the smooth integration of the new Crossrail stations with the existing London Underground network.

Deliverables

Description	Date
Provided all LU input and support to facilitate MPRG Review Point 4	Feb-11

SURFACE TRANSPORT

£m	Income	Operating Expenditure	Net Capital Expenditure
Bus Network	(1,186)	1,693	
Enforcement (incl. Congestion Charge and Policing)	(363)	297	4
London Streets	(3)	223	156
Integrated Programme Delivery		145	17
Other Bus Support Costs	(22)	98	29
London River Services	(2)	12	
Assisted Transport Services		15	
Dial a Ride		32	-
Victoria Coach Station	(15)	15	1
Management Support & Strategy		83	75
Overprogramming		5	(22)
	(1,592)	2,619	260

4.0 INCOME

4.1 Fares Revenue

The Bus Network Income activity covers fares revenue including Travelcard apportionment and revenue from concessionary agreements. Revenue from fares is generated from Oyster PAYG validations, bus passes, roadside ticket machines, sales through ticket outlets such as Ticket Stops and LUL stations and the sale of on-bus tickets.

Fares changes are decided annually by the Mayor and generally take place in January. A key driver is to deliver target levels of fares revenue while ensuring that fares are affordable for all sections of society, and to provide targeted fare concessions so that disadvantaged and potentially excluded groups have access to the bus network. Concessions include: free travel for over 60s and young people in full time education, discount travel for students, 16 and 17 year olds who are working, those on the New Deal programme, and discounted travel for people on income support.

Deliverables

Description	Units	Target
Passenger Journeys - Bus	Millions	2,183

4.2 London Cycle Hire Scheme

The income from the London Cycle Hire Scheme (LCHS) is comprised of an access fee and usage charges. The access fee is a fixed amount payable to enable access to the LCHS for a fixed period of time. The usage charges are variable amounts payable based on the duration of individual journeys.

Additional charges comprising Late Return, Non Return and Damage Charges may be payable in the event that certain Conditions of Use are breached. The tariff structures has been developed using a research based model and the experience of other European schemes.

4.3 Other

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

Deliverables

Description	Units	Target
Passenger Journeys - London River Service	Million	3.7
No of Coach Departures – Victoria Coach Station	'000	195

ENFORCEMENT

4.4 Congestion Charging

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

4.5 Low Emission Zone

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

4.6 Road Network Compliance (formerly Traffic Enforcement)

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

4.7 Community Safety, Enforcement and Policing (CSEP)

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

5.0 OPERATING EXPENDITURE

5.1 London Buses

The Bus Network activity covers the planning, procurement and management of the bus network. This includes current services, planned changes, measures to maintain service reliability, and other quality-related initiatives such as bus staff training.

Deliverables

Description	Units	Target
Scheduled Services Operated	%	97.4
Bus Kilometres operated	Million	482
Excess Wait Time High Frequency Routes	Minutes	1.10
Buses compliant with Euro III particulate standards	%	78
Customer Satisfaction Survey – overall	Score	79

ENFORCEMENT**5.2 Congestion Charging and Traffic Enforcement (CC&TE)**

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

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

The operation of the London Cycle Hire Scheme (LCHS) will be delivered through a competitively outsourced contract which will be managed and monitored by TfL. There will also be a customer contact centre, web site and customer registration process.

Electric Vehicles Delivery (EVD) covers the capital and revenue spend required for the delivery of the Pan London network of charging infrastructure and a GLA fleet of electric vehicles as well as associated marketing, incentives and management costs. Funding will come from TfL, Government and private enterprise. Capital spend relates to the provision of London-wide charge-points and TfL fleet vehicles. Revenue spends covers implementation and ongoing operation. Both capital and revenue include elements relating to the costs of service providers, TfL resources and physical implementation.

Deliverables

Description	Units	Target
CC & LEZ Call Centre Queuing Time	Seconds	30
CC - Customer satisfaction overall	%	80
Low Emission Zone - Phase 2 compliance	%	96

Description	Date
London Cycle Hire Scheme (LCHS) operational go-live	Summer-10
Decommissioning of the Western Extension (WEZ) to the Congestion Charging Scheme (subject to the outcome of public consultation and formal Mayoral approval)	Dec-10
Electric Vehicles website launched	Jul-10

5.3 Community Safety, Enforcement and Policing (CSEP)

CSEP is responsible for community safety, enforcement and policing activity on London's public transport system. It coordinates a range of activities across TfL focused on reducing crime and anti-social behaviour, reducing fare irregularity and persistent fare evasion, improving passenger perceptions of safety and encouraging positive behaviours on the network. CSEP directly manages around 300 on-street staff to protect one of TfL's core income streams and to provide a reassuring presence to passengers and bus staff while discouraging crime and antisocial behaviour. London's three police forces, the Metropolitan Police Service, the British Transport Police and the City of London Police work in conjunction with CSEP to deliver visible policing, crime and anti social behaviour reduction projects; and throughout 2010 will be guided by a three-year Community Safety Strategy for Transport and Travelling in London. CSEP also has a key role in helping to minimise network disruption and delivering on other key Mayoral priorities.

Deliverables

Description	Units	Target
Level of Irregularity on One-Person-Operated (OPO) Routes (12 Month Rolling Average) *	%	1.45*
Level of Irregularity on Open-Boarding Routes (12 Month Rolling Average)*	%	8.9*
Recorded Crimes Per Million Passenger Journeys - Bus Network	#	10.2*
Recorded Crimes Per Million Passenger Journeys - LU & DLR Network	#	12.9*
Londoners whose usage of public transport is significantly affected by crime and disorder concerns	%	28.0*

*Provisional targets have been set by CSEP, to be confirmed following availability of 2009/10 full-year results.

Description	Date
Cycle Security Action Plan Implementation	Mar-2011
Produce three year Community Safety Strategy for Transport and Travelling in London	Sep-2010

5.4 Taxi & Private Hire (T&PH)

The Taxi and Private Hire Directorate contributes to the Mayor's general duty for safe transport in respect of taxis and private hire vehicles by licensing and regulating London's taxi and private hire drivers, vehicles and operators. The Directorate is responsible for delivering the world famous and respected "Knowledge" examination process, undertaking compliance activities as well as working in partnership with other areas of TfL and third parties such as Community Safety, Enforcement and Policing Directorate and the police on key activities and initiatives such as the Mayor's Safer Travel at Night (STAN) initiative.

Deliverables

Description	Units	Target
Taxi inspection – first time pass rate	%	50
Private hire vehicle inspection – first time pass rate	%	85

Description	Date
Expand and promote Post Office "check & send" application service	Aug -10
Launch simplified taxi & private hire driver licence application form	Dec- 10
Improve the information available on-line and provide the facility to download application and renewal forms from the website	Mar - 11

Integrated Programme Delivery (IPD)

IPD is a new Directorate within Surface Transport which will work with internal and external partners to commission and manage programmes that contribute to the transformation of London by optimising travel choices, reducing congestion, supporting the economy and improving the environment.

IPD's management of both internal modal client requirements and external Borough relationships will seek to balance the needs of London's street users.

IPD is currently in the process of being formed, therefore the milestones and deliverables contained in this document have been formulated by each individual unit.

5.5 Bus Priority

Bus Priority programmes, delivered in partnership with Boroughs, seek to make bus journeys faster and more reliable by reducing the effects of traffic congestion. This covers the developing and delivering of sustainable bus priority measures such as bus stop accessibility, bus lanes, traffic signal priority and junction improvements.

Description	Units	Target
Year end target for the % of accessible bus stops (London-wide)	%	51

5.6 Cycling, Walking and Accessibility

Key activities associated with walking, cycling and accessibility seek to create and promote connected, safe, accessible and attractive environments for cyclists, pedestrians and disabled people. This is in order to ensure more trips are undertaken by foot/cycle with longer distance trips undertaken through a combination of walking/cycling and public transport, and to ensure that the street network better meets the needs of disabled people and the principles of the Disability Discrimination Act. Activities aim to deliver the overall targets of a 400 per cent increase in cycling by 2026 and increase the number of walking journeys made per day to 7 million by 2026.

Deliverables

Description	Units	Target
Year end target for cycling Journeys (TfL Road Network)	Index	240

5.7 Road Safety Unit

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

Deliverables

Description	Units	Target
Reduction in KSI (London-wide) from 1994 - 1998 base	%	50
Reduction in KSI (TfL Road Network) from 1994 - 1998 base	%	50
Reduction in Children KSI (London-wide) from 1994 - 1998 base	%	70

New re-based figures on 2004-08 n/a until 2011/12

5.8 Smarter Travel Unit

The Smarter Travel Unit aims to optimise people's travel choices by developing integrated, innovative, cost-effective solutions with internal and external partners in order to tackle congestion and enhance the environment.

Deliverables

Description	Units	Target
Reduction in car usage across all schools with approved School Travel Plans	%	6

5.9 Borough Programmes

Borough Programmes currently manages and co-ordinates Local Implementation Plan (LIP) programmes including Area Based Scheme, Freight, Local Area Accessibility and Environment programmes. Deliverables and milestones will be developed in due course across the newly defined LIP programmes for 2010/11 (Major Schemes, Corridors, Neighbourhoods and Smarter Travel), once the Borough Routes and Places team are fully operational within IPD.

5.10 Freight Unit

A key element within IPD's modal freight remit is the realisation of the London Freight Plan as this plan actively promotes the sustainable distribution of freight deliveries, servicing trips and the removal of waste across the Capital. It is designed to help minimise the long-term ramifications of increasing congestion and noxious emissions. The plan supports the freight sector by recommending and encouraging ways to increase the efficiency of freight delivery and servicing operations to effectively manage customer demand and reduce unnecessary trips. In addition, it highlights the importance and availability of safe and legal loading conditions.

Description	Units	Target
Year end target for depot sign-up to FORS	No.	1,550*

*1,550 is a cumulative target relating to an additional 500 sign-up to FORS in 2010-11.

5.11 London Streets (Roads Directorate)

London Streets is responsible for minimising congestion and improving the journey experience for those travelling in London by effectively managing, maintaining and developing all of London's traffic signals the Capital's most important roads, the Red Routes, collectively known as the Transport for London Road Network (TLRN). The TLRN includes 580km of roads (representing 5 per cent of London's total road network, and carrying over 30 per cent of its traffic), the A13 DBFO project, seven Thames bridges, various flyovers and subways, and 13 major tunnels including those at Blackwall and Rotherhithe. London Streets seeks to continue to improve the coordination and management of road works and street works on the TLRN and to respond quickly and effectively to unplanned events to help deliver the Mayor's objective to smooth traffic flow and improve journey time reliability in London.

Deliverables

Description	Units	Target
Person Journey time – ST Roads	mins	4.25
Delivery of Traffic signal modernisation	No. of sites	150
Traffic Signals availability	%	99.1
Street lights operating	%	98
Defects representing an imminent or immediate hazard to the public made safe within 24 hours	%	98
TLRN Carriageway in state of good repair	%	92

5.12 London River Services

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

Deliverables

Description	Units	Target
Scheduled Service Operated - London River Service	%	98.5

5.13 Dial- a-Ride

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

Deliverables

Description	Units	Target
Number of Journeys - Dial-a-Ride	Millions	1.35
Overall Customer Satisfaction - Dial-a-Ride	Score	93

5.14 Victoria Coach Station

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

5.15 Management Support and Strategy

This includes all the support functions within Surface Transport such as Finance and HR.

Savings Programme

Surface Transport is contributing a significant proportion of the TfL Savings Programme, including £136m in 2010/11. These savings are driven by the numerous modal initiatives put in place under the Operating Cost Review (OCR) and Continuous Savings Exercise (CSE), plus the expected modal benefit from the pan-TfL OCR workstreams.

Deliverables

Description	Target
ST Finance : Savings	£136m

5.16 Strategy

The Strategy Directorate initiate and deliver a diverse range of projects, such as the East London Transit scheme and strategic communication campaigns on behalf of TfL. Strategy is also comprised of Surface Transport Communications which oversees engagement with Surface Transport's key stakeholders. The Strategy Directorate also is responsible for the overall co-ordination of Surface Transport's Olympic strategy and deliverables as well as Surface Transport's input into Mayoral Strategies.

Deliverables

Description	Units	Target
Customer Satisfaction Survey – Information (Bus)	Score	79

6.0 CAPITAL PROJECTS

6.1 Bus Infrastructure

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

Deliverables

Description	Date
West Ham bus garage - completion of permanent bus parking area	May-10
West Ham bus garage - completion date (full opening of bus garage)	May-10
Edgware bus garage - reconstruction of access ramp - construction started	May-10
Edgware bus garage - reconstruction of access ramp - construction completed	Nov-10
Countdown Project – system acceptance testing completed (greater than 90 per cent test coverage) central system	Feb-11
Countdown Project – system acceptance testing completed (greater than 90 per cent test coverage) signs	Feb-11

Description	Units	Target
Bus stops and shelters - year end target for the number of shelters renewed	No.	215
Bus stops and shelters - year end target for the installation of new shelters	No.	20

6.2 Bus Priority

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

Key activities include:

- Implementation of the third Generation Bus Priority (3GBP) Programme. 3GBP aims to improve or maintain service reliability, minimise delays and protect buses from traffic congestion, as well as incorporating safety benefits and improvements for other road users including pedestrians and cyclists.
- Selective Vehicle Detection provides bus delay savings, which when aggregated result in significant efficiency savings across the network, journey time reductions and passenger reliability benefits. SVD works by detecting enabled buses as they approach traffic lights and alters the sequence of lights to significantly reduce the time the bus is held up by a red signal.

Deliverables

Description	Date
3G Route 220 Section D North - network assurance scheme approval (phases 2 & 3)	Sep-10
3G Route 220 Section D North - substantially complete on site works (phases 2 & 3)	Mar-11

6.3 Walking, Cycling and Accessibility

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

Deliverables

Description	Date
Olympic cycle network – phased implementation started for all routes	Aug-10
Olympic cycle network – phased design completed for all routes	Dec-10
Olympic walking routes – phased implementation started for all routes	Aug-10
Olympic walking routes – phased design completed for all routes	Dec-10

6.4 Cycle Hire and Cycle Superhighways

The cycle hire schemes project fulfils a Mayoral manifesto pledge to introduce a cycle hire scheme to London. It will improve journey times over short distances, be environmentally sustainable and remove current access barriers preventing use of a bike in London. The project will deliver up to 400 cycle docking stations, 10,200 docking points, 6,000 bikes and supporting infrastructure within a defined central London zone of 44 square kilometres.

The Cycle Superhighways programme is aimed at improving conditions for existing cycling commuters and encouraging more people to cycle to and from work. Twelve radial Superhighways from outer London into the centre will provide cyclists with safe, fast, direct and continuous routes along recognised commuter roads. The first two, Barking to Tower Gateway (A13) and Merton to City (A24-A3), will be piloted in summer 2010.

Deliverables

Description	Date
Cycle Hire - go live #1 - website & IT systems	Summer-10
Cycle Hire - go live #2 - on street	Summer-10
2 Cycle Superhighways - route 3 (core scheme) construction completed	Summer-10
2 Cycle Superhighways - route 7 (core scheme) construction completed	Summer-10
10 Cycle Superhighways - phase 1 (2 routes from 2, 5, 8, 12) detailed design completed	Feb-11
10 Cycle Superhighways - phase 1 (2 routes from 2, 5, 8, 12) construction started	Sep-10

6.5 Road Safety

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

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

6.6 Dial-a-Ride

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

Deliverables

Description	Date
Order placed for 2010/11 new vehicles	Jun-10
Delivery of 2010/11 new vehicles	Mar-11

6.7 London Streets (Roads Directorate)

London Streets ensures that the highways asset is in a state of good repair. This asset, which is valued at around £5billion, is made up of roads, footways, cycleways, bridges, drainage, tunnels and lighting. TfL's 2,400 lane kilometres of red routes carry one third of London's traffic. Over 1,100 kilometres of well maintained footways encourage people to take the healthy walking option rather than using other transport modes. The 1,800 structures and 13 tunnels we maintain provide vital connections over railways and the river. By continually surveying these assets and carefully prioritising and planning our capital works programme we ensure that taxpayers money is spent in the most effective way and disruption is kept to a minimum. The works we carry out keep the red routes, which are vital to the economy of London, in sound working order.

Deliverables

Description	Units	Target
Area of carriageway resurfaced	m ²	252,000
Area of footways resurfaced	m ²	36,000
Total number of tunnel safety schemes completed	No.	12

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

Deliverables

Description	Date
A406 Bounds Green - commence main works	May-10
A406 Bounds Green - complete protection structure for LUL Bridge	Mar-11
Hanger Lane bridges - Waldegrave Bridge construction complete	Dec-10
Hanger Lane bridges - South Bridge construction complete	Dec-10
Blackwall Tunnel Northbound refurbishment - mobilisation period complete	May-10
Blackwall Tunnel Northbound refurbishment - shaft 2 complete	Mar-11
Gants Hill town centre enhancement - carriageway completion works	Sep-10
Gants Hill town centre enhancement - construction complete	Dec-10
Brixton Central Square - Effra Road carriageway completion	Autumn 10
Brixton Central Square - works completion	Dec-10

Description	Date
Kender Street - completion of advanced statutory works for the removal of the one way gyratory traffic system	May-10
Kender Street - complete works on the removal of the one way gyratory traffic system	Dec-10
Tottenham Hale Gyratory - detailed design completed	Sep-10
Tottenham Hale Gyratory - OJEU notice issued	Jan-11
A406 Henlys Corner - detailed design completed	Apr-10
A406 Henlys Corner - construction invitation to tender issued	Jun-10

6.7 London Streets (Traffic Directorate)

A key element of London Streets' work will be to smooth the flow of traffic, in partnership with other authorities. Keeping people, goods and services moving and providing reliable journey times is essential to the economy of London and the UK as whole, as well as to the wellbeing of road users, pedestrians and neighbourhoods. A number of initiatives are being delivered to smooth traffic flow and improve journey time reliability. These include expanding SCOOT by 1000 sites, modernising traffic signals, trialling Pedestrian Countdown technology and improving the resilience of core fallback systems.

Deliverables

Description	Date
TLRN Signals Modernisation - cost saving initiative, three demonstration sites	Dec-10
Transport Coordination Centre - fit-out complete	Sep-10
Transport Coordination Centre - start of operations for 2011/12 test events	Jan-11
Systems Relocation - CCTV design complete	Jul-10
Systems Relocation - build complete	Mar-11
Pedestrian Countdown - installation of first on street trial site complete	Jun-10
Pedestrian Countdown - installation of final on street trial site complete	Aug-10
SCOOT Deployment - project authority for years 3 and 4	Dec-10
SCOOT Deployment - 160 (cumulative) signal technology upgrades installed	Mar-11
CCTV Renewal - roadmap for ELTRACS IP delivery agreed by key stakeholders	Jun-10
Traffic System Software - ELTRACS (tunnel control system) infrastructure maintenance	Jan-11
Traffic System Software - software upgrade (v16) of London's core traffic control	Mar-11
LED signal heads - Contract awarded to successful suppliers	Apr-10
LED signal heads deployed at 60 sites	Mar-11

6.8 Olympic Route Network

A key deliverable for Road Network Performance in 2010/11 is to deliver activities that support journey time reliability on the Olympic Route Network (ORN). Consultation has commenced on the ORN and the first consultation which will be led by the Department for Transport, outlines which roads are proposed for inclusion. This will be followed next year by further consultation, led by the Olympic Delivery Authority (ODA), working with TfL and other key delivery partners, about the specific measures to be used on each of these roads.

Deliverables

Description	Date
ORN preliminary design complete	Jun-10
Temporary schemes build commence	Jan-11

6.9 Congestion Charging & Traffic Enforcement

CC&TE includes the operation of the Congestion Charging, Low Emission Zone and London Cycle Hire schemes, as well as Electric Vehicle Delivery and Road Network Compliance (formerly known as Traffic Enforcement).

Deliverables

Description	Date
Electric Vehicles - invitation to tender issued	Apr-10
Electric Vehicles - contract awarded	Dec-10
Congestion Charging re let - IBM functionality complete	Aug-10
Congestion Charging re let - release 2, go live of automated payment account charging	Dec-10

6.10 Bus Transit Schemes

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

Deliverables

Description	Date
East London Transit Stage 1b - OJEU notice published	Aug-10
East London Transit Stage 1b - preparation of tender documents completed	Sep-10

6.11 New Bus for London

The detailed design and development commenced in January 2010. The prototype is expected to be delivered by the end of June 2011, with manufacture of the first five production vehicles commencing in September 2011 for delivery in early 2012.

Deliverables

Description	Date
Delivery of stage 2 mock-up	Jul-10
Delivery of proving vehicle	Nov-10

6.12 Surface Operations

The surface operations team keep London moving 24 hours a day by managing events, incidents and congestion in real time using the world's largest Urban Traffic Control (UTC) system and through the London Traffic Control Centre. The office also implements new technology and systems for the future. Hydrogen has the potential to offer zero-emission transport. However, the technology is in the precommercial stage and requires financial stimulus, development of refuelling infrastructure and high profile use in an operational setting to help prove its viability and potential benefits.

Deliverables

Description	Date
Control Rooms Co-Location - resilience site complete	Jan-11
Control Rooms Co-Location - resilience site operational	Mar-11
Hydrogen Transport Programme - prototype bus delivered and certified for UK operation	Jul-10
Hydrogen Transport Programme - all buses enter service (5 vehicles)	Dec-10

LONDON RAIL

£m	Income	Operating Expenditure	Capital Expenditure
DLR	(83)	122	101
London Overground, development and HQ	(66)	193	145
London Trams	(18)	22	1
	(167)	338	247

7.0 INCOME**7.1 Fares Revenue**

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

Deliverables

Description	Units	Target
Passenger Journeys– DLR	Millions	74.4
Passenger Journeys– Tramlink	Millions	26.8

8.0 OPERATING EXPENDITURE**8.1 DLR**

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

Deliverables

Description	Units	Target
Scheduled Service Operated	%	98.0
On time performance	%	96.0
CSS: Overall satisfaction	Score	80.0
DLR Train Kilometres Operated	000's	5,485

8.2 London Overground

This includes the London Overground network, consisting of the North London Line (TfL took over this concession from Silverlink in November 2007). It is run on a franchise basis by LOROL (London Overground Rail Operators Limited).

Deliverables

Description	Units	Target
Passenger Performance Measure - Moving Annual Average	%	93.2
CSS: Overall satisfaction	Score	75.0
Overground Train Kilometres Operated	000's	5,825

8.3 London Trams

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

Deliverables

Description	Units	Target
Scheduled Service Operated	%	98.0
CSS: Overall satisfaction	Score	86.0
Tram Kilometres Operated	000's	2,715

8.4 London Rail Development and Headquarters

London Rail Development is responsible for leading TfL's long-term rail strategic planning activity, developing, justifying and finding funding for new proposals for London's railways. The team also monitors and influences rail transport policy at EU, Government, Borough and rail industry levels to ensure the best possible outcomes for London's rail users.

9.0 CAPITAL PROJECTS

DLR

9.1 Rolling Stock

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

Deliverables

Description	Date
Olympic additional railcars - final railcar in service (55th)	Oct-10

9.2 DLR Line Upgrades

Upgrade of existing DLR lines to allow the operation of three car vehicles across the whole network. Signalling upgrades on the West Route will increase capacity and resilience, and reduce timetable constraints.

Deliverables

Description	Date
North Route - three car service operational	Jun-10
Poplar to Woolwich Arsenal - three car service operational	Jun-10
East Route - practical completion of scissor crossover	Sep-10
East Route - construction work complete	Mar-11
East Route - service operational for Olympic Test	May-11
West Route signalling (vehicle control) - signalling hardware delivered	Oct-10
West Route signalling (vehicle control) - installation complete	Dec-10

9.3 DLR Line Extensions

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.

Deliverables

Description	Date
Completion of package 6 works - conversion of NLL to DLR	Summer 10

9.4 DLR Safety and Security

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

Deliverables

Description	Date
ITT responses returned	Apr-10
Contract Award for Beckton Depot office building	Aug-10
Beckton Depot building available for systems installation	Feb-11
Installation of radio system complete	May-11

LONDON OVERGROUND

9.5 East London Railway Extension

Major Investments in this area are on the London Overground, principally in the East London Railway (ELR) between Dalston Junction and West Croydon and Crystal Palace. This will involve a total renovation of the old East London Line, and an extension of the existing line to Dalston Junction.

Deliverables

Description	Date
Completion of trial operations	Apr-10
Passenger service operational	Jun-10

9.6 East London Railway Extension Phase 2b

East London Line (ELL) Phase 2 will provide an additional four trains per hour on the core ELL. These trains will run to Clapham Junction via a new line that leaves the ELL Phase 1 route to the south of Surrey Quays and joins the South London Line to the North of Queens Road (Peckham). Passenger service is scheduled to commence in May 2012.

Deliverables

Description	Date
TfL South London Line Link GRIP 5 design complete	May-10
Award GRIP 6 South London Line Link contract	Oct-10

9.7 North London Railway

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

Deliverables

Description	Date
Station upgrades - completion of Installation of first 4 station phase 3 enhancements	Jun-10
Station upgrades - completion of installation of station systems	Jun-11
Station upgrades - completion of enhancements to existing fabric on stations	Jun-11
Infrastructure - complete all line blockade	Jun-10
Infrastructure - core signalling and infrastructure practical completion	Jan-11

9.8 North London Railway and East London Railway Rolling Stock

A total of 216 new vehicles in three-car and four-car formations have been ordered. The new trains have wider gangways, onboard CCTV, air conditioning, wider seats, more handrails, dedicated wheelchair bays, audio and visual announcements and regenerative braking.

Deliverables

Description	Date
Delivery of North London Railway fleet	Apr-10
Delivery of East London Railway fleet	Apr-10

CROSSRAIL

£ m	Income	Operating Expenditure	Capital Expenditure
Crossrail	-	-	734

10.0 Crossrail

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

Deliverables

Description	Date
Demolition works at Tottenham Court Road	Apr-10
Preparations works at Paddington station begin	Jun-10
Start of construction of joint Crossrail, Thameslink and LU station at Farringdon	Aug-10
Whitechapel Visitor Information Centre opens	Summer-10
Demolition works and commencement of construction at Bond Street	Nov-10
Tunnelling preparatory works begin at Royal Oak and Pudding Mill Lane portals	Mar-11
Network Rail works commences on existing surface network	Mar-11
First service commences	2017

GROUP DIRECTORATES

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

£ m	Income	Operating Expenditure	Capital Expenditure
Office of the Commissioner	-	3	-
General Counsel	(2)	13	-
Group Marketing & Communications	(6)	43	4
Finance	(32)	203	154
London Transport Insurance	(3)	-	-
Planning	-	30	-
London Transport Museum	-	6	-
Financial Reporting	(8)	3	-
	(51)	301	158

11.0 OPERATING EXPENDITURE

11.1 General Counsel

General Counsel is responsible for a range of corporate governance, legal, audit and assurance functions.

TfL Legal provides legal advice across a broad range of commercial, property and employment law issues and also handles litigation involving TfL.

Corporate Governance provides the Secretariat function for the TfL Board, Committees and Panels. It provides advice on public law issues and promotes TfL Parliamentary Bills. It coordinates policy on access to information including support to the business on the handling of complex FOI and Subject Access Requests, supports the TfL Group Risk Management Framework and provides advice and support on governance issues including declarations of interests and gifts and hospitality.

Internal Audit delivers TfL's Annual Audit Plan and provides audit services for the TfL Group including the TfL Pension Fund, London Transport Museum and Crossrail. The Fraud and Security team provides advice on fraud and security issues and investigates all reported incidents of fraud against TfL.

Group HSE maintains TfL's Health, Safety and Environment Assurance Framework and the TfL Resilience Management Policy Framework. It provides advice on sustainability issues and coordinates resilience policy and planning and preparedness for major events.

General Counsel recharges legal expenditure on projects and significant legal matters to the modes and provides legal advice to the GLA on a shared services basis.

Deliverables

Description	Date
Deliver the 2010/11 Audit Plan	Mar-11
Develop and implement a Group level assurance process for resilience matters in relation to the Olympic and Paralympic Games	Mar-11
Deliver four thematic sustainability assurance reviews	Mar-11
Assess, and if appropriate, deposit a TfL Bill by November 2010	Nov-10
Publish the TfL Information Security Policy and associated guidance and oversee its implementation	Dec-10
Complete and implement a review of the TfL Strategic Risk Management Framework	Sep-10

11.2 Group Marketing & Communications

Marketing and Communications has two overarching responsibilities:

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

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

- Press Office which is one of the busiest in the country operating 24/7 and handling around 60,000 enquiries from local, national and international media with questions ranging from the operational (works and closures, incidents) to policy governing all areas of transport strategy.
- Public Affairs and Stakeholder Engagement is responsible for prioritising stakeholder engagement to reflect TfL's business priorities, for managing business critical processes such as TfL's responses to Mayor's Questions (around 2,500 per annum) and the overall management of TfL's relationship with the London Assembly dealing with more than 2,350 Member's Correspondence enquiries per year.
- Group Marketing is responsible for developing an integrated marketing plan for TfL, reflecting corporate and Mayoral priorities, working in collaboration with the business and acting as the gatekeeper on marketing spend. It develops and implements a range of customer information, safety and promotional programmes using advertising (including our own holdings) customer literature, maps, signage, design and the management of the TfL website and database. Its research unit supports these activities with Customer insights and a range of services to evaluate information effectiveness and overall Business performance.
- Customer Services provide a whole range of 'off system' customer services dealing with contacts and calls from customers when they are not actually travelling on the transport network. The Travel Information Call Centre give over three million callers a year information to help them travel efficiently, while our Travel Information Centres at key transport hubs serve two million people a year providing information and ticket sales totalling £18m. The Oyster Call Centre handles more than 900,000 calls and deals with over £100m in web and agent ticket sales. Journey Planner provides more than 900m solutions a year helping customer to plan their journey effectively, and the Lost Property Office, the one stop shop for things lost on the Underground, Buses and Taxis handles about 185,000 lost items a year.

Deliverables

Description	Units	Target
Journey Planner solutions provided	Million	935

11.3 Finance

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

Deliverables

Description	Units	Target
Total Savings (OCR & CSE)	£m	75
Property Development and Rental Receipts	£m	72.61
Employee Relations Policy Development and Deployment	No	100
Maintain Ticket System Availability	%	98
Improve environmental performance in Head Office portfolio*	%	60.42
Implement Skills and Employment Strategy	%	80
% of Severity 1 & 2 incidents resolved within SLA	%	90
Suppliers on SRM Programme	No.	35
Equality and Inclusion Leadership Programme	No.	200

*This is a combination the following three environmental targets: - Water consumption per person per year (16%), Recycling rate (20%), CO2 Emissions (64%).

Description	Date
Equal Pay Audit	Mar-11

11.4 Planning

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

Planning provides TfL's main strategic interface with the London Boroughs, and has worked with the boroughs to simplify the LIPs funding mechanism and reduce bureaucracy. TfL Planning provides advice

to the Mayor on the transport aspects of referred Planning Applications and securing Section 106 funding. Planning also coordinates and develops improvements at multi-modal interchanges; coordinates TfL wide views on design and consents; is the lead for optioneering new schemes emerging from the MTS and Regional Plans and leads on improvements to urban realm. It leads on consultation response to government and other planning initiatives.

Deliverables

Description	Date
Delivery Regional Railplan model	Jun-10
Complete five Sub Regional Transport Plans (North, South, East, West and Central)	Sep-10
Delivery of initial analysis (in liaison with Surface Transport Strategy and IPD) to support a detailed strategy for cycling and the development of related initiatives	Jun-10
Obtain supplementary planning consents required for cycle hire scheme opening in Summer 2010	Jul-10
Publication of Travel in London Report (No.3)	Mar-11
Completion of the Mayor's Transport Strategy (MTS)**	Apr-10
Complete final draft transport chapter and analysis for the public draft of Mayor's Air Quality Strategy (MAQS)	Apr-10
Commence variation orders for implementation of LEZ phase 3 and removal of WEZ* within one month of publication of MTS	Jun-10
Provide supporting evidence and witness(es) for London Plan Examination in Public (EiP)	Jul-10
Shortlist options for Chelsea, Hackney line (Crossrail2) for Mayoral review	Sep-10
Recommend for Mayoral review the preferred option (or package) for Thames River Crossings and whether to proceed with design work for a powers application	Nov-10
Completion of LIPs 2 Guidance**	Apr-10
LB Croydon's town centre master-plans - completion of TfL inputs and analysis	Jan-11
Completion of the Partnerships Funding Review and implementation of TfL actions	Mar-11
Interchange Programme Waterloo - complete phase 3 of the transport study	Jul-10
I/C Programme Custom House - complete modal / interchange requirements report	Jun-10
Interchange Programme Wembley Central - complete value engineering options report	Jul-10

*Subject to the results of the MTS consultation

** Although the MTS and the final LIPS guidance will be completed in April, they will not be published until May as we wish to observe the usual proprieties associated with the pre-Election period

Description	Units	Target
Responses to Strategy Consultations by due date	%	90
Referred planning applications responded to within 21 days	%	80
Crossrail contribution negotiated as % of the full amount set out in the Supplementary Planning Guidance	%	30
Number of high level supported Commissioner / CO / Ambassador meetings with and visits to Boroughs	No.	70
Deliver TfL design forums	No.	3

12.0 CAPITAL PROJECTS

12.1 Finance

The Finance directorate includes property development, which manages various opportunities to realise capital income from disposal of commercial and residential sites in TfL ownership. The Group Property and Facilities team manages land acquisition and all operational property works, and lets and manages retail, commercial and residential premises held by TfL. The team also provides facilities management services involving accommodation acquisition and planning, workspace design, building operation and maintenance. The Accommodation Strategy involves consolidating head office sites into lower cost units within easy reach of each other. There is a range of capital investments designed to support the TfL group's information system needs, including the delivery of substantial efficiency savings. These include document management systems and investment in core IM infrastructure. As requested by the DfT, TfL will accept cards issued under the ITSO (Integrated Transport Smartcard Organisation) platform.

Deliverables

Description	Date
ITSO Head office processing system operational	Jul-10
ITSO 3G Communications software development complete	Oct-10

12.2 Group Marketing and Communications (GM&C)

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

Deliverables

Description	Date
Road Journey Planner	Mar-11