

TRANSPORT FOR LONDON

BOARD

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

**DATE: 24 JUNE 2009**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 The following performance monitoring reports are attached for the Fourth quarter of 2008/09 (7 December 2008 - 31 March 2009):
- (a) Appendix 1 - Operational and Financial Performance report; and
  - (b) Appendix 2 - Investment Programme report.
- 1.2 This report and appendices were considered by the Finance Committee at its meeting on 2 June 2009.

**2 RECOMMENDATION**

- 2.1 The Board is invited to NOTE the report.

**3 CONTACT**

- 3.1 Contact: Gareth Powell, Director, Group Business Planning & Performance  
Phone: 020 7126 4895



# Operational and Financial Report

## Fourth Quarter, 2008/09

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

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

This report details the operational and financial performance for quarter four, 7 December 2008 – 31 March 2009, and covers operating periods ten to thirteen. Please note that, compared to last year, there was one more calendar day and 3 more working days in period 13 2008/09, primarily because Easter fell in period 13 in 2007/08.



## Operational and Financial Performance Report

### Fourth Quarter, 2008/09 (7 December 2008-31 March 2009)

#### Performance Summary

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The growth in passenger demand started to slow in Quarter Four 2008/09. During the current economic conditions, it is expected that patronage on London Underground will decline and that more passengers will use London Buses. This was evident during the quarter. 1,043 million passengers travelled on the Transport for London (TfL) network during quarter four 2008/09, an increase of 2.1 per cent compared to last year. However, more passengers than ever travelled on the TfL network during the full year. They made more than 3,434 million journeys, 86 million more journeys than last year.

**London Underground:** During the quarter, passenger demand on the Underground was lighter than earlier in the year, due to the changing economic climate. Underground passengers made 333 million journeys, slightly more than last year, but less than target. Service performance remained strong; 96.3 per cent of scheduled services were operated, more than target and an improvement compared to last year. Excess journey time was 0.9 minutes better than target in the quarter.

In the full year, Underground passengers made 1,090 million journeys, establishing a new demand record, and 96.4 per cent of scheduled services were operated, the best annual result since 1994/95.

**London Buses:** Bus passengers made 681 million journeys in the quarter, 22 million more than the previous year and 13 million more than target. 96.7 per cent of scheduled bus services were operated in quarter four, with disruption due to heavy snow and roadworks.

2008/09 saw a new record for passenger demand. Bus passengers made 2,247 million journeys, which was 3.2 per cent more than in 2007/08, when the previous record was established.

**Docklands Light Railway (DLR):** In quarter four, DLR passengers made 20 million journeys, 1 million less than target. 98.1 per cent of scheduled services were operated, higher than target. This was despite disruption due to heavy snow and continuing engineering project works to increase capacity.

The impact of engineering blockades and weekend closures affected DLR performance throughout 2008/09. However higher demand, following the opening of Woolwich Arsenal and the reopening of Tower Gateway on 2 March, offset this to some degree.

**Financial performance:** In the full year, operating income was £44 million lower than budget offset by operating expenditure of £128 million lower than budget and group items expenditure of £93 million lower than budget. Capital expenditure after third party reimbursements and overprogramming was £434 million lower than budget mainly due to timing differences associated with property acquisitions for Crossrail and re-phasing of works in London Rail.

Please note: This report details the operational and financial performance for quarter four, 7 December 2008 – 31 March 2009, and covers operating periods ten to thirteen. Performance charts illustrate a sharp seasonal profile in quarter four. This is because quarter four comprises four operating periods, whereas quarters one to three each comprise three working periods. Please also note that, compared to last year, there was one more calendar day and 3 more working days in period 13 2008/09, primarily because Easter fell in period 13 in 2007/08.

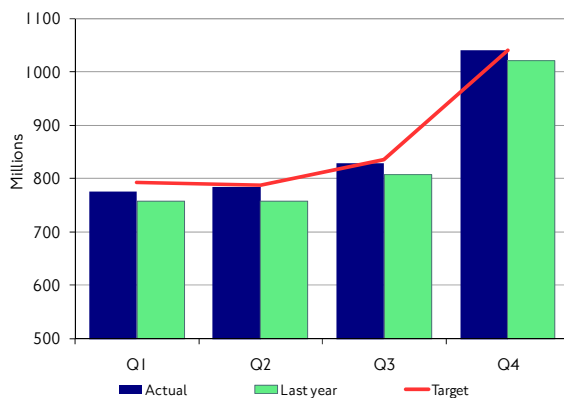
# Performance Summary – Performance Indicators

2008/09		Quarter 4				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	Actual	Target	Var	PY
<b>Service Demand</b>									
Passenger Journeys - TfL Group (excl London Overground)	m	1,042.6	1,041.0	1.6	1,020.8	3,434.2	3,456.7	(22.5)	3,345.7
Passenger Journeys - LU	m	332.7	346.3	(13.6)	332.4	1,089.5	1,120.0	(30.5)	1,072.5
Passenger Journeys - Buses	m	680.6	667.6	13.0	658.3	2,246.6	2,233.8	12.7	2,176.1
Passenger Journeys - DLR	m	20.3	21.6	(1.4)	20.8	66.0	71.1	(5.1)	66.6
Total Trips - Dial a Ride	'000s	354.4	422.4	(68.0)	342.4	1,178.3	1,400.0	(221.7)	1,127.4
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	166.0	178.2	(12.2)	151.4	207.2	205.0	2.2	190.8
<b>Service Provision (Supply)</b>									
% Scheduled Services Operated - LU	%	96.3	95.1	1.2	95.5	96.4	95.1	1.3	94.8
Train Kilometres Operated - LU	m	21.7	22.0	(0.2)	21.6	70.6	70.2	0.4	70.5
% Scheduled Services Operated - Buses	%	96.7	97.9	(1.3)	97.8	97.0	97.6	(0.6)	97.5
Bus Kilometres Operated - Buses	m	150.5	150.0	0.5	146.8	477.8	474.4	3.4	468.2
% Scheduled Services Operated - DLR	%	98.1	98.0	0.1	98.7	98.4	98.0	0.4	99.1
Train Kilometres Operated - DLR	'000s	1,232.7	1,404.5	(171.8)	1,339.2	3,850.7	4,493.6	(642.9)	4,442.9
No. of Taxi Drivers Licensed - PCO	'000s	24.8	24.7	0.1	24.7	24.8	24.7	0.1	24.7
No. of Private Hire Drivers Licensed - PCO	'000s	55.8	46.7	9.1	48.3	55.8	46.7	9.1	48.3
<b>Reliability</b>									
Excess Journey Time (Weighted) - LU	Mins	6.6	7.5	(0.9)	7.6	6.6	7.5	(0.8)	7.8
Excess Wait Time, High Freq Routes - Buses	Mins	1.12	1.06	0.05	1.13	1.13	1.12	0.01	1.13
On Time Performance - DLR	%	94.1	96.0	(1.9)	96.2	94.6	96.0	(1.4)	97.3
On Time Performance (PPM Moving Annual Average) - LO	%	92.2	91.7	0.5	91.4	92.2	91.7	0.5	91.4
<b>Customer Satisfaction</b>									
Overall Customer Satisfaction - TfL Group (excl London Overground)	Score	79.6	78.3	1.3	78.4	79.3	78.3	1.0	78.8
Overall Customer Satisfaction - LU	Score	80	78	2	76	79	78	1	77
Overall Customer Satisfaction - Buses	Score	79	78	1	79	80	78	2	79
Overall Customer Satisfaction - DLR	Score	90.8	90.0	0.8	96.8	92.0	90.0	2.0	97.5
National Passenger Survey - London Overground*	Score	77	73	4	Not available	73	73	-	Not available
<b>People</b>									
Number of Staff - TfL Group (excl Metronet and Crossrail)	FTE	21,435	22,030	(595)	21,848	21,435	22,030	(595)	21,848
No of Temporary Contractors - TfL Group (excl Metronet and Crossrail)	FTE	1,284	1,134	150	1,459	1,284	1,134	150	1,459
Number of staff - Metronet	No of staff	6,488	6,746	(258)	n/a	6,488	6,746	(258)	n/a
Number of Temporary Contractors - Metronet	No of staff	1,489	1,549	(60)	n/a	1,489	1,549	(60)	n/a
<b>KPIs excluding Metronet and Crossrail:</b>									
No of Temporary Contractors - TfL Group over 12 months service	FTE	527	467	60	482	527	467	60	482
No of days sickness absence per employee: TfL Group	Days	2.9	3.1	(0.2)	3.3	9.7	10.2	(0.4)	10.3
Women Staff - TfL Group	%	24.6	24.9	(0.3)	24.3	24.6	24.9	(0.3)	24.3
BAME Staff - TfL Group	%	34.9	29.0	5.9	34.4	34.9	29.0	5.9	34.4
Disabled Staff - TfL Group	%	5.3	6.7	(1.5)	6.4	5.3	6.7	(1.5)	6.4
Women Staff in Senior Mgt - TfL Group	%	21.6	21.9	(0.3)	21.2	21.6	21.9	(0.3)	21.2
BAME Staff in Senior Mgt - TfL Group	%	11.9	13.8	(1.9)	12.2	11.9	13.8	(1.9)	12.2
Disabled Staff in Senior Mgt - TfL Group	%	4.1	5.2	(1.0)	4.4	4.1	5.2	(1.0)	4.4
<p><b>GREEN:</b> better than or equal to target; <b>AMBER:</b> within 5% of target; <b>RED:</b> 5% or more worse than target</p> <p>Notes:            Tables may be subject to rounding errors.            FTE = Full Time Equivalents            *The National Passenger Survey full year score is a weighted average.</p>									

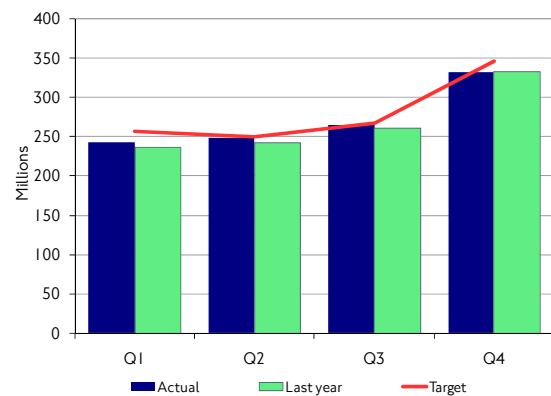
## Service Demand

1.0 Following on from record levels of demand in 2007/08, the number of journeys made by passengers across the TfL network continued to grow in 2008/09. However, the rate of growth began to decline towards the end of the year. In the fourth quarter, passengers made 1,042.6 million journeys, 21.8 million (2.1 per cent) more than last year and 1.6 million (0.2 per cent) more than target. In the full year, passengers made 3,434.2 million journeys. This was 88.5 million (2.6 per cent) more than last year, but 22.5 million (0.6 per cent) fewer than target. This total does not include passenger journeys for London Overground.

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



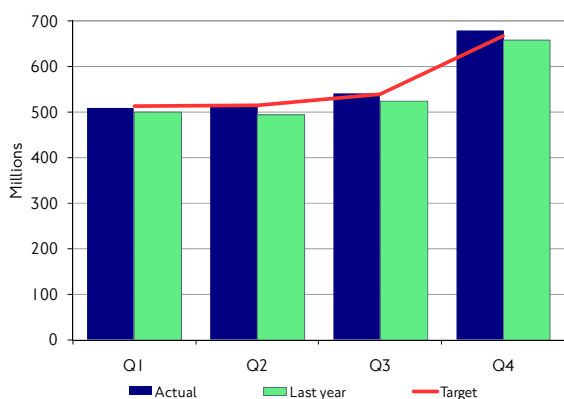
**Passenger Journeys –  
London Underground**



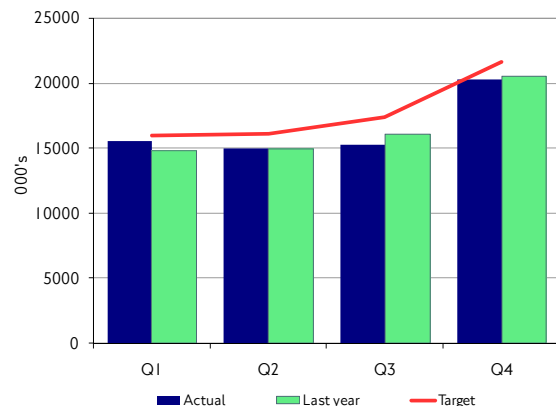
1.1 On the Underground, the rate of demand growth slowed during quarter four, when there were 332.7 million passenger journeys, an increase of only 0.1 per cent compared with the fourth quarter of 2007/08. This was 13.6 million, or 3.9 per cent, less than target. Underground passengers made 1,089.5 million journeys in the full year, a new record. This was an increase of 17.0 million journeys compared to last year, but 30.5 million journeys fewer than target.

1.2 **Ticket mix on the Underground:** At the end of quarter four, 2.7 per cent of Underground passenger journeys were cash fares, down from 4.2 per cent at the end of quarter four last year. Oyster pay-as-you-go (PAYG) journeys comprised 34.6 per cent of all Underground journeys compared to 28.7 per cent a year ago.

**Passenger Journeys –  
London Buses**



**Passenger Journeys –  
Docklands Light Rail**

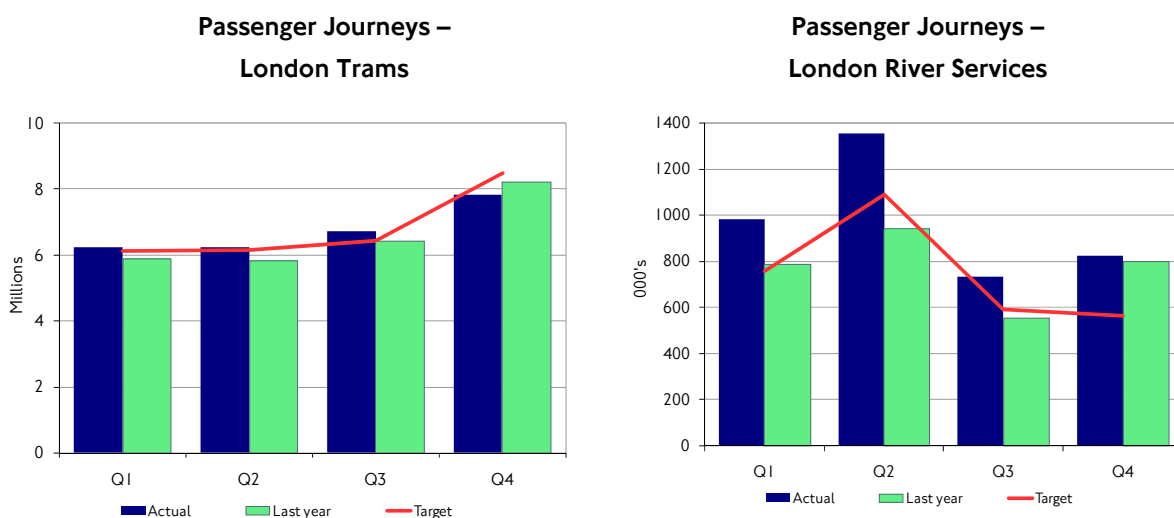


1.3 Demand for bus services remained buoyant. Bus passengers made 680.6 million journeys in the quarter. This represented an increase of 22.3 million journeys, or 3.4 per cent, compared to

2007/08 and 13.0 million (or 1.9 per cent) more than target. In the full year, Bus passengers made 2,246.6 million journeys, which was 70.5 million (3.2 per cent) more than last year and 12.7 million (0.6 per cent) more journeys than target.

1.4 **Ticket Mix on London Buses:** At the end of quarter four, cash single fares on buses accounted for 1.4 per cent of all journeys compared to 1.7 per cent in quarter four last year. Oyster PAYG fares comprised 18.3 per cent of all bus journeys (17.4 per cent last year).

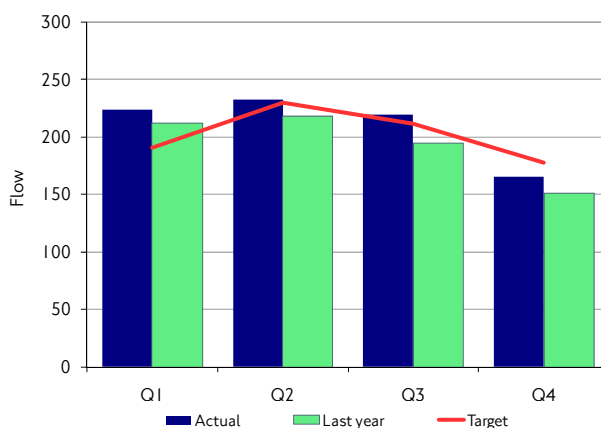
1.5 In quarter four, DLR passengers made 20.3 million journeys, 1.4 million less than target and 0.5 million less than last year. This was due mainly to the recent blockades and weekend line closures for engineering works (the extent of which was greater than anticipated when the budget was set), the closure of Tower Gateway station and the heavy snow on 1-2 February. In the full year, passengers made 66.0 million journeys on the DLR, which was 5.1 million journeys (7.1 per cent) fewer than target and 0.6 million journeys (0.8 per cent) fewer than last year. The impact of project works affected passenger journeys in 2008/09, but higher demand, following the early opening of Woolwich Arsenal and the reopening of Tower Gateway on 2 March, has offset this to some degree.



1.6 Tram passengers made 7.8 million journeys in quarter four. This was 0.6 million or 7.7 per cent less than target and 0.4 million (4.4 per cent) less than last year. This was due to service disruptions during the heavy snow on 1-2 February and closures for track replacement works. In the full year, tram passengers made 27.0 million journeys. This was in line with target and 0.7 million (2.6 per cent) more than last year.

1.7 Passengers made 0.8 million journeys on London's river services during the quarter. This was 0.3 million, or 46.3 per cent, more than target and an increase of 3.3 percentage points compared to last year. This is due to the successful Thames Clippers service between the London Eye and the O2. In the full year, river boat passengers made 3.9 million journeys. This was 0.8 million (26.3 per cent) more than last year and an increase of 0.9 million (29.6 per cent) compared to target.

## Cycle flow on the TLRN



## Cycling

- 1.8 In quarter four, the average index of cycle flows on the TLRN (TfL road network) stood at 166.0, 12.2 points less than target. In quarter four, a decline in cycling is expected due to the winter weather conditions and shorter daylight hours. However, despite the heavy snow, this represents an increase of 9.6 percentage points compared to the same quarter last year when the index had a value of 151.4.
- 1.9 In the full year, the average index of cycle flows on the TLRN was 207.2, 16.4 points higher than last year. However, the level of cycle flows observed is consistent with an overall ambition to increase cycling to a level such that by 2025, cycling will equate to a 5 per cent mode share of all journey trips.

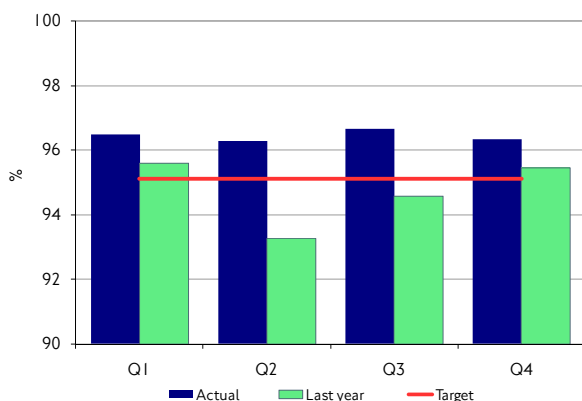
## Traffic

- 1.10 In quarter four, 98.0 per cent of London's traffic signals were working effectively, 0.1 percentage points more than in quarter three, but 1.1 percentage points below the target of 99.1 per cent. This reflected performance issues with one of TfL's term signals maintenance contractors and a recovery plan is in place.
- 1.11 Traffic levels in London (average weekday flow over 24 hours) have a distinct seasonal pattern and show consistent levels within that seasonal pattern year-on-year.
- In quarter four:
- The average 24 hour weekday traffic flows in central London in Quarter 4 2008/09 are 4.9 index points (5.2 per cent) lower than Quarter 4 in 2007/08.
  - The average 24 hour weekday traffic flows in inner London in Quarter 4 2008/09 are 3.4 index points (3.5 per cent) lower than Quarter 4 in 2007/08.
  - The average 24 hour weekday traffic flows in outer London in Quarter 4 2008/09 are 2.7 index points (2.8 per cent) lower than Quarter 4 in 2007/08.
- 1.12 In quarter four, 98.6 per cent of TLRN emergency call-outs were attended to within one hour. This was 0.3 percentage points higher than target. The total number of serious and severe incidents London-wide recorded in quarter four 2008/09 was 339, an increase of 7.6 per cent on the same quarter last year which recorded a total of 315. In the full year, 98.8 per cent of emergency call-outs were attended to within one hour, 0.8 percentage points higher than target.

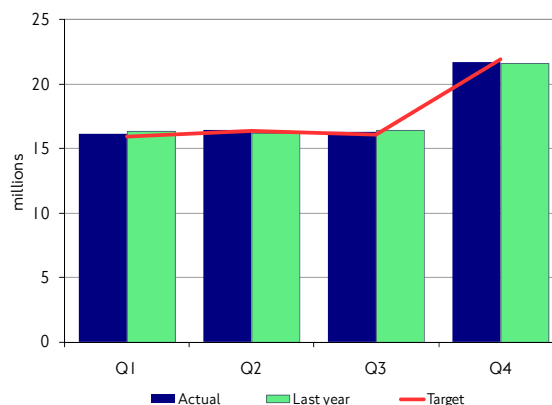


## Service Provision

**Scheduled Services Operated –  
London Underground**



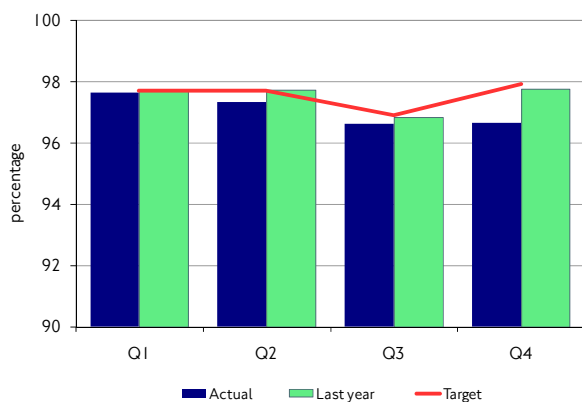
**Train Kilometres Operated –  
London Underground**



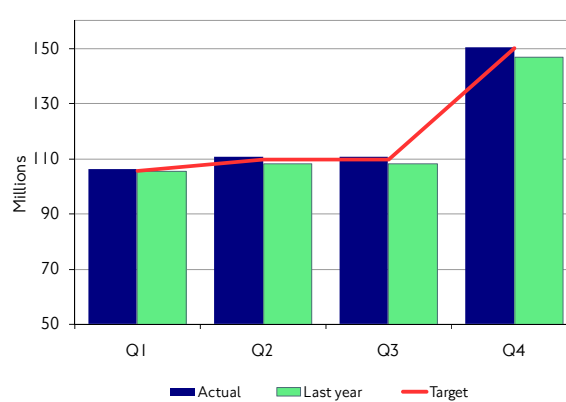
2.0 96.3 per cent of scheduled services were operated on the Underground in quarter four. This was 1.2 percentage points higher than target and 0.8 percentage points better than in the fourth quarter of last year. In the full year, 96.4 per cent of scheduled services were operated, the best annual result since 1994/95. This was 1.3 percentage points better than target and 1.6 percentage points better than last year. All lines achieved target, with the exception of the Waterloo and City line which recorded a small shortfall, although its performance has improved since the introduction of the new timetable in January 2009. The Northern and Victoria lines achieved targets throughout the year, while the Bakerloo and Piccadilly lines only recorded shortfalls in period 12, when services were disrupted by heavy snowfall.

2.1 During quarter four, London Underground operated 21.7 million kilometres. This was 0.2 million (1.1 per cent) less than target but 0.1m (0.7 per cent) more than last year. In the full year, the operation of 70.6 million kilometres reflected the strong network performance. This was a new record and 0.4 million more than target and 0.1 million more than last year. This was achieved despite a year on year reduction of around one million kilometres in the timetabled service volume, mainly due to closure of the East London line from December 2007 and the revised Northern line timetable introduced in January 2008. There was also an increase in losses due to planned engineering works, up by 150,000 kilometres to 3.1 million kilometres lost this year.

**Scheduled Services Operated –  
London Buses**

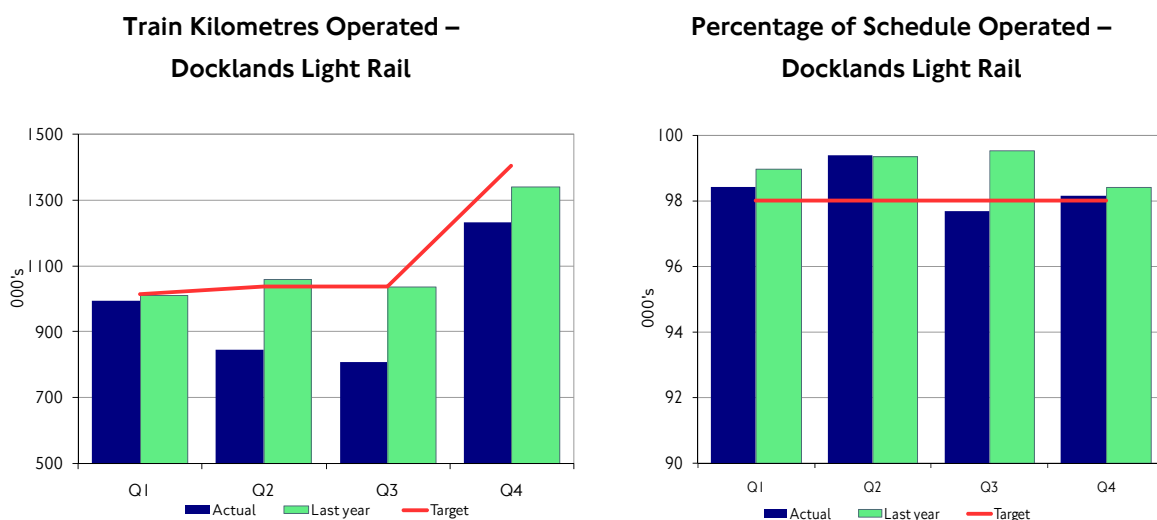


**Kilometres Operated –  
London Buses**

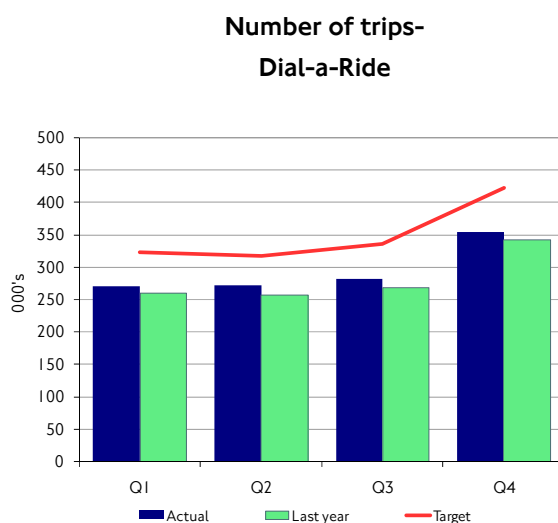


2.2 During the fourth quarter, 96.7 per cent of scheduled bus services were operated, 1.2 percentage points lower than target and 1.1 percentage points lower than last year. This deterioration was mainly attributable to heavy snow on 1-2 February and the closure of Blackheath Hill for roadworks. In the full year, 97.0 per cent of scheduled bus services operated, which was 0.6 percentage points lower than target and 0.5 percentage points worse than last year. This decrease was due to industrial action by drivers in autumn 2008 together with the severe weather during early February.

- 2.3 In quarter four, London Buses operated 150.5 million kilometres, an increase of 3.7 million kilometres (2.5 per cent) compared to last year and 0.5 million kilometres (0.3 per cent) more than target. In the full year, London Buses operated 477.7 million kilometres, an increase of 9.5 million compared to last year (2.0 per cent) and 3.3 million more than target (0.7 per cent).



- 2.4 The DLR operated 1.2 million kilometres in quarter four, 12.2 per cent less than target and 8.0 per cent less than last year. The variance to target was due to the engineering work to facilitate the DLR 3 car upgrades, the extent of which was greater than anticipated when the budget was set. In the full year, DLR operated 3.9 million kilometres, 14.3 per cent less than target and 13.3 per cent less than last year. During the fourth quarter, 98.1 per cent of scheduled services were operated on the DLR. This was 0.1 percentage points higher than target but 0.6 percentage points less than last year. In the full year, 98.4 per cent of the DLR schedule was operated. This was 0.4 percentage points better than target but 0.7 percentage points less than last year.

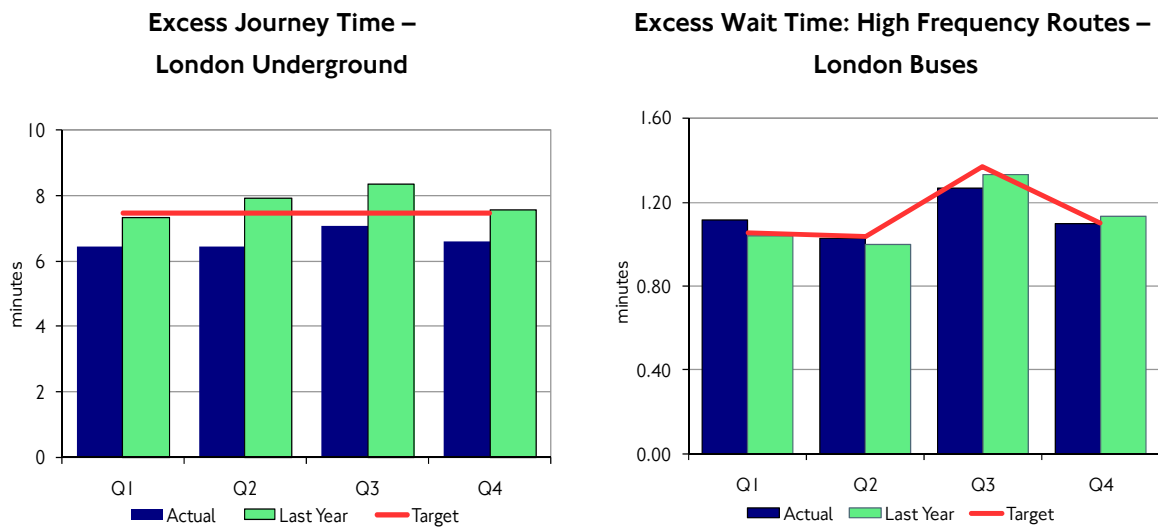


- 2.5 In quarter four, Dial-a-Ride operated 354,000 trips, 3.5 per cent more than the same quarter last year, but 68,000 trips (16.1 per cent) lower than target. In the full year, 1.2 million trips were operated. This was 222,000 (15.9 per cent) lower than target, but 51,000 (4.5 per cent) more than 2007/08. Performance was adversely affected by the delayed migration of the local booking systems to the centralised management control centre. The target assumed earlier migration followed by steady growth. However, the centralisation process was successfully completed on 1 September 2008. It is anticipated that trip numbers of 1.4 million will be achieved in 2009/10, as customers become accustomed to new booking systems, system stability improves and operational efficiencies are derived from journey pattern data.

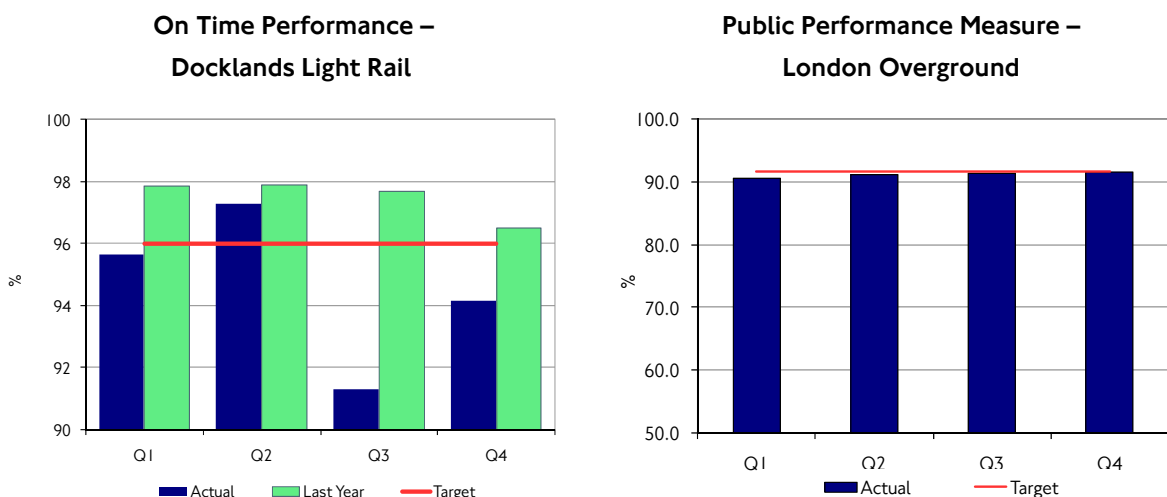
2.6 There were 24,794 licensed taxi drivers at year end, 94 more than target. There were 55,752 licensed private hire drivers at year end. This was 9,052 more than target and reflects an increasing number of applications.

## Service Reliability

3.0 Excess journey time on the Underground averaged 6.6 minutes during the quarter. This was 0.9 minutes better than target and an improvement of 1.0 minute compared to last year. In the full year, excess journey time also averaged 6.6 minutes, an improvement of 1.2 minutes compared to last year. At 0.8 minutes better than target, this was the best performance since the measure was introduced ten years ago. Overall journey time (scheduled plus excess) has averaged 44 minutes over the year to date, an improvement of 0.6 minutes compared with last year and the best achieved on the Underground network since the introduction of the Jubilee Line Extension.



3.1 During the fourth quarter, excess wait time on London Buses averaged 1.12 minutes. This was 0.06 minutes worse than target, mostly due to roadworks at Blackheath and snow on 1-2 February. However it was 0.01 minutes better than last year. In the full year, excess wait time averaged 1.13 minutes, which was in line with target and last year.



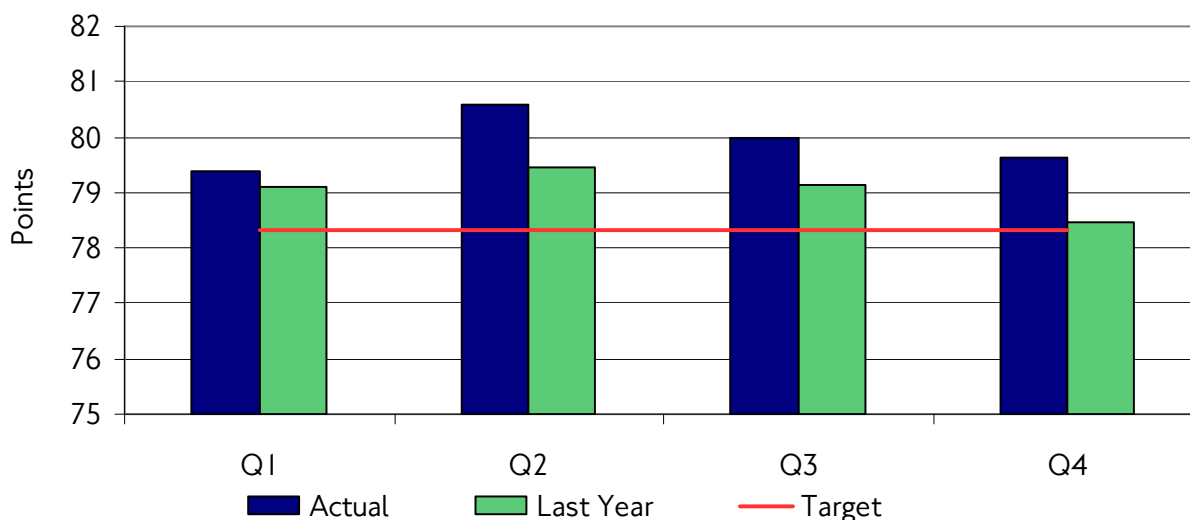
3.2 In the fourth quarter, 94.1 per cent of DLR trains were on time. Although this was an improvement of 2.8 percentage points compared to last quarter, it was 2.1 percentage points lower than target and 2.4 percentage points worse than last year. Performance was adversely affected by engineering and improvement works, the impact of which will continue into next year. In the full year, 94.6 per cent of the trains were on time, which was 1.4 percentage points lower than target and 2.7 percentage points less than last year.

- 3.3 The London Overground Public Performance Measure (PPM) is the percentage of trains arriving at their destination within 5 minutes of the arrival time stated in the current timetable. The moving annual average for PPM at the end of quarter four was 92.2 per cent, 0.5 percentage points better than target and 0.9 percentage points above last year.



## Customer

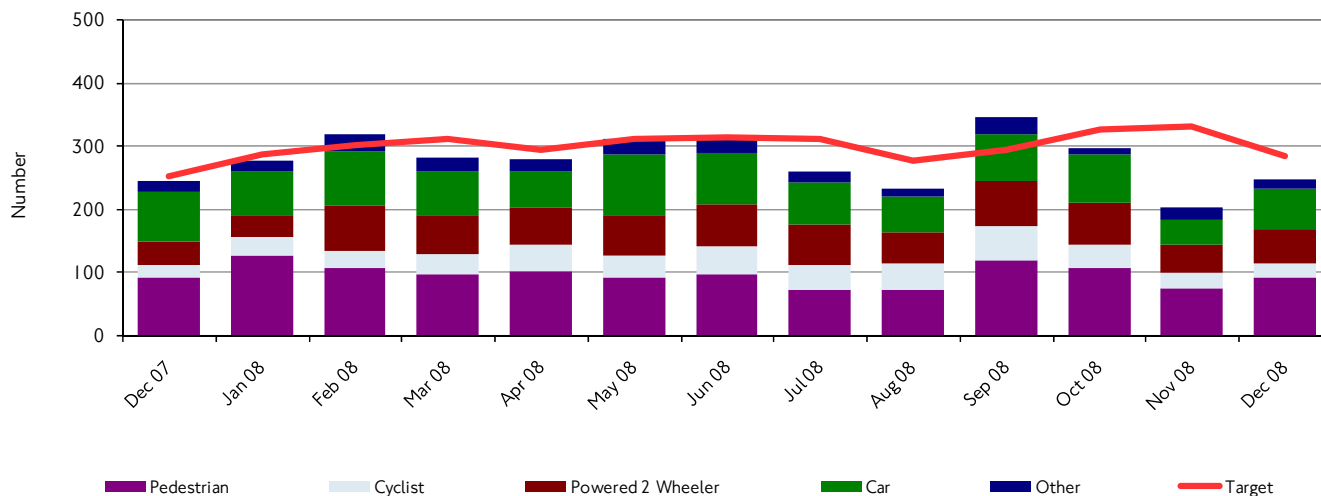
- 4.0 **Customer Satisfaction Survey (CSS):** The weighted average TfL Group customer satisfaction for quarter four was 79.6, 1.3 points higher than target and 1.2 points higher than last year. The full year score of 79.3 was 1 point higher than target and 0.5 points higher than last year.



- 4.1 In quarter four, London Underground achieved a CSS score of 80. This was the best ever quarterly score and followed three preceding consecutive quarterly scores of 79. This resulted in the highest ever annual CSS score. At 79 this beat the target of 78 and was a two point improvement on the annual score for 2007/08. Satisfaction with personal safety, train and station information, train service and station staff helpfulness and availability are all 2 points higher than last year. Satisfaction with cleanliness also increased by 2 points to equal the highest ever score of 74, previously achieved in 2005/06.
- 4.2 London Buses overall customer satisfaction score for quarter four was 79. This was one point higher than target and in line with last year. In the full year, London Buses achieved a score of 80. This was 2 points higher than target and one point higher than last year. The personal safety and security, bus stop information, reliability and crowding scores all improved compared to last year.
- 4.3 The DLR quarter four score of 90.8 was 0.8 points above target, but 6 points lower than last year. The full year score of 92 was disappointing and largely reflects the performance impact of enhancement works. The conclusion of these works and associated service enhancements, together with other initiatives to enhance the DLR customer service provision, will address this decline.
- 4.4 The Rail National Passenger Survey is conducted twice a year. The London Overground national passenger survey score of 77 for Autumn 2008 was 4 points higher than the target and 6 points higher than last year.

# Safety

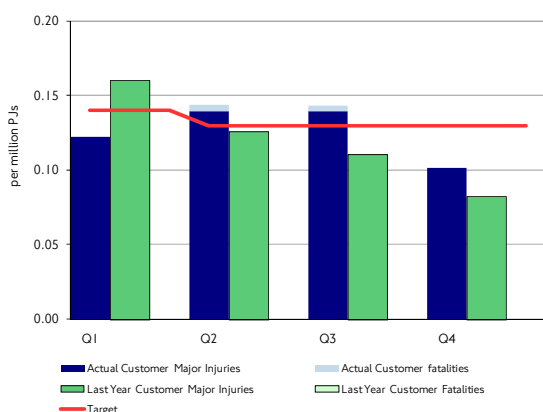
Road Traffic Accident Data (December 2007 – December 2008)



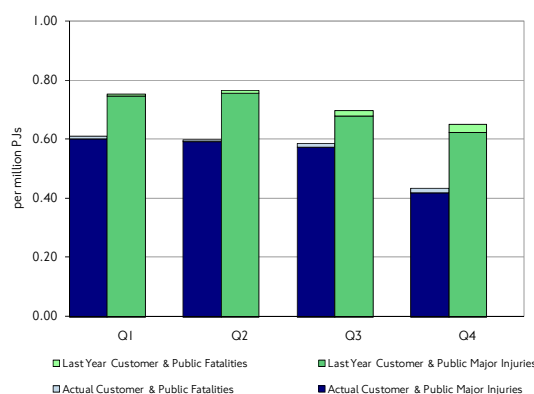
5.0 Due to reporting processes and the nature of road traffic accident data, results are reported 4 to 5 months in arrears and results are subject to retrospective adjustments. The most recent results are for September – December 2008.

5.1 The latest set of road accident data relates to September – December 2008. 1,093 people were killed or seriously injured on London’s roads between September and December 2008. This was 142 fewer incidents than the reduction target. Of these, 399 were pedestrians, 135 were cyclists, 234 were motorcyclists, 255 were motorists and 70 were other road users. There were 1,206 fatalities or serious injuries in the same period last year. In 2008, 3,366 people were killed or seriously injured, 418 fewer than in 2007, representing a decline of 11.0 per cent.

Customer Major Injuries and Fatalities – London Underground



Customer and Public Major Injuries and Fatalities – London Buses



5.2 There were 31 reported major injuries to London Underground customers in the fourth quarter, four more than the same time last year. In the full year, there were 0.12 major injuries per million passenger journeys, 0.01 injuries per million better than target. This was in line with last year.

5.3 On the bus network, 280 customers or members of the public sustained major injuries and there were nine fatalities in the fourth quarter of 2008/09. This was equivalent to 0.43 injuries or fatalities per million passenger journeys which was 0.22 fewer than last year. In the full year, this represented an average of 0.55 injuries or fatalities per million passenger journeys, 0.16 fewer than last year.

## Financial performance

The forecast discussed in this section refers to the full year forecast that was set in period nine (the end of quarter three).

### Operating Income

2007/08 Full year actual	Operating Income £m	Full Year				
		Actual	Budget	Variance	Forecast at Q3	Variance
(1,640)	London Underground	(1,740)	(1,751)	11	(1,758)	18
(1,516)	Surface Transport	(1,521)	(1,572)	51	(1,521)	-
(80)	London Rail	(118)	(122)	4	(118)	-
n/a	Metronet	(772)	(763)	(9)	(760)	(11)
(22)	Group Directorates	(27)	(14)	(13)	(27)	-
<b>(3,258)</b>	<b>Total Operating Income</b>	<b>(4,178)</b>	<b>(4,222)</b>	<b>44</b>	<b>(4,184)</b>	<b>7</b>

Table may be subject to rounding errors

For further detail on Operating Income, please see Annex Five.

- 6.0 London Underground operating income was £11 million lower than budget in the full year. Fares income was £8 million (0.5 per cent) lower than budget. Passengers made 2.7 per cent fewer journeys than target, reflecting the economic conditions, and an estimated £3 million of income was lost when travel was disrupted by heavy snow at the beginning of February. These factors were partly offset by a higher yield per passenger journey because of a higher RPI linked fares increase in January 2009 than had been budgeted. There was an adverse variance of £4 million on CBS advertising which is attributable to the downturn in the economy affecting advertising revenue.
- 6.1 In the final quarter, London Underground fares revenue showed a year on year decline and consequently ended the year £23 million below forecast. However, the reduction in advertising revenue was not as marked as expected, providing an additional £2 million, while property rental receipts came in £3 million better than forecast.
- 6.2 Operating income in Surface Transport was £51 million lower than budget in the full year but in line with the forecast.
- Congestion charging income was £28 million lower than budget due to a reduced volume of standard charges and penalty charge notices (PCN), partly offset by a revised methodology applied to release of deferred income from Congestion Charging annual payments. Customers continued to settle PCNs earlier in the charging cycle, when the penalties are discounted. Traffic enforcement income was £26 million lower than budget as a result of a 56 per cent reduction in CCTV and bus lane violations due to increased compliance by motorists. Income from CSEP (Community Safety, Enforcement and Policing) was £9 million lower than budget as there were fewer traffic wardens, increased compliance and customers paid earlier at the discounted rate.
  - The above variances were partly offset by higher bus fares income (£10 million or 0.9 per cent higher than budget). Passengers made 0.6 per cent more journeys than target in the full year so average income per journey was higher than target. The RPI linked fares increase in January 2009 was higher than budgeted for. Higher than budget cash and bus pass income was partly offset by lower travelcard income and a repayment to London Councils in respect of the National Concessionary Scheme. Payments under the scheme are determined by relevant passenger numbers which were lower than expected. The switch from travelcards to bus passes was attributed to the increased price differential.
- 6.3 London Rail's operating income was £4 million lower than budget, largely due to lower DLR fares income (£4 million or 5.9 per cent) reflecting 5 million (or 7.1 per cent) fewer passenger journeys. Operating income was in line with the forecast where lower DLR and London Tramlink fares income was largely offset by higher London Overground fares income.

- 6.4 Metronet income was £9 million higher than budget and £11m higher than forecast in the full year. Metronet received £11 million of income from London Underground for asbestos related works, which was offset by higher Metronet capital expenditure. This income and expenditure had been presented on a net basis in the quarter three forecast.
- 6.5 Group Directorates' operating income was £13 million higher than budget in the full year but in line with the forecast.
- Group Services income was £9 million higher than budget, mainly due to unbudgeted sub-letting of premises.
  - Operating income in Finance was £2 million higher than budget mainly because of additional income from Oyster fees (£2 million). This was partly offset by lower than expected income (£1 million) from the contactless payment card due to additional costs and a lower than anticipated volume of card subscriptions.

## Operating Expenditure

2007/08 Full year actual	Operating Expenditure* £m	Full Year				
		Actual	Budget	Variance	Forecast at Q3	Variance
2,526	London Underground	2,524	2,526	(2)	2,539	(15)
2,571	Surface Transport	2,596	2,643	(47)	2,587	9
167	London Rail	265	295	(30)	270	(5)
n/a	Metronet*	574	583	(10)	597	(24)
324	Group Directorates	378	418	(40)	385	(6)
<b>5,588</b>	<b>Total Operating Expenditure</b>	<b>6,337</b>	<b>6,465</b>	<b>(128)</b>	<b>6,378</b>	<b>(41)</b>

\*Net of third party contributions

Table may be subject to rounding errors

- 6.6 London Underground's operating expenditure in the full year was £2 million (0.1 per cent) lower than budget. PFI costs were £14 million below budget, almost all relating to the Connect project savings on enabling works maintenance, CCTV work undertaken as a capital rather than revenue project and a lower level of claims. Conversely expenditure on Operations was £15 million higher than budget as staff numbers were above establishment over the first three quarters of the year (a temporary hold has since been placed on recruitment) and the planned ticket office closure programme was cancelled in response to the Mayor's policy. Further additional costs associated with organisational change were also brought forward. A provision of £25 million for costs associated with the organisational change was brought forward. This was offset by various savings such as Central Services costs including Reviews & Legal £5 million (external fees and consultancy costs), ticket commissions £4 million (changes in sales distribution) and cost recovery related to the Airwave project £5 million.
- 6.7 There were reductions in Connect costs noted above along with small reductions in PPP and Central Services costs, which meant that operating expenditure for the year was £15 million less than forecast.
- 6.8 Surface Transport spent £47 million less than budget in the year. The largest variances were a lower provision for congestion charging, traffic enforcement and CSEP bad debts due to lower enforcement income (£22 million) and lower bus network contract costs because of a delay in introducing the Quality Incentive Contract 2 and lower negotiated costs (£19 million). Lower expenditure on congestion charging (£15 million) was mainly because of emissions related charging public information and change costs that were no longer required following the decision to halt plans for emissions charging, a change in the scope and cost of the re-let and lower marketing costs. Other variances included expenditure of £10 million rephased to 2009/10 for bus priority, cycling, walking and accessibility programmes and the cancellation of the Oxford Street Tram project (£5 million). These variances were partly offset by a reclassification of expenditure from capital to operating on the East London and Greenwich Waterfront Transit (£11 million) and Road Network Management

expenditure of £7 million above budget due to higher expenditure on highway maintenance partly because of increased winter maintenance following the snow in February.

- 6.9 Surface Transport operating expenditure was £9 million higher than the forecast. The largest variances were higher expenditure on highway maintenance partly because of increased winter maintenance following the snow in February (£3 million), additional QICs I bonus payments to operators (£3 million) and a higher provision for congestion charging bad debts (£2 million).
- 6.10 London Rail spent £30 million less than budget in the full year. The main variances were on London Wide Oyster because of delayed negotiations with the train operating companies (£20 million) and rephased London Overground station enhancement works (£11 million).
- 6.11 London Rail spent £5 million less than forecast, mostly due to a revised programme of station upgrades on the Overground and reduced train servicing costs.
- 6.12 Metronet expenditure was £10 million lower than budget in the year. Contributing to this was lower than budget headcount, an underspend on Asset Engineering revenue projects and underspends on legal and professional expenditure. Metronet expenditure was £24 million lower than forecast in the year largely due to lower administration costs (£11 million) which included the release of a bad debt provision. Other variances were on non PPP project expenditure (£4 million lower) and asset renewals / engineering (£5 million lower).
- 6.13 Group Directorates spent £40 million less than budget in the year and £6 million less than forecast.
- Planning spent £32 million less than budget in the year. This was due to expenditure on Borough Programmes schemes deferred to 2009/10 (£17 million), a revised timetable for the Mayor's Transport Strategy (£6 million), revised transport modelling and delays in workstreams to support the establishment of the London Regions Programmes (£5 million) and the termination of major projects led by Planning (£5 million). Planning spent £2 million less than forecast mainly due to slippage in the Borough Programme and deferred camera procurement in Policy Analysis until 2009/10.
  - Finance spent £3 million less than forecast mainly because of the delay in the ITSO project following delayed negotiations with the DfT. Funding for ITSO was forecast centrally as grant funding.

## Group Items

Group Items £m	Full Year				
	Actual	Budget	Variance	Forecast at Q3	Variance
Interest Income	(98)	(80)	(18)	(100)	2
Debt Servicing	185	185	-	186	(1)
Contingency/Other Group Items	(10)	65	(75)	23	(34)
<b>Total Group Items</b>	78	170	(93)	110	(32)

Table may be subject to rounding errors

- 6.14 Interest income was £18 million higher than budget in the full year. A favourable variance of £21 million was due to rates exceeding budget by 1.25 percentage points as a result of investments placed earlier in the year at higher than budgeted interest rates for terms of three to twelve months. This was partly offset by an adverse variance of £3 million that arose as a result of lower than budgeted balances throughout the earlier part of the year. One reason for this was timing differences to the budget assumption on borrowing.
- 6.15 Contingency and other group items expenditure was £75 million below budget in the full year. £49 million was not utilised in 2008/09, including £9 million of climate change initiatives which were re-phased into next year. Actual expenditure of £14 million funded from general contingency was recorded in the modes, of which £12m related to a reduction in the expected Road Safety Grant.



There was also £8 million of unbudgeted section 106 receipts from boroughs for delivery of Olympic schemes and £5 million of unbudgeted income from old balances on Oyster cards.

## Capital Expenditure

2007/08 Full year actual	Capital Expenditure £m	Full Year				
		Actual	Budget	Variance	Forecast at Q3	Variance
311	London Underground*	426	438	(12)	408	18
185	Surface Transport*	211	280	(69)	213	(3)
391	London Rail*	550	724	(175)	542	7
n/a	Metronet	667	643	24	629	38
n/a	Crossrail	144	405	(261)	344	(200)
41	Group Directorates	63	72	(8)	68	(4)
-	Overprogramming (TfL Group)	-	(68)	68	-	-
<b>928</b>	<b>Capital Expenditure (net of over programming and third party)</b>	<b>2,060</b>	<b>2,494</b>	<b>(434)</b>	<b>2,205</b>	<b>(145)</b>
(94)	Capital Income	(19)	(49)	30	(23)	4
<b>834</b>	<b>Net Capital Expenditure</b>	<b>2,041</b>	<b>2,446</b>	<b>(405)</b>	<b>2,181</b>	<b>(140)</b>

\* Shown after delegated overprogramming and third party reimbursements

Table may be subject to rounding errors

- 6.16 London Underground capital expenditure was £12 million less than budget in the full year largely due to lower expenditure on the Capital Connect Programme due to delays (£20 million); rephasing and rescoping of power upgrade works (£19 million); track, structure and accommodation projects (£18 million) and rephased rolling stock projects, including training simulators (£16 million). The provision for devolved overprogramming reduced the variance by £60 million.
- 6.17 Net capital expenditure in London Underground was £18 million higher than the forecast which included an overprogramming provision of £13 million. Expenditure on Tottenham Court Road congestion relief was £8 million above forecast reflecting completion of property purchases in early 2009, and expenditure on IM projects rose by £4 million including £1.5 million on integration of LU and ex-Metronet Enterprise Resource Planning systems and £1 million on wide area network upgrade. These were partly offset by expenditure on 'TFT screens on the Victoria Line Upgrade' which was £5m lower than forecast following a decision not to proceed with a trial and cancellation of future spending.
- 6.18 Net capital expenditure in Surface Transport was £69 million less than budget in the full year. This was mainly due to delayed TLRN improvements, including deferral of work on Blackwall Tunnel Northbound (£16 million) and slippage on Hanger Lane while TfL waited for the contractor's submission of time-delay mitigation actions (£6 million). Also, strategy projects which included the reclassification of East London Transit and Greenwich Waterfront Transit expenditure from capital to operating expenditure (£11 million) and deferral of expenditure on Henley's Corner (£5 million) and Tottenham Hale Gyrotory (£3 million) to 2009/10. The rephasing of DTES (Digital Traffic Enforcement System) expenditure contributed £12 million of the variance, due to other project delays and project cancellations. Delayed vehicle purchases for the Hydrogen bus project and vehicle purchases for Dial-a-Ride deferred until 2009/10 contributed £10 million. Walking, cycling and accessibility expenditure of £9 million will be carried forward to 2009/10. Net capital expenditure in Surface Transport was £3 million less than forecast at quarter three.
- 6.19 Net capital expenditure in London Rail was £175 million lower than budget. The main reasons were rephasing of works and contingency on the East London Line (ELL) Extension (£72 million), £60

million lower spend on DLR mainly due to a rephasing of works and a reassessment of the value of work done on the DLR 3 Car project, and rephasing of the North London Rail Infrastructure Project (NLRIP) due to Network Rail Board approval and implementation agreement occurring later than was originally anticipated (£33 million). The opening dates of these projects will not be affected by the re-profiling of costs. Net capital expenditure in London Rail was £7 million higher than forecast due to increased activity on the East London Line Extension (£7 million).

- 6.20 In the full year Metronet spent £24 million more than budget mainly because a train milestone payment of £29 million to Bombardier was brought forward from period 1 of 2009/10 due to early delivery of test plans. Metronet also expected a contribution of £11 million from LU for costs related to asbestos. However, instead of offsetting higher capital expenditure, the LU contribution was recorded as income. This was partly offset by re-phasing the sub-surface line (SSL) upgrade.
- 6.21 Metronet expenditure was £38 million higher than forecast, mainly due to a milestone payment of £29 million to Bombardier and contributions of £11 million, both as detailed in the paragraph above. Other lower expenditure variances were offset by overprogramming.
- 6.22 Crossrail spent £261 million less than budget in the year and £200 million less than the forecast (provisional figures pending completion of year-end review) due to delays in receiving the title deeds for properties from DfT. The largest property acquisitions are the Astoria Theatre and Old Oak Common.
- 6.23 Capital expenditure in the Group Directorates was £8 million less than budget and £4 million less than forecast.
- The Finance directorate spent £13 million less than budget in the year primarily because of £24 million deferral and savings on IM Strategy Implementation Project (IMSIP) and £4 million delayed spend on Payment Card and Industry Data Security Standard (PCI DSS) because of commercial and technical issues with the supplier. This was partly offset by a reclassification of IMSIP expenditure from operating expenditure to capital of £20 million.
  - Finance spent £3 million less than forecast, primarily due to delays on the Integrated Transport Smartcard Organisation (ITSO) project of £2 million, as DfT had not yet progressed the scheme. The funding for this was forecast centrally as grant funding.
  - Group Services expenditure of £7 million more than budget (although in line with forecast) was largely due to an overspend on Palestra sustainable building works (£4 million) and a delay in receiving the Landlord's contribution for the Greenwich fit-out (£3 million).
- 6.24 Capital income was £30 million lower than budget in the year mainly due to the deferral of LU property sales at Hammersmith Met (£19 million) and Harrow Pinner Road (£12 million). Other deferred LU sales included property at Ongar, Balham Hill and St Johns Wood, although these were offset by Network Rail's purchase of property at Blackfriars in connection with the Thameslink project.
- 6.25 Capital income was £4 million lower than the forecast. Contributions of £3 million were presented in net capital expenditure but forecast in capital income.
-

## Efficiencies

Efficiency Initiatives £m	Full Year Recurring		Full Year New		Full Year Total	
	Actual	Variance to Budget	Actual	Variance to Budget	Actual	Variance to Budget
Procurement	42	-	50	24	93	24
Staff & Business Improvement Programme (BIP)	23	-	25	(4)	48	(4)
Marketing	3	(1)	1	-	3	(1)
Other Back Office	15	-	4	(8)	19	(8)
<b>Total Back Office Efficiencies</b>	<b>83</b>	<b>(1)</b>	<b>79</b>	<b>12</b>	<b>162</b>	<b>11</b>
Bus Network	69	-	22	5	91	5
Road Maintenance Contract (procurement)	-	-	8	4	8	4
Other Surface Transport Initiatives	-	-	4	1	4	1
LU Operational Efficiencies	16	(6)	7	2	23	(4)
<b>Total Operational Efficiencies</b>	<b>85</b>	<b>(6)</b>	<b>41</b>	<b>12</b>	<b>126</b>	<b>6</b>
<b>Total Cashable Efficiencies</b>	<b>168</b>	<b>(7)</b>	<b>121</b>	<b>25</b>	<b>288</b>	<b>17</b>

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

Tables are subject to rounding errors.

- 7.1 Total full year efficiencies were £288 million, which was £17 million higher than budget. New efficiencies were £25 million higher than budget partly offset by recurring efficiencies, which were £7 million lower than budget. Savings arising from the OCR programme will be tracked from April 2009 and reporting will commence on a quarterly basis. In parallel, further savings are being identified and the approach to ensure integrated reporting of savings has been developed.
- 7.2 Procurement efficiencies were £24 million higher than budget. LU achieved £8 million more new procurement efficiencies than budgeted from re-negotiated contracts and £2 million following a review of recurring efficiencies. Group Services achieved procurement efficiencies of £6 million more than budget. This was largely due to volume rebates for temporary labour contracts and the Engineering and Project Management consultancy framework. In addition, new savings were identified through the renegotiation of the contracts for campaign recruitment and recruitment media. Finance achieved £3 million more efficiencies than budget, largely as a result of renegotiation of several Information Management contracts. Surface Transport procurement (excluding road maintenance contract) efficiencies were £2 million higher than budget largely because of additional congestion charging re-let efficiencies.
- 7.3 Staff and Business Improvement Programme (BIP) efficiencies achieved were £4 million lower than budget, largely because of lower efficiencies from IMSIP. This was partly due to slippage in IMSIP where the achievement of these efficiencies has been delayed to future years.
- 7.4 Other back office efficiencies were £8 million lower than budget. The variance was largely in Surface Transport but was offset by more bus network efficiencies because of lower retendered contract prices and higher Surface Transport efficiencies than budget in other categories (as discussed in paragraphs 7.2 and 7.5).
- 7.5 Road maintenance contract efficiencies were £4 million higher than budget because of reduced prices for surfacing schemes and favourable index-linking of contract prices.
- 7.6 London Underground operational efficiencies were £4 million lower than budget, largely because planned ticket office closures were cancelled in response to a new Mayoral policy.
- 7.7 These savings relate to the existing TfL efficiencies programme. During 2008, TfL conducted a review of operating costs as part of realising of at least £2.4 billion of savings assumed in the TfL Business Plan. This review resulted in the establishment of the Operating Cost Reduction (OCR) programme, which is now in its implementation stage.

## Balance Sheet

Transport for London Group Balance Sheet at 31 March £m	Variance to Budget
Fixed Assets - <i>lower than budget</i>	985
Stocks, Debtors and Payments in Advance - <i>higher than budget</i>	(40)
Cash - <i>higher than budget</i>	(404)
Creditors, Accruals and Receipts in Advance- <i>lower than budget</i>	(160)
Deferred Capital Grant - <i>higher than budget</i>	333
Provisions - <i>higher than budget</i>	13
<b>Total Net Assets -<i>lower than budget</i></b>	<b>727</b>

- 8.0 Fixed Assets were £985m below budget, £440m of which was through reduced activity as explained above. In addition to this, there were several non-activity based movements to the fixed asset base. The year end revaluation exercise resulted in a reduction of property values of £142m, reflecting the market changes across London. Asset disposal/retirements across the group were £279m above budget. Within DLR, additions in respect of railcars purchased under a finance lease were £17m below budget due to slippage and the amount capitalised for the Woolwich Extension under a PFI arrangement was also £19m below budget estimates (both of these are excluded from activity). The remaining difference is the net of technical accounting and fair value adjustments in respect of the Tramtrack and Metronet acquisitions (£114m) and higher depreciation in LU.
- 8.1 Stock, Debtors and Payments in Advance are £40m higher than budget. This reflects prepayments made by TfL in respect of the Astoria Theatre (£30m) and Old Oak Common Depot (£25m), both of which are in the process of being acquired as part of the Crossrail project. (Please note that as the Crossrail project impacts on a number of lines, both compared to budget and forecast, there is a separate paragraph below providing more detail on this). Within LU, trade debtors are £11m below budget due to a reduction in PPP abatements and other variances across the group are within normal trading tolerances.
- 8.2 Creditors, accruals and receipts in advance are £160m below budget, reflecting the lower than budget spend in both capital and revenue activity across the group, allied to the reduction in creditor days following the introduction of the 10 day supplier payment scheme. Significant variances within this include a £72m reduction in LU's capital creditors, following changes to the scope and timing of step free and congestion relief schemes, and £36m reduction in DLR's PFI and finance lease creditors, being the opposite entry to the additions referred to in paragraph 8.0 above.
- 8.3 The deferred capital grant balance includes an increase in third party contributions over budget of £63m reflecting the work done by Westfield on White City Station (this is matched by an increase in Fixed Assets, included within the activity variance reported above). The remaining variances are caused by the effect of grant accounting and the allocation of prudential borrowings across the group. This is dependent on the mix of capital and revenue spend within each company.
- 8.4 Provisions are higher than budget due to the inclusion in TfL of expected compensation payments in respect of the acquisition of the Astoria Theatre site, linked to the Crossrail project (£18m). This is offset by minor reductions in Surface Transport for other compensation claims and completed schemes.
- 8.5 The balance on the earmarked reserve stands at £1,024m which is £239m higher than expected in the budget. This is largely driven by the activity underspends across the Group, excluding those in Crossrail. The two Capital Reserves (Revaluation and Capital Adjustment Account) were £133m below budget, resulting from the property devaluations.

Transport for London Group Balance Sheet at 31 <sup>st</sup> March £m	Variance to Q3 Forecast
Fixed Assets - <i>lower than forecast</i>	411
Stocks, Debtors and Payments in Advance - <i>higher than forecast</i>	(68)
Cash - <i>lower than forecast</i>	5
Creditors and Receipts in Advance - <i>lower than forecast</i>	(199)
Deferred Capital Grant - <i>higher than forecast</i>	44
Provisions - <i>higher than forecast</i>	13
<b>Total Net Assets - <i>lower than forecast</i></b>	<b>206</b>

- 8.6 The fixed asset balance was £411m lower than the Q3 forecast position. This includes £78m in reduced activity spend explained above. Also included are the property devaluations (£142m), DLR leased and PFI assets (£36m) referred to above, higher depreciation and disposals in LU (£46m) with the remaining £109m largely due to the fair value adjustments arising from the Metronet (£22m) and Tramtrack (£92m) acquisitions, which were not finalised until after the Q3 forecast had been completed.
- 8.7 Stocks, debtors and payments in advance outturned £68m higher than forecast. This includes prepayments and work in progress for the Astoria Theatre (£30m) and Old Oak Common Depot (£25m) and a Transport Grant debtor for £20m not received by year end following late negotiations on the final settlement amount in respect of the London Safety Camera Partnership, ITSO funding for Prestige and the East London Line grants. These are offset by lower net debtors and prepayments of £7m.
- 8.8 In total, creditors and receipts in advance were £199m lower than the Q3 forecast. The Crossrail project has £103m lower than forecast capital creditors for property purchases, as a number of purchases have now moved into 2009/10 and while two properties were transferred to the DfT in Q4, title had not passed to TfL before year end. LU's capital creditors were £21m below forecast resulting from a £20m payment for property purchases at Tottenham Court Road originally expected to be paid in 2009/10. PFI and finance lease creditors were £36m lower in DLR due to the underspends on railcars and the Woolwich Extension referred to in paragraph 8.0. Other creditor balances were within normal trading variances.
- 8.9 The deferred capital grant balance includes an increase in third party contributions over forecast of £63m reflecting the work done by Westfield on White City Station (this is matched by an increase in Fixed Assets, included within the activity variance reported above). The remaining variances are caused by the effect of grant accounting and the allocation of prudential borrowings across the group. This is dependent on the mix of capital and revenue spend within each company.
- 8.10 Provisions were £13m higher than the Q3 forecast. TfL have included a provision for claims related to the ongoing purchase of the Astoria Theatre site (£18m). Other provision movements across the Group net to a reduction of £5m.
- 8.11 As mentioned above, the Crossrail Project has led to variances across the balance sheet, both in comparison to budget and the quarter 3 forecast. The table below summarises:



Transport for London Group Balance Sheet at 31 March for Crossrail Project £m	Variance to Budget	Variance to Q3 Forecast
Fixed Assets - <i>lower</i>	261	200
Debtors - ( <i>higher</i> )	(11)	(1)
Payments in Advance - ( <i>higher</i> )	(55)	(55)
Cash - ( <i>higher</i> )	(276)	(59)
Creditors and Receipts in Advance - <i>higher / (lower)</i>	63	(103)
Provisions - <i>higher</i>	18	18
<b>Total Net Assets - <i>lower than forecast</i></b>	<b>0</b>	<b>0</b>

- 8.12 Crossrail's budget assumed capital spend of £405m (of which £153m was for property purchases) and the whole of the expenditure was assumed to be cash spent. The outturn position was £144m (none of which was in respect of properties as TfL had not received title at the year end) leading to an activity variance of £261m. However, TfL had partially paid for two properties, Old Oak Common Depot and the Astoria Theatre site, for which title had been transferred to the Secretary of State, but had not been passed on to TfL. These have therefore been recorded as current assets (payments in advance £55m) rather than fixed assets with some associated provisions for related compensation payments (£18m), leading to the variances in working capital shown above. The non-property expenditure had associated debtors and creditors of £11m and £63m respectively.
- 8.13 The quarter three forecast assumed on-budget spend on properties, so the £200m asset variance to forecast is made up of a property variance of £153m and a build variance of £47m. The forecast also assumed high level of property related creditors not reflected in the outturn position. The payments in advance / provisions variance explanations are the same as for the budget.

## Cash Summary

### Cash Balances and Debt

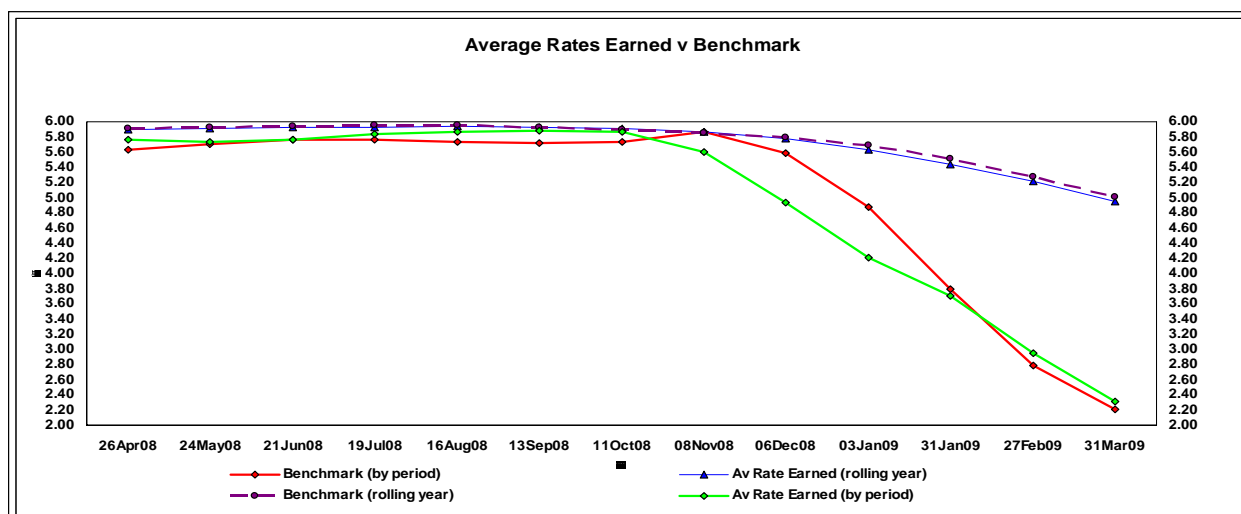
- 9.0 Cash Balances at 31 March were £2,022m, £404m more than budget but £5m less than the P9 Forecast. Major cash underspends against budget arose in Crossrail (£278m) in respect of property purchases, Rail for London (£95m) in respect of capital expenditure and London Buses (£59m). This was offset by an overspend against budget by LUL (£42m) mainly due to reduced fares and property income.

### Performance

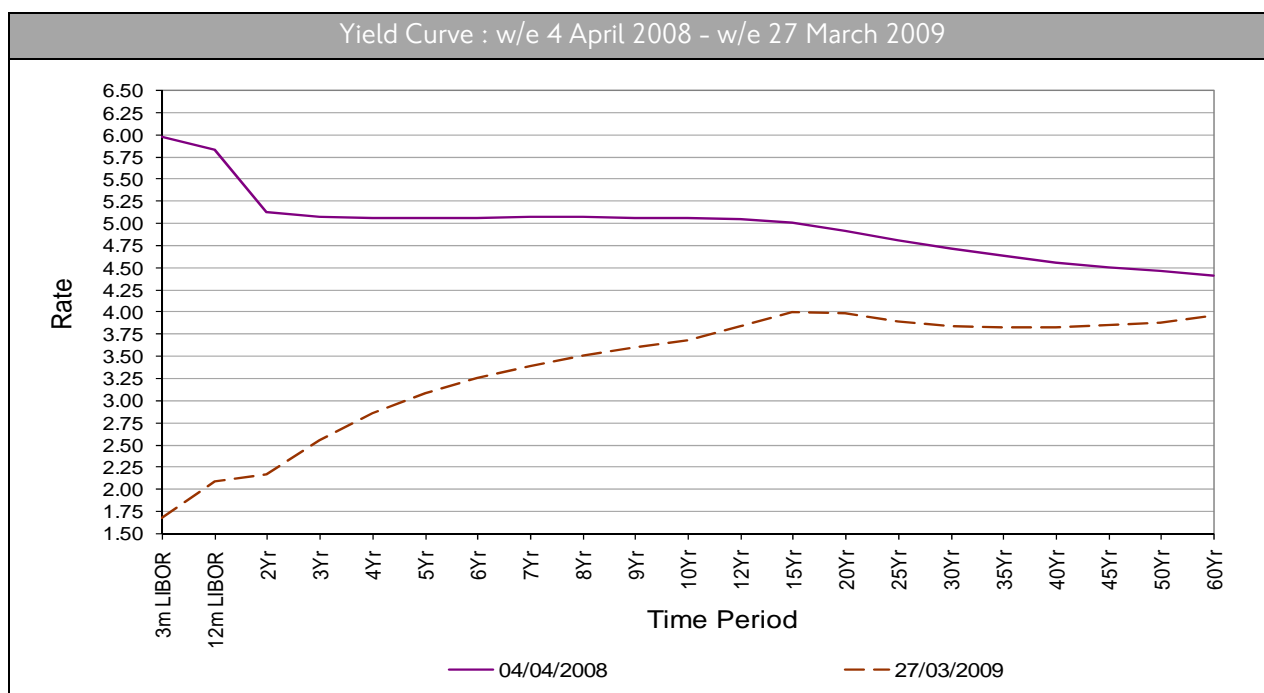
- 9.3 Interest receivable performance (shown below) is measured against a benchmark of the average of 3 month LIBOR minus 12.5 basis points. Earnings for the year have fallen short of the benchmark by 6 basis points. In October, in light of the credit crisis, it was agreed with the Finance Committee that all investments in Money Market Funds be immediately liquidated and new investments placed with UK Government guaranteed investments. The Bank of England Monetary Policy Committee reduced Base Rates progressively from 4.5 per cent in October to 0.5 per cent in March, resulting in reduced earnings on new investments and diluted yields for the year.
- 9.4 Results for the last four periods are noted in the table below:

	Period 10	Period 11	Period 12	Period 13	2008/09 Year
Benchmark (%)	4.87	3.79	2.79	2.21	5.01
Average Rate of Return (%)	4.21	3.70	2.95	2.31	4.95
Above/(below) Benchmark (%)	(0.66)	(0.09)	0.16	0.10	(0.06)
Budget (%)	3.37	3.46	3.50	3.58	3.70
Interest Earned (£ million)	5.4	4.6	4.0	3.5	97.8
Budget (£ million)	5.4	5.1	4.9	4.6	80.0

- 9.5 A favourable variance of £20.8m was due to rates exceeding budget by 1.25 per cent as a result of investments placed earlier in the year at higher than budgeted interest rates. An adverse variance of £3.0m arose as a result of lower than budgeted balances throughout the earlier part of the year. This resulted in the net favourable variance of £17.8 million against budget. The chart below shows the Group's cash management performance relative to its benchmark. In particular, it shows the combined impact of the amended Investment Strategy and reduced Base Rate from October onwards.



9.6 Yield curve: This shows the dramatic effect on short/medium-term yields. At the start of the year 3 month rates were 6.0 per cent; they have currently dropped to 1.7 per cent. However, during the year, 60-year rates remained within the range of 4 per cent - 4.4 per cent. The chart now shows a more traditional curve but still has rates fairly flat beyond 15 years. TfL has been borrowing at these beneficial rates.



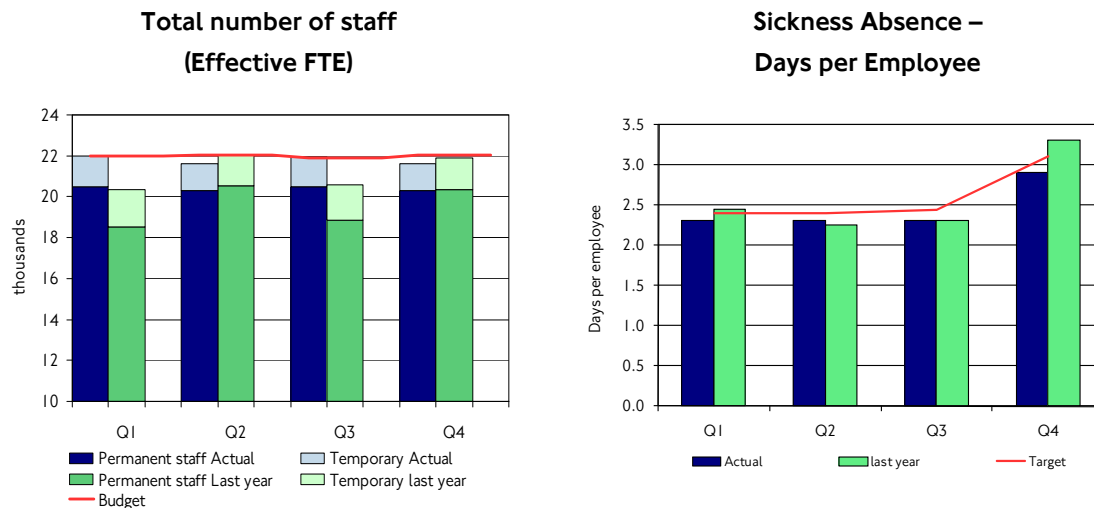
### 9.7 Legal and Regulatory Risk

i) Prudential Indicators for Prudence and Affordability, Capital Expenditure and External Debt: Prudential Indicators relating to debt service and borrowing for 2008-09 have not been exceeded.

ii) Payment Card Industry Data Security Standards (PCI DSS): An agreed programme and budget is in place and the project manager is monitoring work being undertaken by the modes. Internal Audit has reviewed the management structure and agreed recommendations have been incorporated into the management process. The first meeting of the Compliance Programme Board (an Internal Audit recommendation) has been held to review progress. All new IT developments e.g. the replacement Congestion Charging contract, will be PCI DSS compliant and standard procurement terms and conditions now include a compliance requirement.

TfL's merchant acquirer (Barclays) receives regular progress reports and continues to express its satisfaction on its content and progress made. Providing these reports, in order to demonstrate progress, should ensure that TfL will not be fined for alleged breaches of the new data security standards.

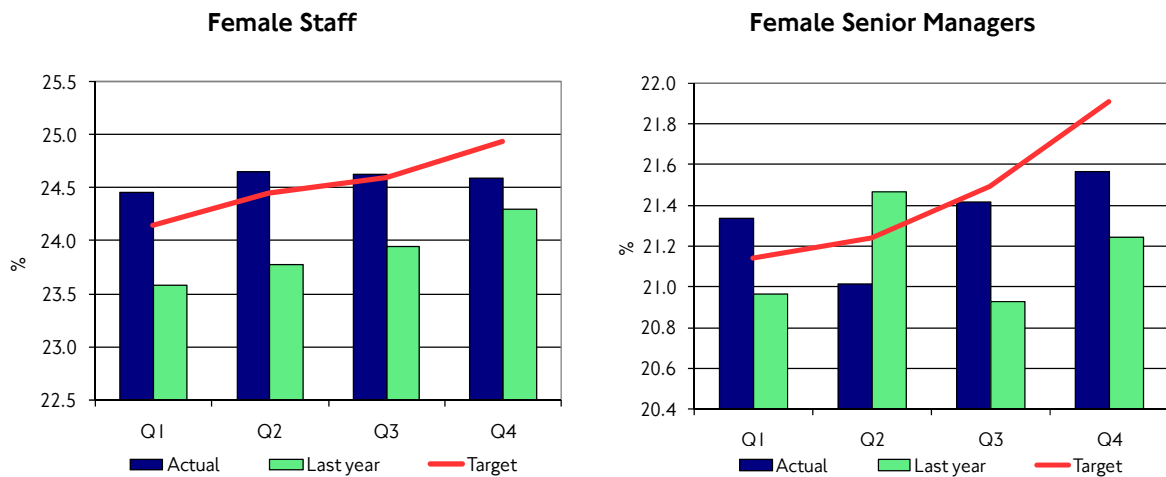
# People



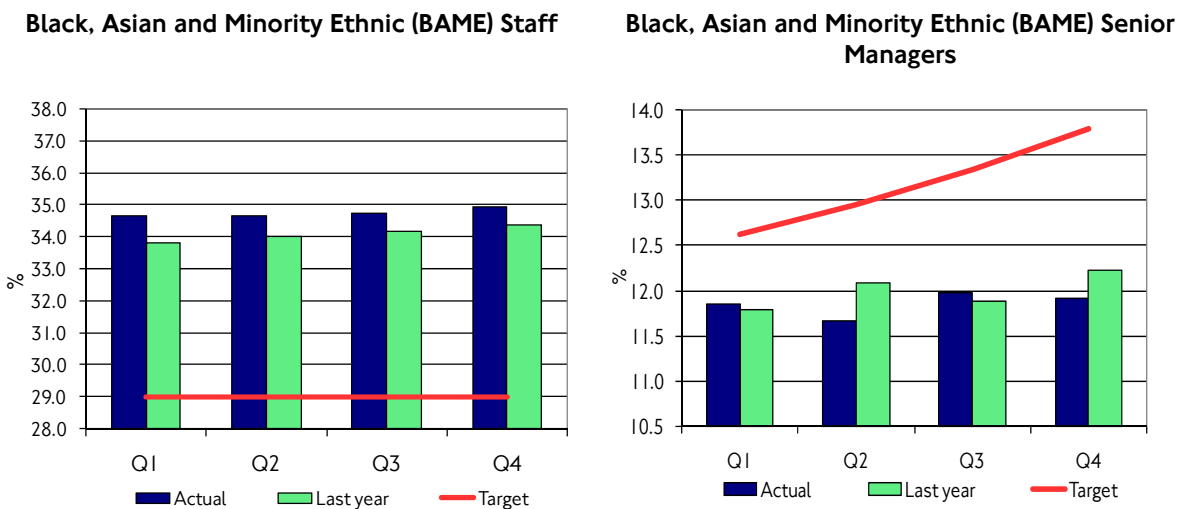
Please note that people performance information for Metronet and Crossrail is not included in the TfL group performance indicator graphs. Supplementary commentary relating to Metronet and Crossrail is provided where available.

- 10.0 Staff numbers:** TfL employed 21,435 full time equivalent (FTE) staff at year end, 595 FTE fewer than budget and 333 fewer than last quarter. London Underground had 14,331 FTE staff at the end of the year, 270 FTE fewer than budget. The net variance reflects a lower number of operational staff (163) due to a temporary hold on recruitment and 101 fewer PPP staff reflecting unfilled posts pending integration with Metronet. There were 4,323 FTE staff in Surface Transport at the end of 2008/09, 219 fewer than budget. This was mainly due to 211 fewer staff following the reorganisation of Congestion Charging, 44 fewer staff in Community Safety and Enforcement and 37 fewer graduates and HR staff due to unanticipated turnover and unfilled graduate vacancies from 2007 and 2008. These were partly offset by more staff in London Streets and Surface Strategy. London Rail had 259 FTE staff which exceeded budget by 21 FTE, including the Crossrail Sponsorship Team. There were 2,522 FTE staff in the Corporate Directorates at year end, 128 fewer than budget.
- 10.1 Temporary staff:** At the end of 2008/09, TfL had 1,284 temporary FTE staff and, of these, 527 had service exceeding 12 months. There were 515 temporary FTEs in London Underground at year end. This was 35 more than last year and 26 more than budget. In areas such as the PPP teams, temporary staff were retained instead of recruiting permanent staff pending integration with Metronet. There were 232 temporary staff with service in excess of 12 months, 9 fewer than target. There were 313 temporary FTEs in Surface Transport at year end. This was 278 fewer FTEs than last year but 36 more than budget. This was due to the delayed completion of the handover to permanent staff following Project Delta in London Streets and temporary staff required to implement the customer relationship system. There were 153 temporary staff with service in excess of 12 months, 22 more than target. At year end, there were 33 temporary FTEs in London Rail, which was 15 fewer than budget and 9 fewer than last year. The majority of these staff were employed on the East London Line projects. At year end, there were 423 temporary FTEs in the Corporate Directorates, 102 more than budget. Compared to budget, there were 105 more temporary staff in Finance working on projects in Group IM and 16 more in Marketing and Communications to meet higher demand in the customer call centres. There were 134 temporary FTE with more than 12 months service, 66 more than target, mainly in Group IM. This is due to delays in completing permanent recruitment but is expected to reduce significantly in quarter one 2009/10. The percentage of temporary staff in TfL has reduced to 6.0 per cent, which is 1.0 percentage point higher than target but 0.7 percentage points lower than last year.

10.2 **Sickness:** In 2008/09, TfL staff were absent for an average of 9.7 days per employee, 4.4 per cent better than the target of 10.2 days. Operational staff were absent for an average of 12.1 days per employee which was 3.1 per cent better than target. Non-operational staff were absent for an average of 6.2 days, which was 5.4 per cent better than target.

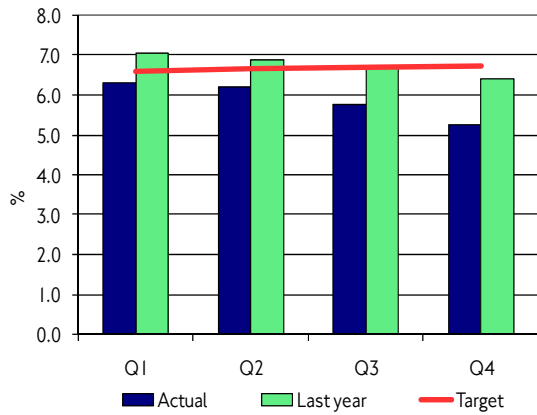


10.3 **Workforce composition:** At the end of 2008/09, the proportion of female staff in TfL was the same as the previous quarter at 24.6 per cent. This was 0.3 percentage points lower than target but 0.3 percentage points higher than last year. The percentage of women in senior management increased to 21.6 per cent this quarter. This was 0.3 percentage points lower than target but 0.4 percentage points higher than last year.

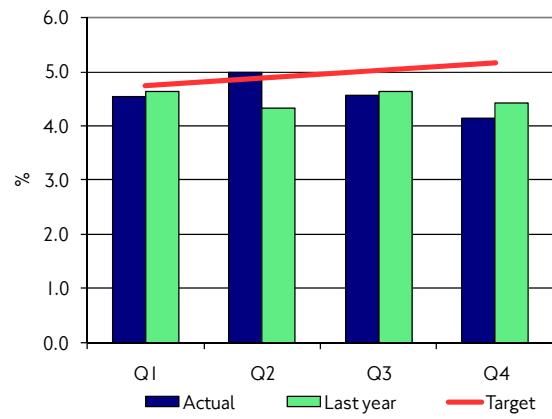


10.4 The percentage of TfL staff from BAME communities was 34.9 per cent at year end. This was 5.9 percentage points higher than the target and 0.5 percentage points higher than last year. The percentage of BAME staff in senior management remained at 11.9 per cent. This was 1.9 percentage points lower than target and 0.3 percentage points lower than last year. This was due to an increase in the Equality and Inclusion (E&I) survey sample size.

**Disabled Staff**



**Disabled Senior Managers**



- 10.5 At the end of 2008/09, 5.3 per cent of TfL staff were disabled. This was 1.4 percentage points lower than the target and 1.1 percentage point lower than last year. A decline of 0.2 percentage points was due to 27 fewer disabled staff than last year and a decline of 0.9 percentage points was due to the inclusion of 1,739 more non-disabled staff in the E&I survey.
- 10.6 The proportion of disabled staff in TfL’s senior management was 4.1 per cent. This was 1.1 percentage point lower than target and 0.3 percentage points lower than last year. There were 4 more disabled senior managers than at the same time last year, but these were offset by the inclusion of 136 more non-disabled senior managers in the E&I survey.
- 10.7 Of the employees who declared their sexual orientation, 1.1 per cent were lesbians, 4.5 per cent were gay men, 0.3 per cent were bisexual women, 0.7 per cent were bisexual men, 25.3 per cent were heterosexual women and 60.6 per cent were heterosexual men. The balance of employees preferred not to declare their sexual orientation.
- 10.8 Of the senior managers who declared their sexual orientation, 0.4 per cent were lesbians, 3.4 per cent were gay men, 18.9 per cent were heterosexual women and 66.3 per cent were heterosexual men. The balance of senior managers preferred not to declare their sexual orientation.

## Annex One: Financial Summary

£ millions	Full Year				
	Actual	Budget	Variance	Forecast at Q3	Variance
Fares Income - LU, Buses and LR	(2,803)	(2,805)	2	(2,827)	24
Other Income	(1,374)	(1,417)	43	(1,357)	(17)
<b>Total Income</b>	<b>(4,178)</b>	<b>(4,222)</b>	<b>44</b>	<b>(4,184)</b>	<b>7</b>
Operating Expenditure <small>net of 3rd party contributions</small>	6,337	6,465	(128)	6,378	(41)
<b>Net Operating Expenditure</b>	<b>2,159</b>	<b>2,244</b>	<b>(84)</b>	<b>2,193</b>	<b>(34)</b>
Interest Income & Debt Payments	88	105	(18)	86	1
Contingency/Other Group Items	(10)	65	(75)	23	(34)
<b>Total Group Items</b>	<b>78</b>	<b>170</b>	<b>(93)</b>	<b>110</b>	<b>(32)</b>
<b>Margin</b>	<b>2,237</b>	<b>2,414</b>	<b>(177)</b>	<b>2,303</b>	<b>(66)</b>
Capital Income (including Property Sales)	(19)	(49)	30	(23)	4
Capital Expenditure	2,293	2,733	(440)	2,371	(78)
Reimbursements from third parties	(233)	(170)	(63)	(166)	(66)
Overprogramming (TfL Group)	-	(68)	68	-	-
<b>Net Capital Expenditure</b>	<b>2,060</b>	<b>2,494</b>	<b>(434)</b>	<b>2,205</b>	<b>(145)</b>
<b>Net Service Expenditure</b>	<b>4,278</b>	<b>4,859</b>	<b>(581)</b>	<b>4,484</b>	<b>(206)</b>
<b>By Mode:</b>					
London Underground	1,196	1,169	27	1,173	23
Surface Transport	1,285	1,351	(66)	1,275	9
London Rail	695	898	(203)	694	1
Metronet	469	464	5	466	3
Crossrail	144	405	(261)	344	(200)
Group Directorates	412	472	(60)	422	(10)
Overprogramming (TfL Group)	-	(68)	68	-	-
Group Items	78	170	(93)	110	(32)
<b>Net Service Expenditure</b>	<b>4,278</b>	<b>4,859</b>	<b>(581)</b>	<b>4,484</b>	<b>(206)</b>

Table may be subject to rounding errors

\*Metronet figures are included in this report, for clarity, on an aggregated basis

## Annex Two: Balance Sheet

Balance Sheet £m	Year to 31 March			Year to 31 March		
	Actual	Budget	Variance	Actual	Forecast at Q3	Variance
<b>Fixed Assets</b>						
Tangible Assets	18,448	19,433	985	18,448	18,859	411
<b>Current Assets</b>						
Stocks	37	18	(19)	37	20	(17)
Debtors	207	225	18	207	225	18
Capital Debtors	23	13	(10)	23	22	(1)
Payments in Advance	243	214	(29)	243	175	(68)
Cash at Bank and in Hand	2,022	1,618	(404)	2,022	2,027	5
<b>Current Liabilities</b>						
Revenue	(988)	(1,075)	(87)	(988)	(989)	(1)
Receipts in Advance	(265)	(242)	23	(265)	(275)	(10)
Capital	(489)	(541)	(52)	(489)	(639)	(150)
<b>Long Term Liabilities</b>						
Balances with Infracos	(1,639)	(1,651)	(12)	(1,639)	(1,639)	-
Creditors Due after One Year	(602)	(634)	(32)	(602)	(640)	(38)
Prudential Loans	(3,017)	(3,017)	-	(3,017)	(3,017)	-
Capital Grants	(8,170)	(7,837)	333	(8,170)	(8,126)	44
Other Provisions	(213)	(200)	13	(213)	(200)	13
Pension Provision	(607)	(607)	-	(607)	(607)	-
<b>Total Net Assets</b>	<b>4,990</b>	<b>5,717</b>	<b>727</b>	<b>4,990</b>	<b>5,196</b>	<b>206</b>
<b>Capital and Reserves</b>						
Earmarked Reserves	1,024	785	(239)	1,024	968	(56)
Pension Reserves	(607)	(607)	-	(607)	(607)	-
General Fund	162	162	-	162	162	-
Other Reserves	4,411	5,377	933	4,411	4,673	262
<b>Total Capital Employed</b>	<b>4,990</b>	<b>5,717</b>	<b>727</b>	<b>4,990</b>	<b>5,196</b>	<b>206</b>



## Annex Three: Cash Summary

Cash Summary £m	Year to 31 March			Year to 31 March		
	Actual	Budget	Variance	Actual	Forecast	Variance
Net Revenue Expenditure	(2,237)	(2,414)	(177)	(2,237)	(2,303)	(66)
Working Capital Movements	143	169	26	143	117	(26)
<b>Cash Spend on Operating Activities</b>	<b>(2,094)</b>	<b>(2,245)</b>	<b>(151)</b>	<b>(2,094)</b>	<b>(2,186)</b>	<b>(92)</b>
Net Capital Expenditure	(2,274)	(2,615)	(341)	(2,274)	(2,192)	82
Working Capital Movements	72	229	157	72	154	84
<b>Cash Spend on Capital Activities</b>	<b>(2,202)</b>	<b>(2,386)</b>	<b>(184)</b>	<b>(2,202)</b>	<b>(2,038)</b>	<b>164</b>
<b>Funded by:</b>						
Transport Grant	3,103	3,097	(6)	3,103	3,103	-
Precept Funding	12	12	-	12	12	-
Prudential Borrowing	1,067	1,067	-	1,067	1,067	-
Third Party Contributions	233	170	(63)	233	166	(67)
<b>Total Funding</b>	<b>4,415</b>	<b>4,346</b>	<b>(69)</b>	<b>4,415</b>	<b>4,348</b>	<b>(67)</b>
<b>Net Movement in Cash</b>	<b>119</b>	<b>(285)</b>	<b>(404)</b>	<b>119</b>	<b>124</b>	<b>5</b>



# Investment Programme Report

## Fourth Quarter, 2008/09

# Transport for London

## Investment Programme Report

Fourth Quarter, 2008/09 (7 December 2008 – 31 March 2009)

### I. Programme Highlights

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The key highlights from the fourth Quarter of 2008/09 were:

- First S stock train delivered to Old Dalby test track and commenced dynamic testing;
- Marble Arch and Notting Hill Gate station modernisation started on site; and
- Main works on Southfields station step-free access started on site.
- Tower Gateway DLR Station re-opened for passenger service.
- DLR Woolwich Arsenal extension opened for passenger service.

Post Quarter events include:

- East London Line – Operational building complex was made available for use on 30 April;
- DLR Railcars - the 24th vehicle was delivered on 8 April, and the 1st vehicle for the Stratford International extension on 22 April;
- iBus – all vehicles (8,208) were fitted with the system by 21 April; and
- Revised closure plan agreed with Tube Lines to enable completion of Jubilee Line Upgrade.

Cover picture: 'S' Stock pre-production Train 2 on the test track at Old Dalby. This train will be the first train to arrive in London (forecast for 2 September 2009).

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

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

This report covers discrete projects with a total cost greater than £50m and programmes over £10m per annum. For each project, key milestones are given with a forecast date compared against the March 2008 baseline, and if appropriate, additional milestones from the 2008/09 Budget Deliverables document. For the Quarter 1 2009/10 report, further milestones will be added from the 2009/10 Budget Deliverables document

### Key to RAG status:

	Discrete Projects	Annualised Programmes
●	Within 1 month of target	100% of target achieved
▲	Between 1 - 3 month delay	>75% of target achieved
■	Greater than 3 month delay	<75% of target achieved

This report focuses on delivery of investment projects. For a discussion on financial performance see the Quarter 4 Operational and Financial Report.

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



## London Underground

### LU line Upgrade – BCV

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Victoria line upgrade: Second pre-production train delivered	09-07-2008	11-07-2008	Completed
Victoria line upgrade: Full overlay available	17-07-2008	17-07-2008	Completed
Victoria line upgrade: Start Testing the New Service Control Centre (in Engineering Hours)	30-11-2008	06-10-2008	Completed
Victoria line upgrade: Start Testing T1/T2 in traffic hours without passengers	26-01-2009	31-05-2009	■
Victoria line upgrade : Approval to trial signalling control in passenger hours	22-03-2009	06-07-2009	■
Full Journey Time Capability	31-08-2013*	18-05-2012	●

\*PPP Contract Date

The Victoria line is the first major line upgrade on the Bakerloo, Central and Victoria lines (BCV) network. The works include new rolling stock, signalling, control equipment, depot and track.

Software development remains on the critical path for the overall programme. The signalling contractor has now committed to a reliability growth plan in order to achieve the upgrade completion date. The start of testing Train 1 and Train 2 in traffic hours has slipped by a further two weeks since the Quarter 3 report to 31 May 2009. The rolling stock delays reported in the Quarter 3 report have not improved, but a range of mitigating actions has eliminated further delay. The first production train (T3) is planned for delivery to London in September 2009.

Despite these rolling stock and signalling issues, the completion date of May 2012 for the Journey Time Capability (JTC) remains ahead of the PPP contractual date of August 2013.

## LU line Upgrade – PPP JNP

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Jubilee line – Transmission Base Train Control (TBTC) Rolling Stock – Delivery of Train 59	26-10-2008	01-10-2008	Completed
Jubilee line – Jubilee line Section 1 (JLS1) - Maturity Level 3 Testing	27-11-2008	07-06-2009	■
Jubilee line – JLS2 - Maturity Level 3 Testing	13-03-2009	30-05-2009	▲
Jubilee line – TBTC Contract - J2/3 - Ready for Revenue Service	16-03-2009	07-09-2009	■
Jubilee line full journey time capability	31-12-2009	31-12-2009	●
Northern line full journey time capability	31-12-2011	31-12-2011	●
Piccadilly line Upgrade – new fleet contract award	10-01-2009	01-06-2010	■

The PPP contractual date for the Jubilee line upgrade to achieve full journey time capability is 31 December 2009. Tube Lines Ltd (TLL) has confirmed that they will be unable to commission J2/3 in June as previously planned. Although TLL's remedial works to replace the concentric cable with newly installed multi-core cable have progressed well, it has delayed the start of Maturity Level (ML3) testing by 3 months to 1 May 2009. As a result, the schedule of line closures booked by TLL for installation and testing of the new signalling is out of step with the revised programme. LU has granted additional closures during July and August to support the commissioning of J2/3 in mid-August. With these additional closures, TLL has confirmed that despite being behind the target programme, they will achieve the journey time capability by the end of the year.

For the Northern line, the programme is suffering from the focus of TLL resources on the Jubilee line. The full journey time capability milestone remains targeted at December 2011, but the programme is now considerably compressed. The period of time between the commissioning of the first section (N1) and the final section (N6) is now reduced from twelve to six months.

The train conversion programme was suspended in Quarter 2, pending a second design configuration. Train conversion recommenced in January. Each train conversion is currently taking six weeks – the conversion of the full fleet by July 2010 assumes a reduction of the cycle time to sixteen days by Train 8.

For the Piccadilly line upgrade, TLL has further revised the programme, putting back the contract award for the new rolling stock fleet a further six months to June 2010. Delivery of the trains is still planned to begin in January 2013 and complete in December 2014. The financing of the new fleet is required to be confirmed by September 2009 to support the current schedule.

### LU line Upgrade – Sub-Surface Railway

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Complete delivery into service of refurbished D-Stock fleet	01-07-2008	01-04-2008	Completed
Review and accept the Design Compliance Report for new trains	28-08-2008	29-10-2008	Completed
Issue Programme Assurance Plan for approval	29-08-2008	20-06-2008	Completed
T1 S-Stock train delivered to Old Dalby	13-04-2009	26-02-2009	Completed
Train Delivery – First train delivered to London depot	01-11-2009	02-09-2009	●
Signalling – Phase 1a Immunisation works – Baker St northwards	26-11-2009	17-09-2009	●
T1 ready for operation in Engineering Hours	30-04-2010	05-10-2009	●

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

The new rolling stock and related enabling works are progressing to plan. The first S-Stock train was delivered to the test track at Old Dalby in February 2009 and commenced dynamic testing on 23 March. Testing on the network during engineering hours is planned to commence in October 2009.

Procurement for the new signalling contract is underway and the ITT is planned to be issued by August 2009, subject to approval from the Finance Committee and TfL Board.

Improvement works to the Neasden Depot will need to be reconfigured because the current design does not provide the space and facilities for the maintenance of the new 8-car S-Stock trains. The initial cost estimate indicates some pressure on the existing project budget.

### Channel Tunnel Rail Link at King's Cross

Spend to end of Q4 (£m)	EFC (£m)
786.2	883.6

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Handover roof slab to NR	01-09-2008	01-09-2008	Completed
Handover the site known as the bomb gap to NR	30-09-2008	19-09-2008	Completed
PFI power complete installation of LUL power supply	07-01-2009	03-11-2008	Completed
Open Northern Ticket Hall	28-02-2010	01-12-2009	●

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

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

Phase 2 is well advanced on site. During Quarter 4, the major milestone of handover of the Northern Ticket Hall roof structure to Network Rail was achieved on programme, and progress included substantial escalator and lift installation, tunnel lining and commencement of fit out of the Northern Ticket Hall. The programme has been accelerated to allow opening of the Northern Ticket Hall in December 2009 to coincide with the introduction of Kent commuter services into St Pancras. The key focus now is on the completion of architectural, mechanical and electrical works. The commissioning and handover is now in detailed planning.

#### Bond Street Congestion Relief

Spend to end of Q4 (£m)	EFC (£m)
11.2	*

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Stage D Design Complete	30-01-2009	31-10-2008	Completed
Completion	29-09-2016	29-09-2016	●

Bond Street station is a key interchange between the Jubilee and Central lines. Long term demand and congestion is forecast to increase further as a result of growth in employment and leisure travel and the completion of Crossrail in 2017. In addition to congestion problems, the station does not have step free access. The scheme provides:

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

The RIBA Stage D design was completed ahead of plan on 31 October 2008. During Quarter 4, an asbestos removal trial in two non-public areas was completed.

Briefings have been held with contractors who have expressed an interest in the main works contract.



### Paddington (Hammersmith & City) Congestion Relief

Spend to end of Q4 (£m)	EFC (£m)
3.1	*

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Outline / Scheme Design approved RIBA C/D	30-04-2009	18-12-2009	■
Completion	25-11-2013	18-08-2014	■

Paddington (Hammersmith & City line) station is amongst LU's top priorities for congestion relief because of demand growth associated with local area redevelopment and the Sub-Surface line Upgrade. The project seeks to deliver congestion relief and step free access benefits and ensure the continued safe operation of the station. There are interfaces with Network Rail and Crossrail, who require part of the adjoining "Triangle Site" for a re-located taxi access to the main line station.

The Network Rail, Crossrail and LU project components are now combined into the Paddington Integrated Project with a joint project steering board. As a consequence of this, the programme has been re-structured with delay to the design.

In Quarter 4, Westminster Council also accepted the proposed Paddington Integrated Project planning strategy of submitting the entire scheme under Crossrail Act Schedule 7 consents mechanism.

The revised delivery strategy has also been determined to allow for the early introduction of the Extended Circle line service in December 2009. The first critical construction milestone is delivery of the Crossrail taxi ramp in March 2011. Crossrail will take responsibility for the delivery of the station box, with the fit-out of the station to be completed by LU.

### Finsbury Park Congestion Relief

Spend to end of Q4 (£m)	EFC (£m)
4.6	*

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Complete Stages E-G (SFA scheme)	31-03-2009	31-03-2009	Completed
Spiral staircases start on site	31-07-2009	Deferred	N/A

During Quarter 4, following completion of the design, the project was deferred. All stakeholders have been informed and archiving of the project is underway.

### Victoria Station Upgrade

Spend to end of Q4 (£m)	EFC (£m)
60.4	695.5

Milestones	Current Plan Date	Actual / F'cast Date	RAG
ITT main works implementation	29-09-2008	02-09-2008	Completed
Main Works ITT return	23-04-2009	23-12-2008	Completed
Asbestos removal – practical completion	26-05-2009	29-01-2009	Completed
Stage 2 Main Works contract instructed	04-02-2010	23-02-2010	▲
Completion	02-08-2018	12-07-2018	●

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

The Transport and Works Act Order (TWAO) Public Inquiry was completed on 23 January 2009, when all significant objections to the scheme were removed by negotiation. The tenders for the main works were returned on 23 December 2008. However, due to budgetary constraints and other commitments from the TWAO Agreements, this has required a re-pricing of certain tender elements and delayed the Stage 1 Contract Award from March 2009 to August 2009. The re-priced tenders were returned in April 2009 and are currently under review. Contract award for the Stage 2 main works is scheduled for February 2010.

The enabling works have continued to plan, with the removal of asbestos completed ahead of plan in January 2009.

### Tottenham Court Road Congestion Relief

Spend to end of Q4 (£m)	EFC (£m)
105.3	*

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Completion of Stage E design	28-02-2008	31-05-2008	Completed
Contract award – demolition	16-01-2009	19-12-2008	Completed
Detailed design RIBA stage F complete	30-01-2009	26-01-2009	Completed
Site handover to demolition contractor	30-06-2009	19-01-2009	Completed
Completion	15-08-2016	03-08-2016	●

Tottenham Court Road station is currently operating in excess of its capacity and suffers from significant congestion. Demand at the station is forecast to increase further with Crossrail.

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

During the Quarter, detailed design was completed on 26 January 2009. Property takeover began on 19 January with physical demolition beginning in June. Local stakeholders are being engaged and a Pedestrian Forum has been established.

The design of the station and associated urban realm had a successful passage through the Commission for Architecture and the Built Environment process. Utilities diversions are continuing in the area with associated traffic management in place. The subsequent disruption to traffic is being closely managed with the London Boroughs of Westminster and Camden. The main works are planned to begin in January 2010.

#### Bank Congestion Relief

Spend to end of Q4 (£m)	EFC (£m)
6.4	*

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Bank (Walbrook Sq) – Complete design of tunnel breakthrough	28-02-2009	28-02-2009	Completed
Review of Stage B feasibility report complete	30-04-2009	21-04-2009	Completed

The Bank project consists of two workstreams:

Bank- Walbrook Square aims to provide more convenient access to streets south and south-west of the station, reduce congestion on the Waterloo & City (W&C) line platforms, and provide step free access to the W&C line. LU will fund the construction of the station box shell which will be delivered by the developer. Thereafter, LU will fit out the station box to complete the new entrance. There may be a delay to the start of construction due to a change of leasing arrangements for the Legal and General building.

Bank - Congestion Relief aims to relieve current and expected congestion in Bank station, which would lead to increasingly frequent station closures (notably of the Northern line/DLR area) if nothing is done. There are two options under feasibility/engineering review and one will be progressed. The design is continuing, with the feasibility report completed on 21 April 2009. Work from Quarter 1 2009/10 will focus on development of the single design option that relocates the southbound running tunnel of the Northern line. This option provides greater benefit, reduced disruption to the service during construction and a reduced overall cost.

Olympic Works (Station Accessibility)

Station	Spend to end of Q4 (£m)	EFC (£m)
Green Park	5.7	94.7
Southfields	2.9	16.9

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Southfields contract award – detailed design	17-09-2008	24-06-2008	Completed
Southfields Delivery into Service	01-10-2010	06-08-2010	●
Green Park Delivery into Service	17-12-2011	01-09-2011	●

This programme provides step free access at two stations critical to the Games: Southfields and Green Park.

**Southfields** – The project scope now includes the stations refurbishment works. The design and build contract has been let, and detailed design was completed and approved by the target date of 13 March 2009 and enabling works have commenced.

**Green Park** – The programme is currently on target to meet the Olympic delivery date. During Quarter 4, negotiations between the Royal Parks, English Heritage and LU concluded that the planning application for the station works should be separated from the cafe works. Subsequently, the Royal Parks have decided not to proceed with the cafe, which removes the objection from English Heritage. The pavement canopy on Piccadilly is now being re-designed and a separate application will then be made to Westminster Council. The design and construction contract was awarded to TLL, with the tunnelling contract subsequently let to Gallaghers. The occupation licence has been agreed with the Royal Parks and works have commenced with hoardings erected.

**Baker Street** – The project has been deferred. All stakeholders have been informed and archiving of the project is underway.

### Stations Accessibility Works (2010 target)

Station	Spend to end of Q4 (£m)	EFC (£m)
Amersham SFA	0.9	*
Greenford SFA	0.9	*
Newbury Park SFA	0.9	*
West Kensington SFA	1.7	*
Osterley SFA	1.0	*
Kingsbury SFA	1.7	*

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

These projects will contribute to the 25 per cent 2010 DfT accessibility target. Detailed design is underway on all the stations. Enabling works are planned to commence in Summer 2009, following further funding approval.

### Cooling the Tube

Spend to end of Q4 (£m)	EFC (£m)
95.0	700.1

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Portable fan rollout summer 2008	31-08-2008	18-07-2008	Completed
Central services tunnel – Royal Institute of British Architects (RIBA) C approval	15-09-2008	15-09-2008	Completed
Victoria line – Start on site MTV I	01-10-2008	29-09-2008	Completed
Decommissioning of portable fans	31-01-2009	05-01-2009	Completed
All Mid Tunnel Vents commissioned (Victoria line)	31-07-2012	31-07-2012	●

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

Due to budgetary pressures, only the works to support the Victoria line Upgrade are being progressed. These comprise two main parts – refurbishment and upgrading of thirteen mid-tunnel vents, and station cooling works at two major stations (Green Park and Euston).

Work is on site for the first tranche of the mid-tunnel vents, including removal of the old fans and structural work to the shafts before new (higher capacity) fans are installed. The contract for the second tranche was awarded on 27 March.

The station works are at the design stage. Further design work at Victoria and Oxford Circus will be deferred once the RIBA Stage D design is completed. The designs for Green Park and Euston will continue and the procurement for the next stage, RIBA E, has begun.

Operational Accommodation (OAIP)

Spend to end of Q4 (£m)	EFC (£m)
44.1	104.8

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Brixton Train Crew Accommodation (TCA) - Start on Site – Main Works	15-05-2008	04-04-2008	Completed
High Barnet TCA - Tender Award Completed	21-06-2008	20-06-2008	Completed
High Barnet - Start on Site	31-07-2008	31-07-2008	Completed
Edgware TCA - Commence Stage D-G	31-08-2008	29-08-2008	Completed
Brixton TCA - Practical Completion	30-06-2009	14-05-2009	●
High Barnet TCA – practical completion	25-09-2009	31-07-2009	●

This programme is to improve the condition, ambience, and capacity of staff accommodation.

- Brixton Train Crew accommodation – Work began on site in April 2008. Completion has slipped slightly to 14 May 2009, but remains ahead of the target date of 30 June 2009.
- High Barnet – The main works contract commenced on site on 31 July 2008 with completion forecast for July 2009.

### Connect Airwave

Spend to end of Q4 (£m)	EFC (£m)
42.3	*

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Upgrade Enhanced Base Transceiver System (EBTS) to new airwave components – Batch 7	02-09-2008	16-05-2008	Completed
Upgrade EBTS to new airwave components – Batch 9	24-11-2008	18-08-2008	Completed

This project enhances the emergency services' communication system on the Underground by expanding coverage and capacity. The contract was awarded in January 2007 and work has progressed to an accelerated plan. The one hundred and twenty-five stations required are now fully commissioned and in service. Airwave Phase 2, including an extension of coverage to Stratford, has now been agreed with the National Police Information Authority (NPIA). The design and installation for coverage in an additional fifteen tunnels is now being priced by the contractor. Further design work to provide increased capacity at thirty-nine stations has also begun.

### Connect Works

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Connect – 4 lines Radio Systems Go-Live	29-02-2008	29-02-2008	Completed
Central line Radio – Commencement of train cutover	26-05-2008	14-07-2008	Completed
Northern line Radio – Commencement of train cutover	22-09-2008	27-11-2008	Completed
Phase 2 – Bakerloo line	01-12-2008	01-12-2008	Completed
Video cutover – first Metronet batch delivered (25 stations)	28-02-2009	27-01-2009	Completed
Radio resilience – present long term resilience plan	31-05-2009	29-05-2009	●
Video cutover – first TLL batch delivered (20 stations)	30-06-2009	02-06-2009	●

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

Phase 2 is now underway, which provides increased functionality on the new equipment and improved video capability. The first video cutover for BCV/SSL Batch 1 was completed in January 2009.

Outages on the system have required further work to improve system resilience. A revised resilience strategy is now in place.

## Power Works

Milestones	Current Plan Date	Actual / F'cast Date	RAG
SSL Met line DD&B issue of Invitation to Tender (ITT)	07-07-2008	04-09-2008	Completed
Jubilee line Power Upgrade – Award Finchley Rd & Neasden design and build contract	01-08-2008	05-05-2008	Completed
Piccadilly – Provisional Concept Design Complete	18-08-2008	18-08-2008	Completed
SSL Power Upgrade – S&D package 1 staged project life end	30-09-2008	03-10-2008	Completed
VLU Power Upgrade – Full completion of 22kV power cable	12-12-2008	27-03-2009	Completed
SSL Power Upgrade – Award Met line design and build contract	01-03-2009	27-03-2009	Completed
VLU Power Upgrade – Civil works complete	25-03-2009	25-03-2009	Completed
Jubilee line Power Upgrade – Power On	16-08-2009	06-08-2009	●
VLU Power Upgrade – overall completion (Milestone 41)	08-12-2009	08-12-2009	●

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

The delivery phase of the Victoria line power upgrade remains on programme with final forecast for December 2009. The remaining section of the 22kV power cable was laid on 27 March 2009, following delays resulting from emergency gas works. Progress remains on target, with the effective power-on date remaining June 2009, in line with the requirements of the line upgrade.

The Sub-Surface power upgrade is progressing from scoping and development to detailed design and build. The design and build for the first two packages (1A and 1B) was awarded on 20 March 2009. Packages 2, 3 and 4 are being prepared for tender, with award planned for later in 2009.

For the Northern line power upgrade, LUL's 630v conceptual design has been formally accepted by TLL. The scope of the power works for the Piccadilly line is now minimal.

On the Jubilee line power upgrade, power-on remains planned for 6 August 2009. During Quarter 4, the detailed design was completed for most sites and work has begun at the Alaska Street site in Waterloo. Work at North Greenwich is due to commence in Quarter 1 of 2009/10.

For the Piccadilly line power upgrade, the current delivery programme and budget is based on a 630V specification rather than on 750V. 750V offers greater operating efficiency and a new programme and cost is under development. Further development work has been halted until the traction voltage has been formally agreed with TLL. Scoping and development needs to begin by the end of Quarter 1 in order to prevent significant delay to the overall programme.



## London Rail

### East London Line Extension

Spend to end of Q4 (£m)	EFC (£m)
720.5	993.5

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Main contractor occupancy of ELL Track way and Stations	31-03-2008	01-03-2008	Completed
Completion of the launch of bridge GE19	31-05-2008	05-05-2008	Completed
Completion of main span New Cross Gate	31-05-2008	11-05-2008	Completed
Handover of bulk supply point to EDF	31-08-2008	31-08-2008	Completed
Operational building complex available for use by employer	31-12-2008	30-04-2009	Completed
Test running	31-01-2010	30-10-2009	●
Trains in service	30-06-2010	30-06-2010	●

The upgraded and extended East London Line is planned to open in 2010 with TfL as the passenger service operator through a joint East London Line / North London Railway concession with London Overground Rail Operations Ltd. This project is an Olympic deliverable.

During this quarter, several key short term milestones were met, including the completion of the central section track-slab on 23 February. This did not meet the 23 December 2008 target date due to soft ground conditions but the delay has been accommodated into the overall track programme.

Balfour Beatty Carillion has submitted a total of 557 designs for assurance acceptance against a target 568. There are now just eleven designs remaining to be submitted as part of the core works. The Independent Technical Certifier has approved 495 designs against the 517 target.

The last Network Rail possession is scheduled for May 2009 when the on-network works are expected to be completed. However, there is an interface issue with Balfour Beatty Carillion, where a delay to the main works has resulted in a delay to the commissioning of Network Rail infrastructure until later in the year.

The Operational building complex was made available for use on 30 April. This had been rescheduled to enable resources to be concentrated on works on the critical path. Test running commencement is the next major milestone, which has slipped by two months to October 2009.

The project remains on schedule for the June 2010 service commencement.

## London Rail Concession Rolling Stock

This programme is delivered under an operating lease. No direct costs are reported.

Milestones	Current Plan Date	Actual / F'cast Date	RAG
First NLR unit accepted	31-10-2008	31-05-2009	■
First East London Rail unit delivered for NR test track	31-12-2008	31-07-2009	■
Trains in Service – North London Railway	31-12-2008	30-06-2009	■
Last NLL unit accepted	14-01-2009	31-12-2009	■
Last ELL unit accepted	14-08-2009	14-11-2009	▲
Trains in Service – East London Line	30-06-2010	30-06-2010	●

The London Rail Concession Rolling Stock project will provide 216 new vehicles in three-car and four-car formation to be utilised on the North London Railway and the East London Line.

The acceptance of the first unit was delayed further from 3 January and is still yet to be accepted as there are some outstanding tests and mileage to be completed. This is now expected at the end of May. Slippage was due to the availability of parts from suppliers to Bombardier during construction. This has delayed the trains in service milestones for the North London Railway from the Quarter 3 date of 10 March 2009 to the end of June. The last units accepted milestones in have moved to December for the North London Line and November for the East London Line.

Delivery of the first East London unit has slipped from 31 March 2009 to 31 July, however train production is not currently on the critical path for the East London Line Project, so the delay will not affect the date of service commencement.

## DLR Bank-Lewisham 3 Car Infrastructure

Spend to end of Q4 (£m)	EFC (£m)
176.3	266.6

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

This project will deliver the structural works necessary for 3 car operation on the DLR from Bank and Tower Gateway to Lewisham.

On Package 1 (Bank – Crossharbour), Tower Gateway station re-opened for passenger service seven weeks ahead of schedule on 2 March. Sectional completion of Cable Street viaduct was completed on schedule at the end of January and Stepney causeway in mid-March. However, the installation of precast platform units at Westferry occurred seven months late on 13 March following earlier design delays. On Package 2 (Lewisham Extension), all work was complete by 5 January.

On Package 7 at Canning Town the superstructure construction is complete and work has commenced on track works. Twenty-four hour working was instigated and this has reduced the programme slippage reported in Quarter 3. Enabling work for the May blockade are now in place.

#### DLR Woolwich Arsenal Extension

This project was delivered under a Private Finance Initiative. No direct costs are reported.

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Completion of station	27-08-2008	30-09-2008	Completed
Systems testing complete	31-12-2008	31-12-2008	Completed
Project completion	28-02-2009	10-01-2009	Completed

This project delivered the extension of the DLR from King George V station to Woolwich Arsenal through a PFI contract. This now provides a link under the Thames from South Eastern Trains to the City Airport and Canning Town.

This scheme was opened to passengers on 10 January, seven weeks ahead of the contractual opening date. This was made possible by accelerating the works schedule. Passenger use has been higher than forecast and additional services came on stream when Tower Gateway station re-opened on 2 March.

#### DLR Stratford International Extension

Spend to end of Q4 (£m)	EFC (£m)
114.5	192.7

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Stratford Int. Station - Completion of new platform structure	18-07-2008	06-10-2008	Completed
Stratford Int. Station - Completion of main platform canopy and finishes	03-11-2008	03-11-2008	Completed
Completion of construction of Star Lane platform, canopies and signalling equipment room	19-02-2009	13-07-2009	■
Complete works on Package 6	30-06-2010	30-06-2010	●
Service operational	30-07-2010	30-07-2010	●

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

The planned Christmas blockade and commissioning work at Stratford Regional station did not take place due to a number of issues not being resolved in time by the contractor, culminating

in Network Rail not granting the possession. The blockade was subsequently rescheduled for Easter and has now been successfully completed.

The completion of the construction of the Star Lane Platform, Canopies and Equipment Rooms slipped by an additional four months. The delay was due to late designs, material delays and the cancellation of the Christmas possession; however, there is no impact on the overall completion date.

At Canning Town, a complete re-design has been carried out following the failure of the lower concrete base slab. Slab works have re-commenced and the overall programme is being assessed, but early indications are a slippage of between eight and twelve weeks on the service operational date, which is not yet reflected in the forecast date.

#### DLR Railcars

Spend to end of Q4 (£m)	EFC (£m)
21.3	56.0

Milestones	Current Plan Date	Actual / F'cast Date	RAG
18 <sup>th</sup> vehicle delivered	18-09-2008	14-01-2009	Completed
18 <sup>th</sup> vehicle in service	18-10-2008	15-04-2009	Completed
24 <sup>th</sup> vehicle delivered	16-12-2008	08-04-2009	Completed
1 <sup>st</sup> railcar delivered for Stratford Int. Extension	09-01-2009	22-04-2009	Completed
24 <sup>th</sup> vehicle in service	16-01-2009	24-06-2009	■
All 55 vehicles in service	31-12-2009	04-10-2009	●

This project covers the provision of twenty-four extra DLR railcars for 3-car operation and the Woolwich Arsenal extension, nine for the Stratford International extension and twenty-two for the Games.

Delivery and commissioning of new vehicles continues with good progress being made, slightly ahead of the agreed programme.

The 18<sup>th</sup> vehicle was delivered on 14 January and was in service slightly ahead of the revised programme on 15 April. Since the Quarter 3 report, Bombardier has recovered four weeks on the 24<sup>th</sup> vehicle in service milestone, which is expected on 24 June; however, this is still a five month delay on the original programme. The first railcar was delivered for the Stratford International extension on 22 April, two months ahead of the revised programme.

The delays are as a result of earlier problems in approving the first cars following testing. Production and deliveries could not continue until these issues had been resolved.

The expected final cost has fallen by £2.6m from the Quarter 3 forecast of £58.6m, because of the inclusion of liquidated damages.

## North London Railway Infrastructure Project

Spend to end of Q4 (£m)	EFC (£m)
32.9	240.1

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Completion of preliminary (GRIP4) design	30-09-2008	30-09-2008	Completed
Prime contract award	31-10-2008	27-03-2009	Completed
Project completion	31-01-2011	31-01-2011	●

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

Contracts were awarded by Network Rail to Atkins Rail for signalling and Carillion for core infrastructure works (the prime contract) on 27 March, superseding the letters of intent which have covered work to date. The contractors are continuing to mobilise their teams at the current project offices in Old Broad Street while works commenced to prepare the new project offices at Chalk Farm for a move in May 2009.

Invitations to tender were issued to five tenderers for the railway systems and the power works during March.

The signalling scheme plan and signal siting has been approved by both Network Rail and Transport for London. Preliminary designs for track and systems works is now starting to progress, the focus being on completing and approving all documentation required for issue to tenderers. The detailed design for the Dalston Western Curve civil engineering works is now slightly ahead of programme.

## Surface Transport

### iBus

Spend to end of Q4 (£m)	EFC (£m)
72.9	81.8

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Roll out of 3,300 buses	29-07-2008	25-06-2008	Completed
Roll out of new technology to fleet substantially complete (7,300 buses)	28-02-2009	04-02-2009	Completed
All vehicles in fleet (8,208) installed with iBus	30-04-2009	21-04-2009	●
Old system decommissioned and all operations transferred to new system	28-02-2009	30-06-2009	■

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

During this quarter the “substantially complete” milestone of rolling out the new technology to 7,300 vehicles was achieved on 4 February. The rollout to the entire fleet of 8,208 vehicles was achieved on 21 April. The decommissioning of the old system is still forecast to be delivered four months behind schedule at the end of June 2009, due to the earlier delays in rollout of the new system; however, this is not affecting the operational performance of the iBus system.

### Congestion Charging Re-Let

Spend to end of Q4 (£m)	EFC (£m)
69.5	98.5

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Selection of retail service providers	29-08-2008	30-09-2008	Completed
Release 1 – go-live of new contract for extended zone	01-11-2009	30-11-2009	▲
Completion of delivery stage (release 1)	30-11-2009	30-11-2009	●
Financial close (release 1)	28-03-2010	28-03-2010	●
Release 2 – go live of account based charging using ANPR or DSRC enforcement technology	01-11-2010	01-11-2010	●

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

Progress continues on the Build and Transition streams of this project, but system testing remains an area of concern and continues to be closely monitored by the project team. IBM continues to take all necessary action to resolve issues and remains confident that systems integration testing will commence on schedule in May. The core IT / retail interface has now been agreed and e-pay have completed the majority of the unit testing required before the system test phase at Easter. The bailiff procurement was delayed due to a legal challenge from an unsuccessful bidder, which has since been withdrawn. Contracts were signed with the four successful bidders on 8 April.

The project is working to a revised schedule with the Release 1 – go-live of new contract, moved back by a month to the end of November 2009.

The expected final cost for this project has fallen by £1.2m since Quarter 3 as a result of IT changes associated with the planned removal of the Western Extension.

#### Greenwich Waterfront Transit

Spend to end of Q4 (£m)	EFC (£m)
6.2	6.7

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Detailed design submitted for approval	12-08-2008	02-09-2008	Completed
Complete preparation of Orders and Planning Applications	06-10-2008	11-02-2009	Completed

It has been announced that this scheme will no longer be implemented. TfL has written to the London Boroughs of Greenwich and Bexley, withdrawing the planning application and has written to the Secretary of State advising that TfL no longer wish to pursue the Compulsory Purchase Order and Side Road Orders.

The project is now being closed down.

## TLRN Capital Renewal

This is an “annualised programme”, where minor schemes are delivered on a rolling basis. Costs are based on a yearly budget.

Spend to end of Q4 (£m)	2008/9 Budget (£m)
48.2	51.4

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Q1 Target of 14 Capital Renewal schemes to achieve Gate 2 approval	20-06-2008	12-09-2008	Completed
Q2 Target of 60 (cumulative) Capital Renewal schemes to achieve Gate 2 approval	12-09-2008	07-11-2008	Completed
Q3 Target of 144 (cumulative) Capital Renewal schemes to achieve Gate 2 approval	05-12-2008	04-03-2009	Completed
Q4 Target of 200 (cumulative) Capital Renewal schemes to achieve Gate 2 approval	31-03-2009	31-03-2009	Completed

The Transport for London Road Network (TLRN) Capital Renewal Programme involves the reconstruction and resurfacing of carriageways and footpaths to improve their condition and safety, and the renewal, upgrading and improvements to bridges, tunnels, lighting and other equipment.

The Quarter 3 target of 144 schemes gaining Gate 2 sign off was achieved three months late on 4 March. The pace of delivery had substantially increased by that stage and a total of 254 schemes achieved Gate 2 sign-off by year end, so the Quarter 4 target has been exceeded. This was achieved through a combination of a ramp up in the resources and clearing Gate 2 sign offs overhanging from previous periods.

There has been an underspend of £3m compared with the 2008/09 budget for TLRN Capital Renewal, which as well as the 2008/9 budget deliverables, covers the completion of the 2007/8 programme, preparation for 2009/10 and sums for additional work not recorded in the budget deliverable milestones.

For 2009/10 the budget deliverable milestones are moving to output based measures rather than the process based Gate 2 measures. A more linear delivery profile is expected through the year as work is measured by physical output rather than by Gate 2 sign off. These measures are set out in the table below.

Description	Units	Target
Area of carriageway resurfaced	m <sup>2</sup>	255,000
Area of footways resurfaced	m <sup>2</sup>	60,000
Number of lighting units replaced	No.	1,000
Number of schemes to achieve a reduction in the total number of structures with special measures	No.	32
Removal of Pedestrian Guard Railing	Km	35



### Accident Reduction Road Safety

Spend to end of Q4 (£m)	2008/9 Budget (£m)
5.4	7.7

Milestones	Current Plan Date	Actual / F'cast Date	RAG
6 cumulative LRSU Gate 2 sign offs at Q2	12-09-2008	02-01-2009	Completed
38 cumulative LRSU Gate 2 sign offs at Q4	31-03-2009	18-05-2009	▲

The Accident Reduction Road Safety Plan involves making changes to the physical road layout of Borough roads at selected locations, road surfaces, signing and other changes as required for each road safety remedial measure.

The Quarter 2 target of six schemes reaching a Gate 2 sign off was achieved in Period 10. By year-end, ninety-five per cent of the thirty-eight Quarter 4 target schemes had achieved Gate 2 sign off. The remaining two are expected to be achieved by 18 May.

There has been an underspend of £2.3m compared with the 2008/09 budget for Accident Reduction Road Safety, which as well as the reported 2008/09 programme, covers completion of the 20087/08 programme, preparation for the 2009/10 programme and additional works deemed necessary throughout the year.

### TLRN Cycling Capacity

Spend to end of Q4 (£m)	2008/9 Budget (£m)
8.4	8.8

Milestones	Current Plan Date	Actual / F'cast Date	RAG
8 cumulative schemes have Gate 2 sign off at Q2	12-09-2008	31-01-2009	Completed
55 cumulative schemes have Gate 2 sign off at Q4	31-03-2009	30-11-2009	▲

The TLRN Cycling Capacity programme delivers new or upgraded assets including cycle advance areas, new crossings, on-highway priority measures, secure parking, access at major junctions, safety improvements, traffic-free areas, green routes through parks and along waterways.

The Quarter 2 target of eight schemes achieving Gate 2 sign off was achieved in Period 11. By year-end, seventy-eight per cent of the target fifty-five Gate 2's had been achieved and four schemes had been stopped at the feasibility stage, including some at the request of Boroughs. The remaining twelve schemes are now expected to pass Gate 2 by the end of November, which is 2 months later than predicted at Quarter 3.

The programme spent £8.4m in 2008/9 which is £0.3m less than forecast at Quarter 3.