

TRANSPORT FOR LONDON

BOARD

SUBJECT: OPERATIONAL AND FINANCIAL PERFORMANCE AND INVESTMENT PROGRAMME REPORTS – FOURTH QUARTER 2010/11

DATE: 29 JUNE 2011

1 PURPOSE AND DECISION REQUIRED

- 1.1 The following performance monitoring reports are attached for the Fourth Quarter of 2010/11 (12 December 2010 – 31 March 2011):
- (a) Appendix 1 - Operational and Financial Performance report; and
 - (b) Appendix 2 - Investment Programme report.
- 1.2 These were considered by the Finance and Policy Committee at its meeting on 25 May 2011.

2 RECOMMENDATION

- 2.1 The Board is asked to NOTE the reports.

3 CONTACT

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Operational and Financial Performance Report

Fourth Quarter, 2010/11

Purpose of Report: For the Managing Director, Finance, to inform the Finance and Policy Committee, the TfL Board and other stakeholders of TfL's financial and operational performance every quarter.

This report covers Quarter Four (12 December 2010 – 31 March 2011), comprising operating periods ten to thirteen.

TfL performance summary

Service: In the full year 2010/11, and in Quarter Four, passenger demand increased to record levels. London Underground (LU) recorded the highest number of passenger journeys in a year, beating the previous record set in 2008/09. This was despite disruption due to industrial action and the on-going, and challenging, Tube upgrade works. There was also record passenger demand in the quarter and the full year on London Buses, the Docklands Light Railway (DLR) and Trams. This was despite challenging operating conditions due to severe winter weather.

Financial performance: In the full year, TfL net service expenditure was £1,318 million lower than budget and £348 million lower than forecast at Quarter Three. Total operating income was higher than budget and forecast, principally due to increasing passenger demand. Operating expenditure, net of third party contributions, was £453 million lower than budget largely due to savings across the business on staff costs and overheads. Net capital expenditure (excluding Crossrail) of £1,838 million, was £207 million below budget largely due to the deferred purchase of rolling stock for the Piccadilly line.

Efficiencies: On a gross basis, savings of £630 million were delivered during 2010/11, £104 million higher than target. This result reflects a continued improvement, with a further £56 million of savings being identified since the Quarter Three forecast.

Staff: At year end, TfL employed 25,277 full time equivalent (FTE) staff. This was 2,426 fewer than budget, due to ongoing efficiencies and recruitment freezes across the organisation. The number of temporary workers, including those with more than 12 months' service, continued to decline steadily.

London Underground

Operational Performance

London Underground Performance	unit	Quarter Four (Operating periods 10-13)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Actual	Vs Target	Status	Vs Last Year
Passenger Journeys	m	327.3	20.8	○	9.4	1,107.3	70.3	○	42.6
Scheduled Service Operated	%	95.6	(0.6)	◐	(1.2)	95.6	(0.7)	◐	(1.0)
Excess Journey Time (Weighted)	mins	6.3	(0.4)	○	0.3	6.5	(0.2)	○	0.1
Overall CSS	score	79	-	○	1	79	-	○	-

○: better than or equal to target; ◐: within 5% of target; ●: 5% or more worse than target
Tables may be subject to rounding

- I.0 In Quarter Four, London Underground passengers made 9.4 million (3.0 per cent) more journeys than last year and 20.8 million (6.8 per cent) more journeys than target. In the full year, as the long term increase in demand resumed, Tube passengers made more journeys compared to target and last year. For the first time in the history of the Underground, more than 1.1 billion passenger journeys were recorded, an increase of 4 per cent compared to the previous year.
- I.1 In Quarter Four, the proportion of journeys made on the Underground by passengers who are not required to pay fares, was 0.20 per cent and, in the full year, 0.25 per cent. These passengers include children and staff. They do not include journeys made using a Freedom Pass, as TfL receives payment from the boroughs for these.
- I.2 In the quarter, London Underground operated a lower percentage of scheduled service compared to target and the same quarter last year. This was largely a consequence of network-wide industrial action on Boxing Day, severe weather conditions in mid-December and issues with the new Transmission Based Train Control (TBTC) system on the Jubilee line. In the full year, the percentage of schedule operated was lower than target. Industrial action caused a shortfall of 1 per cent (estimated at a loss of some 730,000 kilometres), without which the targeted percentage would have been achieved.
- I.3 In Quarter Four, excess journey time on London Underground, although better than target, was slightly higher than last year. This was mainly due to industrial action, although high passenger numbers and issues with rolling stock, track and signals also adversely affected journey time. In the full year, the excess journey time target was beaten, despite disruption due to several days of industrial action. If the effect of this is excluded, the year end result falls to 6.20 minutes, an improvement compared to last year.
- I.4 The London Underground Customer Satisfaction Survey (CSS) results were not available in Quarter Three, so the results are reported here. After exceeding the target for the first two quarters of the year, in Quarter Three the overall score dropped by 1 point to 79, meeting the target. It was a particularly challenging quarter, with a significant number of asset failures and other incidents impacting on performance. The quarter also saw record numbers of passengers using the system despite several days of industrial action. In Quarter Four, the score for London Underground CSS was also 79 points giving an average of 79 for the year, in line with the annual target.
- I.5 During the quarter, 39 passengers sustained accidental major injuries, three fewer than in the same quarter last year. At the year end, the moving annual average of major injuries per million hours on

London Underground infrastructure was slightly worse than the targeted reduction. There were more accidental injuries compared to last year, although passenger numbers were also higher. There were no accidental fatalities in the year.

- 1.6 Data for Crime on the London Underground and DLR network is not yet available. This will be provided in the report to the TfL Board.
- 1.7 At year end, FTE staff numbers in London Underground were 10.5 per cent lower than budget, representing 2,076 fewer staff than budget and 449 fewer staff than forecast at Quarter Three. Over the full year, total staff numbers reduced by 780 reflecting changes in customer requirements for ticket offices and rationalisation of operational management structures.

Financial Performance

London Underground £m	Full Year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating Income	(1,910)	(1,792)	(118)	○	(1,891)	(19)	○
Operating Expenditure (net of third party contributions)	1,774	2,130	(356)	○	1,835	(60)	○
Net Operating	(136)	338	(473)	○	(56)	(80)	○
Net Capital Expenditure	1,237	1,261	(24)	○	1,219	18	●
Net Service Expenditure	1,102	1,599	(497)	○	1,163	(61)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ● Overspend/Lower income by more than 5% = ●

Tables may be subject to rounding

- 1.8 Operating income was higher than budget in the full year. This was mainly due to higher fares income, driven by higher than budgeted passenger numbers and the fares increase in January 2011 being based on a higher RPI base than expected in the budget. It also reflects higher income from property rental and advertising.
- 1.9 Operating income in the full year was slightly higher than forecast at quarter three, again driven by fares income. It also included a favourable retrospective Travelcard apportionment adjustment and redistribution of revenue from the Train Operating Companies, for carrying mainline passengers during the severe winter weather. The full year forecast for operating income included the January 2011 fares increase which averaged at 6.8 per cent.
- 1.10 Operating expenditure, net of third party contributions, in the full year was £356 million lower than budget. TfL's acquisition of Tube Lines was a major factor, giving rise to release of provisions of £113 million for Tube Lines claims and environmental risks, and write-back of £32 million remaining benefit from the 2004/05 Tube Lines refinancing. Expenditure on Central Services was £74 million lower than budget, largely due to savings on staff costs and overheads. Further lower expenditure included staff cost savings in Operations, more efficient line maintenance regimes and changes to revenue elements of the Investment Programme for station refurbishments, track and infrastructure projects.
- 1.11 Full-year operating expenditure, net of third party contributions, was £60 million lower than forecast at Quarter Three. This was mainly due to the revision of Infrastructure Service Charge (ISC) payments to be in line with the Tube Lines programme and further savings on staff costs and overheads across the business.

- I.12 Capital expenditure in the full year was slightly lower than budget. Underspends included re-profiling of expenditure on new trains for the Sub-Surface Rail (SSR) upgrade following a supplementary agreement with the supplier (Bombardier), changes in phasing of the track project delivery plan and reduced expenditure on station works. These were partly offset by lower third party income due to changes in the delivery programmes of Thameslink, Crossrail, Stratford and congestion relief at Heathrow Terminals 1-3 and higher capital expenditure on property acquisition for the congestion relief works at Bond Street and property purchases brought forward for the upgrade of Victoria Station.
- I.13 Capital expenditure in the full year was higher than forecast at Quarter Three. There was a small increase on the SSR Upgrade as expenditure was brought forward resulting in a saving in the estimated final cost. Otherwise, release of the remaining provision for overprogramming more than offset lower expenditure on the Track programme due to delays and savings and delays to telecoms, information management and major power works.

Tube Lines

Financial Performance

Tube Lines £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating Income	(46)	(43)	(3)	○	(44)	(2)	○
Operating Expenditure	287	316	(29)	○	297	(10)	○
Net Operating	241	272	(31)	○	253	(12)	○
Net Capital Expenditure	174	252	(79)	○	201	(27)	○
Net Service Expenditure	415	524	(110)	○	454	(39)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

- I.14 Full-year net operating expenditure was lower than budget and forecast. This was mainly due to the delayed start of the Jubilee fleet overhaul (late delivery of six trains, now expected in 2011/12) and slippage of the station services programme in relation to station asset renewal work. There were also savings in maintenance management and administration.
- I.15 Capital expenditure in the full year was lower than budget and forecast. This was driven by slippage in the Jubilee and Northern Line Upgrades and, in the Piccadilly Line Upgrade, project re-scoping and rephasing to future years.
- I.16 Tube Lines is not yet fully integrated with TfL reporting processes. Therefore, staff numbers can be monitored and reported, but are not included in the TfL group number. At year end, Tube Lines staff numbers were as follows:
- 2,116 permanent staff members (including secondees), 361 staff fewer than budget and 122 fewer than forecast at Quarter Three.
 - 151 temporary staff, 7 more than budget and in line with the Quarter Three forecast.

Surface Transport

Operational Performance

Surface Transport Performance	unit	Quarter Four (Operating periods 10-13)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Actual	Vs Target	Status	Vs Last Year
London Buses									
Passenger Journeys	m	672.1	31.4	○	23.6	2,289.0	106.0	○	24.1
Scheduled Service Operated	%	97.4	(0.2)	●	0.2	97.4	-	○	0.3
Excess Wait Time, High Freq Routes	mins	1.0	(0.1)	○	(0.1)	1.0	(0.1)	○	(0.1)
Overall Customer Satisfaction	score	80	1	○	(1)	80	1	○	1
Performance - Other Areas									
Cycle usage on TLRN (Index Mar 2000 = 100)	index	213.1	14.7	○	41.9	250.1	10.1	○	32.6
River Journeys	'000	764.8	54.8	○	15.3	4,142.2	142.2	○	(27.0)
Dial-a-Ride trips	'000	398.3	(3.1)	●	31.8	1,345.2	(4.8)	●	90.5
Dial-a-Ride Overall Customer Satisfaction	score	90	(3)	●	(2)	91	(2)	●	(1)

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target
Tables may be subject to rounding

- 2.0 Bus passengers made more journeys than target in Quarter Four and 106.0 million more journeys than target over the full year. This reflects the impact of improved economic conditions compared to those expected at the time the target was set.
- 2.1 Passengers who are not required to pay fares made 20.1 per cent of journeys on London Buses in the quarter. These include journeys made by children, staff and police, but they do not include journeys by Freedom Pass holders, as TfL receives payment from the London boroughs for these.
- 2.2 In Quarter Four, London Buses operated 0.2 percentage points fewer scheduled services than target, mainly due to the disruption caused by the severe winter weather in December. However, in the full year, the target was achieved despite the severe weather, disruption by several major demonstrations and the series of Tube strikes. London Buses continues to work with the Bus Operators to improve control of services during periods of disruption due to roadworks, introducing more resilient schedules where necessary.
- 2.3 Bus excess wait time (EWT) in the quarter, and in the full year, was better than target and a year ago. Reliability has been maintained through the use of Quality Incentive Contracts (QICs), combined with various initiatives to improve control of routes, including traffic signal re-timing and the full roll-out of iBus.
- 2.4 The London Buses Customer Satisfaction Survey (CSS) results were confirmed for Quarter Three as 78 points. This reflected the seasonal trend, as bus services are impacted by poor operating conditions. It may also reflect that this was the first time the survey was conducted by a new supplier. However, the score for Quarter Four indicates a significant improvement of 2 points, with scores increasing across all categories. In the full year, customer satisfaction with London Buses was 80 points, one point higher than target and last year.
- 2.5 In the full year, there were 10.5 crimes per million passenger journeys compared to the full year target of 10.2 crimes. However, although the crime reduction target was not achieved, compared to last year there has been a reduction of 4.1 per cent, representing 1,027 fewer bus-related offences. This reflects a greater improvement than the reduction in crime London-wide of only 0.8 per cent.

- 2.6 Cycling on the TLRN (TfL Road Network) is measured by the average index of cycle flow. In Quarter Four, cycling increased significantly, compared to target and last year. The increased popularity of cycling in the quarter was attributed to the improved cycle infrastructure and exceptionally good weather. This was also reflected in the full year, for which the annual index for cycle flow on the TLRN was 250.1 index points. This was 10.0 index points higher than target and reflects year-on-year growth of 15.0 per cent.
- 2.7 Between July 2010 and April 2011, 117,095 members joined the Barclays Cycle Hire scheme. More than 3.65 million journeys have been made by scheme members and casual users, with casual users making 20 per cent of weekday journeys and 50 per cent of journeys at weekends.
- 2.8 901 people were killed and seriously injured on London's roads in September to December 2010, a reduction of 20.1 per cent compared to last year and 13.5 per cent better than the target. In 2010, compared to the reduction target, 8.8 per cent fewer people were killed or seriously injured on London's roads.
- 2.9 In the quarter, river passengers made more journeys compared to both target and last year. Although passenger numbers fell sharply during the severe winter weather in December, exceptionally warm weather encouraged high patronage later in the quarter. In the full year, passenger demand for river services was higher than target, but marginally lower than last year.
- 2.10 In the quarter, there were approximately 3,000 fewer Dial-a-Ride (DaR) journeys made compared to target. Trips delivered, in the quarter and in the full year, would have exceeded target but for the snow and icy conditions. In the full year, DaR delivered more than 1,345,000 trips, the highest number since the service was launched in the 1980s and 7.2 per cent more than last year.
- 2.11 In the quarter and in the full year, overall customer satisfaction with DaR was slightly lower than target and last year. In the quarter, the overall score was driven by decreased satisfaction with booking services and punctuality and DaR is investigating other possible causes of below-target performance. However, the scores reflecting drivers' customer service have remained high.
- 2.12 At year end, there were fewer full time equivalent staff (FTE) in Surface Transport compared to budget and last year. This was due to tighter controls exercised on approving recruitment pending planned organisational change programmes and delays in filling posts.

Financial Performance

Surface Transport £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating Income	(1,684)	(1,592)	(92)	○	(1,661)	(23)	○
Operating Expenditure (net of third party contributions)	2,583	2,612	(30)	○	2,595	(13)	○
Net Operating	899	1,021	(122)	○	934	(36)	○
Net Capital Expenditure	249	260	(11)	○	253	(4)	○
Net Service Expenditure	1,148	1,281	(133)	○	1,188	(40)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

- 2.13 Operating income in the full year was higher than budget. This was largely due to higher income of £73 million from bus fares, driven by higher passenger demand, more journeys made by passengers paying full fares and the fares increase in January 2011 being based on a higher RPI base than expected in the budget.
- 2.14 Operating income in the full year was slightly higher than forecast at Quarter Three, driven by higher income from congestion charges and congestion charging enforcement. This was due to fewer than anticipated registrations for Auto-Pay, and image capture developments resulting in more penalty notices and higher recoveries.
- 2.15 Operating expenditure for the full year was £30 million lower than budget and was principally driven by savings in Roads, Traffic, Enforcement and Better Routes and Places and the rescheduling of work into 2011/12. This was partially offset by expenditure, originally budgeted for in 2009/10, on Barclays Cycle Hire. The lower operating expenditure compared to the Quarter Three forecast is mainly due to the rescheduling of work into 2011/12.
- 2.16 Capital expenditure for the full year was £11 million less than budget. This reflects programme changes and slippage on Barclays Cycle Superhighways, Barclays Cycle Hire, Bus infrastructure projects and London Routes and Places small schemes. These were partly offset by additional Congestion Charging systems work and the acceleration of the Blackwall Tunnel (Northbound) refurbishment programme.

London Rail

Operational Performance

London Rail	unit	Quarter Four (Operating periods 10-13)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Actual	Vs Target	Status	Vs Last Year
DLR									
Passenger Journeys	m	23.6	1.4	○	3.8	78.3	3.9	○	8.9
Scheduled Service Operated	%	97.4	(0.6)	◐	0.5	97.5	(0.5)	◐	0.3
On time Performance	%	97.4	1.4	○	1.4	97.4	1.4	○	2.6
Overall Customer Satisfaction	score	81	1	○	n/a	81	1	○	n/a
London Overground									
Passenger Journeys	m	Not available*							
On Time Performance (PPM Moving Annual Average)	%	94.9	1.7	○	1.7	94.9	1.7	○	1.7
Overall Customer Satisfaction	score	83	8	○	n/a	80	5	○	n/a
Trams									
Passenger Journeys	m	8.4	0.6	○	0.7	27.9	1.1	○	1.4
Scheduled Service Operated	%	99.1	1.1	○	0.5	99.2	1.2	○	0.6
Overall Customer Satisfaction	score	84	(2)	◐	(2)	86	-	○	-

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

Tables may be subject to rounding

*Passenger load-weight data is being assessed for future reporting

Docklands Light Railway (DLR)

- 3.0 In the quarter, DLR passengers made more journeys compared to target and last year. In the full year, the DLR carried 5.2 per cent more passengers than target, beating the forecast by 1.2 million passenger journeys and breaking the previous record set last year by nearly 9 million passenger journeys. More passengers are using the DLR due to additional train capacity, improving financial sector employment in the City and Docklands and less engineering work compared to last year.
- 3.1 The percentage of scheduled services operated by DLR was below target, but higher than the same quarter last year. This was due to severe winter weather, signalling and rolling stock issues, overcrowding at Bank and disruption on the Jubilee line at Canary Wharf causing Tube passengers to use DLR. As forecast, the full-year result of 97.5 per cent was 0.5 percentage points below target, but an improvement of 0.3 percentage points compared to last year.
- 3.2 In Quarter Four, and in the full year, 97.4 per cent of DLR services were on time. This was 1.4 percentage points higher than the Quarter Four target and an improvement of 0.5 percentage points compared to last quarter. This was achieved despite operational challenges at Canary Wharf during problems with the Jubilee line. In the full year, there was an improvement of 2.7 percentage points compared to last year.
- 3.3 The provisional score for the DLR Customer Satisfaction Survey in quarter three was confirmed as 80 points. In Quarter Four, the overall DLR customer satisfaction score was 81 points, an increase of 1 point compared with Quarter Three. Particularly encouraging were significant improvements in on-train CSS scores where DLR has recently taken contractual action with the franchisee to drive improvements to train cleanliness.

London Overground (LO)

- 3.4 The LO passenger performance measure (PPM) is the percentage of trains arriving at their destination within five minutes of the time stated in the timetable. In the quarter, and in the full year, the moving annual average remained higher than target. For the full year, London Overground was the joint second highest performing train operator nationally and joint first in London and the South East.
- 3.5 At the start of the quarter, the last of the 3 car North London Railway fleet was converted to 4 car operation.
- 3.6 The new London Overground link, between Dalston Junction and Highbury & Islington, opened, ahead of schedule, on Monday 28 February. This connected the East London Line to the North London Railway.
- 3.7 The eight East London Line core route stations managed by LOROL have been accredited under the DfT secure stations scheme, which means all LOROL managed stations are now accredited.
- 3.8 The provisional results of the London Rail Customer Satisfaction Survey (CSS) were available at the time of the Quarter Three report, so the final results are confirmed here. The Quarter Three score showed a decline to 79, from 81 in the previous quarter.
- 3.9 The results of the London Rail CSS are now available for Quarter Four, with an overall score of 83 points, an increase of 4 points compared with Quarter Three. This score was driven mainly by good operational performance, as well as the positive impact of the extension of the East London Line to Highbury & Islington, the increase to off- peak service frequencies on the Gospel Oak - Barking route, the impact of the new trains on the Gospel Oak - Barking route and station works on the Richmond - Stratford and Watford - Euston routes.
- 3.10 Overall satisfaction with London Overground, as measured by the National Passenger Survey, has increased from 82 (Autumn 2009) to 85 (Autumn 2010) and now stands ahead of the London & South East average of 83.

Trams

- 3.11 In the quarter, and in the full year, tram passengers made more journeys compared to target and last year. This was due to the recovery of passenger demand, now at a record level, following disruption from engineering work and poor economic conditions last year.
- 3.12 In the quarter, and throughout the year, a higher percentage of tram services was operated compared to target and last year. This reflects improved rolling stock performance and was achieved despite the severe winter weather conditions at the start of the quarter and an incident on 22 December that resulted in a collision between two trams in which no one was injured. A full investigation has been conducted.
- 3.13 In the full year, customer satisfaction scores for Trams are the highest of any of the major TfL operating divisions, with Quarter Four CSS at 84 points. While this is a strong performance compared to other operating divisions, it is two points below the previous year and target. Significant movement has been noted on perception of exterior tram cleanliness and condition, the primary driver of which is believed to be the poor performance of the tram wash facility and a rectification package has been proposed by the manufacturers.

London Rail

- 3.14 Compared to budget, there were 14 more (6.7 per cent) London Rail FTE at year end. This was mainly due to the in-sourcing of Trams infrastructure maintenance staff and the retention of staff to assist in the commercial close of the main works contract of the East London Line project.

Financial Performance

London Rail £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating							
Operating Income	(200)	(167)	(33)	○	(185)	(15)	○
Operating Expenditure (net of third party contributions)	303	337	(33)	○	318	(14)	○
Net Operating	103	169	(66)	○	132	(29)	○
Net Capital Expenditure	175	248	(73)	○	166	9	●
Net Service Expenditure	279	417	(139)	○	299	(20)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●

Tables may be subject to rounding

- 3.15 Operating income in the full year was higher than budget and forecast, primarily due to the receipt of compensation for the late delivery of trains. It also reflects fewer engineering works, the recovery of employment in Docklands and higher fares income from increased patronage on the DLR due to capacity enhancements.
- 3.16 Operating expenditure in the full year was £33 million lower than budget, mainly due to delays in the North London Rail (NLR) station upgrade, although progress improved in Quarter Four. It also reflects savings in the London Overground concession.
- 3.17 Operating expenditure, net of third party contributions, was lower than forecast in the full year. This was driven by savings in the DLR concession, infrastructure maintenance and overheads, lower expenditure on rolling stock and NLR station upgrade delays.
- 3.18 Capital expenditure in the full year was £73 million lower than budget. This was largely due to main works' cost revisions and programme changes in ELL phase 2; savings in capacity enhancement work, as well as works moved to next year; Stratford International extension works slipped into next year; and, further underspends on rolling stock, Beckton depot and DLR station works.
- 3.19 Capital expenditure in the full-year was £9 million higher than forecast, mainly relating to higher expenditure on NLRIP, reflecting better progress than expected.

Financial Performance

Crossrail £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Net Capital Expenditure	669	734	(66)	○	682	(14)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ● Overspend/Lower income by more than 5% = ●
 Tables may be subject to rounding

- 4.0 Net capital expenditure in Crossrail in the full year was £66 million lower than budget and £14 million lower than forecast at Quarter Three. These variances reflect lower spend on direct construction costs due to delayed procurement schedules and contract start dates, partly offset by costs incurred in Quarter Four, relating to the revised Canary Wharf Development Agreement, where Crossrail is recognising the full value of work to date, rather than at completion.
- 4.1 With the award of the last remaining tunnelling contracts announced shortly after the end of the quarter (on 7 April), all 21 kilometres of twin bore tunnelling works are now let.

Corporate Directorates

Financial Performance

Corporate Directorates £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating							
Operating Income	(66)	(37)	(30)	○	(66)	(1)	○
Operating Expenditure (net of third party contributions)	298	304	(6)	○	320	(21)	○
Net Operating	231	267	(35)	○	254	(22)	○
Net Capital Expenditure	3	24	(21)	○	10	(7)	○
Net Service Expenditure	234	291	(56)	○	264	(29)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

- 5.0 Operating income in the full year was in line with forecast and higher than budget, mainly due to income received for the surrender of accommodation leases and recovery of project costs.
- 5.1 In the full year, operating expenditure, net of third party contributions, was £6 million lower than budget. This included re-phasing of implementation costs for the accommodation strategy, lower IM and accommodation operating costs, insurance and staff savings, and efficiencies in Planning from bringing work in-house. This was partially offset by re-classification of IM capital expenditure as operating expenditure.
- 5.2 Operating expenditure, net of third party contributions, was £21 million lower than forecast at Quarter Three. This was mainly due IM savings and project delays, savings realised at the closure of the Prestige contract, underspends on the Operating Cost Review (OCR) accommodation strategy and additional accommodation cost recovery agreed with the operating businesses.
- 5.3 Net capital expenditure in the full year was £21 million lower than budget and £7 million lower than forecast. This was mainly due to capital income in the full year, of £12 million higher than budget and £6 million higher than forecast, due to better than expected income from property sales. Capital expenditure in the full year was £10 million below budget, mainly due to due to IM project delays and the re-classification of some IM capital expenditure as operating expenditure.
- 5.4 At year end, there were 70 (3.7 per cent) fewer staff than budgeted for in the Corporate Directorates. Staff numbers were within budget in all areas, except Group Marketing and Communications where permanent staff exceeded budget by 28 FTE and temporary staff exceeded budget by 19 FTE. This was due to the restructure of Group Customer Services and additional contractors working on the Contact Centre Transformation Programme and Journey Planner projects.

Group Items

Group Items £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Interest Income	(9)	(5)	(4)	○	(7)	(2)	○
Debt Servicing	257	270	(13)	○	259	(3)	○
Contingency/Other Group Items	(9)	291	(300)	○	132	(141)	○
Total Group Items	239	556	(317)	○	384	(145)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ● Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

- 6.0 Debt servicing costs in the full year were lower than budget and forecast due to the introduction of the Commercial Paper programme and active deferral of corporate borrowing to the latter part of the financial year.
- 6.1 In the full year, the requirement for contingency, compared to budget, was far lower than anticipated. This was due to the flat-phasing of the contingency budget and the variable nature of expenditure, where the funds are drawn down as required. In addition, the budget for the purchase of Piccadilly line rolling stock (included in other Group Items) was not used because of the decision to rephase the Line Upgrade.
- 6.2 The forecast for contingency at Quarter Three was adjusted to reflect a lower requirement, but again the need for such contingency was far lower than expected.

Savings Programme

Savings £m	Actual 2010/11	Target	Variance	Forecast at Q3	Forecast Variance
Corporate and Group Wide	144	135	9	135	9
London Rail	9	8	1	9	-
London Underground	335	247	88	288	47
Surface Transport	142	136	5	142	-
Gross	630	526	104	574	56
Implementation Costs	(42)	(79)	37	(62)	20
Net	587	447	140	512	77

Highlights

- 7.0 On a gross basis £630 million of savings were delivered during 2010/11, £104 million above target. This result reflects a continued improvement, with a further £56 million of savings being identified since the Quarter Three forecast.
- 7.1 £47 million of the additional savings relate to London Underground and £9 million relate to Corporate and Group-Wide areas. London Underground's additional savings comprise a mixture of one-off savings including a revised approach to engineering closures and thus a reduced need for rail replacement bus services, accelerating savings within Operations and incremental savings around the capital programme. Additional savings of £9 million in Corporate and Group-Wide areas were composed of many small activities.
- 7.2 Implementation costs were £42 million, £37 million below target and £20 million below the Quarter Three. The final net savings position for 2010/11 of £587 million was £140 million better than target. £15 million of the reduced costs related to lower than expected voluntary severance costs for London Underground staff. This reduction was partially due to a more efficient redeployment process that enabled staff displaced to take up other roles previously undertaken by non-permanent labour.
- 7.3 Total cumulative net savings delivered since the programme began are £800million, £216 million (37 per cent) ahead of target. Savings delivered so far make up 10 per cent of TfL's £7.6 billion efficiencies programme and £2.8 billion of savings (some 35 per cent) have been secured by actions completed so far.

Balance sheet

Transport for London Group Balance Sheet at year end £m	Actual	Variance to Budget
Fixed Assets – (higher) / lower than budget	23,697	240
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	965	(201)
Cash – (higher) / lower than budget	2,074	(1,115)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,365)	194
External Borrowings – higher / (lower) than budget	(6,387)	(63)
Deferred Capital Grant – higher / (lower) than budget	(11,407)	(12)
Provisions – higher / (lower) than budget	(2,695)	11
Total Net Assets – (higher) / lower than budget	2,882	(946)

- 8.0 Fixed assets were £240 million lower than budget. This was mainly due to lower capital expenditure, including Crossrail, of £271 million, noted in the activity summary. In addition, depreciation was higher and disposals were lower than assumed in the budget and actual include property revaluations which are not included in the budget.
- 8.1 Stocks, Debtors and Payments in advance were £201 million higher than budget. This was largely due the main payment of the Business Rates Supplement direct contribution of £169 million for Crossrail, originally budgeted to be received before year end, which is not now expected until Quarter One 2011/12. Rail for London (RfL) has a prepayment of £25 million because contractual project payments currently exceed the value of work done. Negotiations continue on the pain-share element of the contract.
- 8.2 Cash was £1,115 million higher than budget. This improvement was largely due to the activity underspend of £1,318 million shown in the activity summary. This saving was partially offset by £109 million reduction in Transport Grant following a revised settlement from the Government, and a £63 million reduction in borrowing compared to budget, with the remainder of the difference due to working capital changes.
- 8.3 Creditors were £194 million higher than budget, primarily in Crossrail and Tube Lines reflecting weighting of expenditure towards year end. In a similar vein, DLR's creditors were £46 million higher than budget due to ongoing works at Stratford International, which were expected to be completed before year end. The balance reflects trading variances in other companies across the group.
- 8.4 External borrowings were £63 million lower than budget. This was due to a reduction in borrowing of £105 million, following deferral of the purchase of Piccadilly Line rolling stock, a £93 million reduction due to borrowings acquired with the Tube Lines acquisition (for Northern Line rolling stock), offset by additional borrowing of £135 million for repayment of Tube Lines C&D notes.
- 8.5 Deferred grant was £12 million lower than budget mainly due to lower receipts from third parties.
- 8.6 Provisions were £11 million higher than budget. This was principally due to higher Crossrail related property provisions in TfL, due to lower than budgeted cash payments.

Forecast

Transport for London Group Balance Sheet at the year end £m	Actual	Variance to Q3 Forecast
Fixed Assets – (higher) / lower than budget	23,697	(41)
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	965	(174)
Cash – (higher) / lower than budget	2,074	(532)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,365)	352
Prudential Borrowings – higher / (lower) than budget	(6,387)	-
Deferred Capital Grant – higher / (lower) than budget	(11,407)	(75)
Provisions – higher / (lower) than budget	(2,695)	234
Total Net Assets – (higher) / lower than budget	2,882	(236)

- 8.7 Fixed assets were £41 million higher than forecast. Capital expenditure activity was £22 million below forecast but, as above, the actual number includes (unbudgeted) year-end property revaluations.
- 8.8 Stocks, Debtors and Payments in advance were £174 million higher than forecast. This was mainly due to the Business Rates Supplement of £169 million for Crossrail. Cash was £532 million higher than forecast. The improvement was mainly driven by the under spend of £348 million in activity, as shown in the activity summary. The remainder was due to improvements in working capital balances, including higher creditors and provisions, offset by higher debtors, due to the Business Rates Supplement Grant being deferred into 2011/12. Creditors were £352 million higher than forecast, as above, primarily in Crossrail, Tube Lines and London Rail reflecting weighting of expenditure towards year end.
- 8.9 Deferred grant was £75 million lower than forecast, of which £5 million was lower third party contributions, with the balance reflecting the non cash effect of the grant accounting process.
- 8.10 Provisions, of £234 million higher than forecast, were due to the Tube Lines pension provision of £83 million, higher claims in London Underground £44 million and higher Crossrail property provisions in TfL due to lower cash settlement.

Appendix one: Operational Summary

2010/11 Key Performance Indicator	Unit	Quarter Four				Full Year			
		Actual	Vs target	Status	LY	Actual	Vs target	Status	LY
Contextual Indicators									
Service Demand									
Passenger Journeys – LU	m	327.3	20.8	○	317.9	1,107.3	70.3	○	1,064.7
Passenger Journeys – Buses	m	672.1	31.4	○	648.5	2,289.0	106.0	○	2,264.9
Passenger Journeys – DLR	m	23.6	1.4	○	19.8	78.3	3.9	○	69.4
Passenger Journeys – Trams	m	8.4	0.6	○	7.8	27.9	1.1	○	26.5
Passenger Journeys – River Services	'000s	764.8	54.8	○	749.5	4,142.2	142.2	○	4,169.2
Total Trips – Dial a Ride	'000s	398.3	(3.1)	●	366.5	1,345.2	(4.8)	●	1,254.7
Supporting Economic Development									
% Scheduled Services Operated – Buses	%	97.4	(0.2)	●	97.2	97.4	-	○	97.1
% Scheduled Services Operated – LU	%	95.6	(0.6)	●	96.8	95.6	(0.7)	●	96.6
% Scheduled Services Operated – DLR	%	97.4	(0.6)	●	97.0	97.5	(0.5)	●	97.2
% Scheduled Services Operated – Trams	%	99.1	1.1	○	98.6	99.2	1.2	○	98.6
Excess Journey Time (Weighted) – LU	Mins	6.3	(0.4)	○	6.0	6.5	(0.2)	○	6.4
Excess Wait Time, High Freq Routes – Buses	Mins	1.0	(0.1)	○	1.1	1.0	(0.1)	○	1.1
On Time Performance – DLR	%	97.4	1.4	○	96.0	97.4	1.4	○	94.8
On Time Performance (PPM MAA) – LO	%	94.9	1.7	○	93.2	94.9	1.7	○	93.2
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	213.1	14.7	○	171.2	250.1	10.1	○	217.5
Quality of Life									
Overall Customer Satisfaction – LU	Score	79	-	○	78	79	-	○	79
Overall Customer Satisfaction – Buses	Score	80	1	○	81	80	1	○	79
Overall Customer Satisfaction – DLR	Score	81	1	○	n/a	81	1	○	n/a
Overall Customer Satisfaction – Trams	Score	84	(2)	●	86	86	-	○	86
Overall Customer Satisfaction – LO	Score	83	8	○	n/a	80	5	○	n/a
National Passenger Survey – LO	Score	85	n/a	○	82	83	n/a	○	79
Overall Customer Satisfaction – Dial-a-Ride	Score	90	(3)	●	92	91	(2)	●	92
Ensuring Safety and Security									
Number of killed or seriously injured people on roads – Londonwide*	#	901	(141)	○	1,128	2,815	(273)	○	3,227
Recorded Crime (per million journeys) – LU/DLR **	#	Not yet available. To be reported to the TfL Board							
Recorded Crime (per million journeys) – Buses **	#	10.7	0.5	●	(0.7)	10.5	0.3	●	11.1

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

Tables may be subject to rounding

LY = Prior Year

* Due to the reporting process and nature of road traffic accident data the latest data available and included in the Q4 section above is for Sept – Dec 2010

**Data for recorded crime is for calendar year 2010.

Appendix two: Financial Summary

Full Year 2010/11

£m	Actual	Budget	Variance	Status	Forecast at Q3	Variance forecast	Status
Fares income - LU, Buses and LR	(3,183)	(3,005)	(178)	○	(3,168)	(16)	○
Other income	(722)	(626)	(96)	○	(679)	(44)	○
Total operating income	(3,906)	(3,631)	(275)	○	(3,847)	(59)	○
Operating expenditure (net of third party contributions)	5,245	5,698	(453)	○	5,364	(119)	○
Operating margin	1,339	2,067	(727)	○	1,518	(178)	○
Interest income and debt payments	248	265	(17)	○	252	(4)	○
Contingency/other group items	(9)	291	(300)	○	132	(141)	○
Total group items	239	556	(317)	○	384	(145)	○
Margin	1,578	2,623	(1,045)	○	1,902	(324)	○
Capital income (including property sales)	(45)	(29)	(17)	○	(38)	(7)	○
Capital expenditure	1,964	2,170	(205)	○	1,973	(8)	○
Third party contributions	(81)	(96)	15	●	(86)	5	●
Net capital expenditure (excl Crossrail)	1,838	2,045	(207)	○	1,849	(11)	○
Net service expenditure (excl Crossrail)	3,416	4,668	(1,252)	○	3,751	(334)	○
Capital expenditure - Crossrail	669	734	(66)	○	682	(14)	○
Net service expenditure (TfL)	4,085	5,402	(1,318)	○	4,433	(348)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ● Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Operating Income

Full Year 2010/11

2009/10 Full Year	Operating Income £m	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
(1,769)	London Underground	(1,910)	(1,792)	(118)	○	(1,891)	(19)	○
-	Tube Lines	(46)	(43)	(2)	○	(44)	(2)	○
(1,549)	Surface Transport	(1,684)	(1,592)	(92)	○	(1,661)	(23)	○
(131)	London Rail	(200)	(167)	(33)	○	(185)	(15)	○
(44)	Group Directorates	(66)	(37)	(29)	○	(66)	(1)	○
(3,494)	Total Operating Income	(3,906)	(3,631)	(275)	○	(3,847)	(59)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Operating Expenditure

Full Year 2010/11

2009/10 Full Year	Operating Expenditure - net of third party £m	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
2,459	London Underground	1,774	2,130	(356)	○	1,835	(60)	○
-	Tube Lines	287	316	(28)	○	297	(10)	○
2,611	Surface Transport	2,583	2,612	(30)	○	2,595	(13)	○
281	London Rail	303	337	(33)	○	318	(14)	○
374	Group Directorates	298	303	(6)	○	320	(22)	○
5,725	Total Operating Expenditure	5,245	5,698	(453)	○	5,364	(119)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Capital Expenditure

Full Year 2010/11

2009/10 Full Year	Net Capital Expenditure £m	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
(1)	London Underground	(5)	-	(5)	○	(4)	(1)	○
-	Tube Lines	-	-	-	○	-	-	○
(5)	Surface Transport	-	-	-	○	-	-	○
(0)	London Rail	-	-	-	○	-	-	○
(102)	Group Directorates	(40)	(29)	(12)	○	(34)	(6)	○
(108)	Capital Income (excl Crossrail)	(45)	(29)	(17)	○	(38)	(7)	○
1,098	London Underground	1,242	1,261	(19)	○	1,223	19	◐
-	Tube Lines	174	252	(79)	○	201	(27)	○
166	Surface Transport	249	260	(11)	○	253	(4)	○
536	London Rail	176	248	(72)	○	167	9	●
114	Group Directorates	43	53	(10)	○	44	(1)	○
1,913	Capital Expenditure – net of third party contributions	1,883	2,074	(191)	○	1,887	(4)	○
1,805	Net Capital (Exc Crossrail)	1,838	2,045	(207)	○	1,849	(11)	○
989	Crossrail	669	734	(66)	○	682	(14)	○
2,795	Net Capital (TfL)	2,507	2,780	(273)	○	2,531	(24)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●
Tables may be subject to rounding

Appendix three: Balance Sheet

Balance Sheet

£m	Actual	Budget	Variance	Forecast at Q3	Variance
Fixed Assets					
Tangible Assets	23,697	23,937	240	23,656	(41)
Current Assets					
Stocks	37	26	(11)	43	6
Debtors	541	501	(40)	493	(48)
Capital Debtors	2	10	8	24	22
Payments in Advance	385	227	(158)	231	(154)
Cash at Bank and in Hand	2,074	959	(1,115)	1,542	(532)
Current Liabilities					
Revenue	(1,366)	(1,171)	195	(1,042)	324
Receipts in Advance	(297)	(306)	(9)	(277)	20
Capital	(398)	(406)	(8)	(400)	(2)
Long Term Liabilities					
Creditors Due after One Year	(1,304)	(1,288)	16	(1,294)	10
External Borrowings	(6,387)	(6,450)	(63)	(6,387)	-
Capital Grants	(11,407)	(11,419)	(12)	(11,482)	(75)
Other Provisions	(469)	(458)	11	(318)	151
Pension Provision	(2,226)	(2,226)	-	(2,143)	83
Total Net Assets	2,882	1,936	(946)	2,646	(236)
Capital and Reserves					
Earmarked Reserves	1,652	727	(925)	1,336	(316)
Pension Reserves	(2,143)	(2,143)	-	(2,143)	-
General Fund	154	154	-	154	-
Other Reserves	3,219	3,198	(21)	3,299	80
Total Capital Employed	2,882	1,936	(946)	2,646	(236)
CRL Sponsor funding account	1,010	782	(228)	811	(199)
Other cash	1,064	177	(887)	731	(333)
Total as above	2,074	959	(1,115)	1,542	(532)

Appendix four: Cash Summary

Cash Summary In / (Out) Flow

Full Year 2010/11

£m	Actual	Budget	Variance	Forecast at Q3	Variance
Margin (from Appendix 2)	(1,578)	(2,623)	(1,045)	(1,902)	(324)
Working Capital Movements	(2,118)	(2,087)	31	(2,284)	(166)
Cash Spend on Operating Activities	(3,696)	(4,710)	(1,014)	(4,186)	(490)
Net Capital Expenditure (from Appendix 2)	(1,838)	(2,046)	(207)	(1,849)	(11)
Crossrail (from Appendix 2)	(669)	(734)	(66)	(682)	(14)
Working Capital Movements	(33)	(33)	-	(53)	(20)
Cash Spend on Capital Activities	(2,540)	(2,813)	(273)	(2,584)	(44)
Funded by:					
Transport and Other Grants	4,520	4,629	109	4,522	2
Precept Funding	12	12	-	12	-
Prudential Borrowing	2,269	2,332	63	2,269	-
Total Funding	6,801	6,973	172	6,803	2
Net Movement in Cash	565	(550)	(1,115)	33	(532)

Appendix five: Fares avoidance and impact on revenue

Finance and Policy Committee, action 49/11/10

Background

In November 2010 (with reference to the Operational and Financial Performance Report – Second Quarter 2010/11) the Finance and Policy Committee requested that future reports include details of the level of fares avoidance and its impact on revenue. Based on the most recent data, this appendix summarises the impact of fares avoidance on revenue and how frequently it is assessed.

The calculation of fare evasion figures is based on a large number of factors including estimates of potential lost revenue based on the types of tickets and journeys undertaken by passengers, the records of revenue enforcement officers, the number of penalty charges issued, patronage figures and levels of detected evasion. The figures reflect the near record ridership figures across all modes, the latest figures on fare evasion and travel patterns.

1. London Underground

Surveys of Passenger Ticket Irregularity are conducted three times a year (February, May and November). The survey is carried out by revenue control staff and is designed to provide a representative sample of all lines, locations and times.

The last survey was conducted in February 2011 and this data is currently being analysed. In November 2010, the survey was conducted on the tickets of approximately 46,000 passengers, with 2.34 per cent indicating some ticket irregularity (on a weighted basis). This was 0.16 per cent lower than in May 2010. The net revenue loss from ticket irregularity was calculated at 0.94 per cent (after subtracting fares collected, penalty fares receipts and Oyster revenue collected by the gates). The average percentage of revenue loss, between May 2010 and February 2011, was 1.10 per cent.

2. Bus Network

Bus Fare Evasion surveys are conducted four times a year (February, May, August and November). The results for February 2011 show that, on a 12-month rolling average basis, the overall Bus Network fare evasion rate was 1.8 per cent which equalled the lowest overall fare evasion on buses in four years. Revenue protection activities are currently focussed on driver-operated routes (as opposed to routes with articulated buses), given the greater proportion of revenue attributed to this part of the bus network.

3. London Overground

A ticketless travel survey is carried out on a quarterly basis, in March, June, September and November, by a market research company. The latest results are for March 2011, with an overall evasion rate of 4.03 per cent. Calculated using the average result from the last four surveys, the evasion rate for the last 12 months was 4.6 per cent.

4. DLR

Ticketless travel is measured each period using data collected by revenue protection inspectors during station blocks at a representative sample of locations. The most recent data available is for period 13 (7 March 1– 31 March 2011), when ticketless travel was measured as 1.8 per cent of total ridership.

5. Tramlink

Ticketless travel is measured each period using data collected by revenue protection inspectors boarding a sample of services. The most recent data available is for period 13 (7- 31 March 2011) when the number of passengers detected without a ticket was measured as 1.16 per cent, of total ridership.



Investment Programme Report

Fourth Quarter 2010/11

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Transport for London

Investment Programme Report

Fourth Quarter, 2010/11 (12 December 2010 – 31 March 2011)

I. Programme Highlights

The key highlights from the fourth quarter of 2010/11 were:

- Congestion Charging Re-let – AutoPay went live for registered customers
- Jubilee line upgrade – automatic train operation tested successfully
- Victoria station upgrade – utility diversion works completed
- Sub Surface Railway upgrade – S7 test train delivered to London and available for testing
- Bank station upgrade – outline design proposal completed
- Marble Arch station modernisation – delivery into service
- London Overground rolling stock – completion of 24 North London Railway three car units to four car units
- Split Cycle Offset Optimisation Technique (SCOOT) – 634 sites installed to date
- Tube Lines station upgrades – Stratford and Finsbury Park delivered into service

Post quarter events include:

- Track Renewal Programme – Bakerloo, Central and Victoria lines 1,500 metres of track reballast and replacement achieved
- North London Railway Infrastructure Project – project completion

Cover picture:

The first of a fleet of eight hybrid buses came into operation on 18 December 2010. The new buses use the latest hydrogen fuel cell technology, emitting nothing but water vapour. The buses will form the only hydrogen bus fleet in the UK and the largest currently in Europe. These state-of-the-art vehicles were specifically designed for TfL using pioneering technology developed by ISE, Wrightbus and Ballard. All eight buses are expected to be phased into operation in 2011, creating the UK's first zero-emission bus route.

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

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

This main body of this report covers discrete projects with a total cost greater than £50m and programmes spending over £10m per annum. For each project, key milestones are listed with a forecast date compared against the March 2010 baseline. If appropriate, milestones listed as deliverables for the year in the 2010/11 Budget document are included.

Committed schemes and milestones listed in Annex B of the 2010 Spending Review funding settlement letter are included in this report. The Deep Tube Upgrade programme will be included after feasibility works are completed.

The milestones contained in Annex B are identified in the project pages with the note '(Annex B: date)' listed after the description.

Key to RAG status:

Status	Discrete Projects	Annualised Programmes
●	On time or early	100 per cent of target achieved
▲	Between 1 and 89 days late	>75 per cent of target achieved
■	Greater than 90 days late	<75 per cent of target achieved

This report focuses on the delivery of investment projects. For discussion on wider financial performance, see the Quarter 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

Sub-Surface Railway Upgrade

Spend to end Q4 2010/11 £m	EFC £m
1,374.1	4,305.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
ATC supply – confirm approved shortlist	26/06/2010	08/07/2010	Completed
ATC – appoint contractor (Annex B: 2011)	05/02/2011	17/05/2011	■
Enabling Works – Lillie Bridge depot ready for operational use for Working Timetable 10	08/01/2011	12/12/2010	Completed
Neasden Depot – new cleaning shed operational	18/09/2010	18/09/2010	Completed
Aldgate to Barking infrastructure ready for route clearance testing	20/08/2011	20/08/2011	●
S8 enabling works – Baker Street complete (incl. train arrestors)	01/05/2010	31/07/2010	Completed
Trains – S7 test train delivered to London and available for testing	31/03/2011	31/03/2011	Completed
Trains – first S8 train in passenger service (M2)	18/09/2010	31/07/2010	Completed
S Stock migration complete (excl ATC test trains)	31/07/2015	30/06/2015	●

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

Rolling Stock

Six S Stock trains have now been delivered to London from the Old Dalby test track, and a further 5 are accumulating mileage at Old Dalby. Three S Stock trains have consistently been in passenger service since December on the Metropolitan line routes north of Baker Street. A first run to Aldgate in passenger service was carried out on 3 April 2011.

The first S7 test train was delivered to Neasden to be ready for the start of integration testing on the network. S stock accumulated running distance to date is 144,429km.

London Underground

Automatic Train Control

Following an extensive tendering process, the ATC preferred contractor, Bombardier Transportation UK, was nominated in the quarter. The contract to deliver a new signalling system across the Sub Surface Railway is due to be formally awarded on 17 May 2011. The Service Control Centre building is now externally complete and watertight (on schedule).

Infrastructure for Trains

The new ticket office at Hammersmith station was completed in the quarter as part of the station remodelling works. A train driving simulator for the new S Stock trains was delivered to the Hammersmith depot. Enabling works at Great Portland Street and to Baker Street platforms 2 and 3 were completed.

SSR Major Power Works (Signalling)

Spend to end Q4 2010/11 £m	EFC £m
	56.0

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

In Quarter 4, orders were placed for a number of circuits planned for installation while contractors are on site undertaking other activities, minimising disruption. Scoping and development works for future phases of the power works were commenced. Now that the ATC preferred bidder has been announced, work can concentrate on a single design option.

London Underground

SSR Major Power Works (Traction)

Spend to end Q4 2010/11 £m	EFC £m
196.1	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Package 1b (Eastcote civil works) – start of Construction	24/07/2010	29/06/2010	Completed
Package 4 – completion of Edgware Road bulk supply point boundary wall piling	18/09/2010	16/06/2010	Completed
Package 1b (Eastcote transformer rectifier 2) – commission/energise QICC Part 8	16/10/2010	05/08/2011	■
Package 1a (Neasden Depot) – available to supply traction power	23/12/2010	13/05/2011	■
Substation full beneficial use (all S7 sites)	28/02/2013	07/03/2013	●

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

To ensure delivery of capacity against a background of slippage on Package 1a, low-priority works have deliberately been slipped. Packages 1a and 1b are being managed against dates dictated by the S8 train workstream, not against the original milestones that were set on a contractual basis.

Packages 1b, 4 and 6 progressed to plan in the quarter. Package 1a continued to slip, as a result the lead on scheduling and commissioning will be taken over from the contractor by the LU project team. Previous slippage on the Package 2 design phase was not recovered, but a plan to prevent this adversely impacting construction has been implemented. The invitation to tender for Package 3a has been prepared.

London Underground

Victoria Line Upgrade Programme

Spend to end Q4 2010/11	EFC £m
881.5	1,040.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Start trialling the new service control centre (line control) in passenger hours	26/06/2010	23/05/2010	Completed
10 production trains accepted for service	24/07/2010	20/07/2010	Completed
Demonstrate operation of the new service control centre	21/08/2010	20/07/2010	Completed
20 production trains accepted for service	11/12/2010	22/11/2010	Completed
Start to control Victoria line operations from the new service control centre	15/08/2011	15/08/2011	●
Full service operation for 09 Tube stock	23/09/2011	23/09/2011	●
Demonstration of line upgrade capability	26/04/2012	26/04/2012	●
Victoria line upgrade programme completion (Annex B: 2013)	07/04/2013	07/04/2013	●

The Victoria line upgrade includes new rolling stock, signalling, control equipment, depot and track works. The programme remains on target and budget to complete ahead of the contractual completion date of August 2013. Fleet production and system reliability remain the primary focus.

Rolling Stock

A further ten 09 Stock trains were accepted for service on the Victoria line in the quarter. A total of 31 new trains are now in operation. Full service operation for the entire new fleet remains on schedule for September 2011.

Signals and Operations

Overall reliability continued to improve throughout the period. The progress of signalling design and installation works for asset replacement is being closely managed on a daily basis in readiness for the first commissioning this year. 24-hour operational proving from the new Service Control Centre was undertaken in the quarter.

Four more level access platform humps have been installed.

London Underground

Underground General Renewals

Spend to end Q4 2010/11 £m	EFC £m
109.5	283.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Central Line Bogie Mods – 960 frames delivered to fleet	13/07/2010	18/06/2010	Completed
Central Line Bogie Mods – 1,420 frames delivered to fleet (manufacture complete)	05/03/2011	24/02/2011	Completed
Central Line Train Refresh – start on site	23/07/2011	19/05/2011	●
Concept Approval for Tunnel Cleaning Train	12/11/2011	04/10/2011	●

The Central Line Bogie Modifications project was instigated following the Chancery Lane incident, to address the issues identified and comprises the re-design, manufacture and fitting of 1,420 new bogie assemblies to the entire Central line fleet.

Bogie Modifications

The manufacture of the new bogie frames began in January 2009 and the delivery schedule is complete. The Bogie Modification project team is working with the Asset Performance Directorate to resolve an issue with a shortage of a specific component that has delayed the train lift programme.

92 Tube Stock Refresh

Enabling works in the Ruislip cleaning shed were completed on schedule, ready to start the refresh programme. The design has been completed for window replacements, new seating and car body ends. Contracts for windows, seats and car body end panels have been placed with suppliers.

New Tunnel Cleaning Train

The final draft of the Motive Power Unit technical specification has been released for review by the engineering team. The Tunnel Cleaning Unit conceptual design submission has been received and comments returned to the contractor. Enabling works on the Motive Power Units (MPU) have started at Acton works on schedule.

London Underground

Victoria Station Upgrade

Spend to end Q4 2010/11 £m	EFC £m
122.5	656.2

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Main works contract award	28/10/2009	15/04/2010	Completed
Bring into use ticket office	13/09/2010	01/11/2010	Completed
Birse utility works planned completion date	31/03/2011	24/12/2010	Completed
North ticket hall – civils complete (inc removal of traffic management)	15/12/2014	11/12/2014	●
North ticket hall – access to Victoria line and London Fire and Emergency Planning Authority shaft, delivery into service (Annex B: 2016)	23/10/2016	29/07/2016	●
South ticket hall – station operations room complete	06/12/2017	27/06/2016	●
Delivery into service (Annex B: 2018)	01/02/2019	12/02/2018	●

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 and District & Circle lines.

Possession was taken of Elliot House, 5-11 Bressenden Place, 120-124 Victoria Street; asbestos survey works have commenced prior to demolition. A value engineering proposal to replace the North ticket hall paid area link tunnel construction with an open-cut excavation was accepted in the quarter. This avoids a clash of the Kings Scholar Pond Sewer piles with the VSU tunnels resulting in a saving.

Intrusive surveys continue within the station and condition surveys have commenced in third party buildings. Completion of baseline ground/structures monitoring was achieved one month ahead of schedule.

London Underground

Green Park Station Upgrade

Spend to end Q4 2010/11 £m	EFC £m
41.3	48.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Detailed design approved RIBA EF (Phase 3) – below ground	24/07/2010	22/03/2010	Completed
Lifts 5 and 6 installation start	31/03/2011	13/09/2010	Completed
On Site Staff Training Commences	23/06/2011	21/04/2011	●
Green Park delivery into service (as agreed with ODA)	19/12/2011	01/09/2011	●

This project provides step-free access at Green Park station, to provide a key interchange for mobility impaired passengers travelling to 2012 Games events using the Underground. The programme is ahead of the targeted Games delivery date of December 2011.

The project remains ahead of schedule with a forecast completion date of 1 September 2011. Cladding of the street-level canopy has commenced and is progressing to plan. Floor tiling in the Victoria line lower circulation area and ticket hall has been renewed. The new switch rooms have been brought into use during the quarter. Final electrical fit-out works in the ticket hall are ahead of schedule.

London Underground

Paddington Station Upgrade

Spend to end Q4 2010/11 £m	EFC £m
18.8	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
LU approve Crossrail Detailed design for interim and final scheme	13/11/2010	20/10/2010	Completed
LU start on site – station fit out final scheme	28/05/2012	17/04/2012	●
Completion (Annex B: 2014)	25/11/2013	22/03/2013	●

Paddington (Hammersmith & City line) station is one of LU's top priorities for congestion relief because of demand growth associated with local area redevelopment and the Sub-Surface Railway upgrade. The project seeks to deliver congestion relief and step-free access benefits to ensure the continued safe operation of the station.

The outstanding property documents have now been completed by Aviva, and this now finally resolves the issues of LU's right to utilise the new escape stair and service the new station. Piling works on Hammersmith & City line platforms have been completed. Pile capping within the triangle site is 50 per cent complete. Structural steel has been erected on platforms 15 and 16.

London Underground

Tottenham Court Road Station Upgrade

Spend to end Q4 2010/11 £m	EFC £m
172.6	499.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Completion of demolition of Goslett Yard	21/08/2010	04/06/2010	Completed
Commence Oxford Street new entrance civil works	11/12/2010	03/11/2010	Completed
Completion of Goslett Yard Box	30/09/2013	28/06/2013	●
Delivery into service (Annex B: 2016)	09/09/2016	09/09/2016	●

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

From 2 April 2011 for a period of eight months, Northern line services will not stop at Tottenham Court Road to allow essential preparatory and major structural works to be completed at the station.

Excavation works progressed in the Northern line escalator box. Pile probing was completed on the West wall of the New Plaza ticket hall on schedule. 33 out of 44 diaphragm wall panels for the Goslett Yard box have now been cast, and the first phase of the new escalator incline is also complete. The protection slab over the future Crossrail tunnel has been cast on schedule.

London Underground

Bond Street Station Upgrade

Spend to end Q4 2010/11 £m	EFC £m
70.5	314.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Main works contract award	18/09/2010	04/08/2010	Completed
Take Possession of 354-358 Oxford Street	08/01/2011	22/11/2010	Completed
Start of main tunnelling operations (Annex B: 2013)	15/07/2013	02/04/2013	●
Early hand back Jubilee line platforms, Escalators 3 to 8, into public use	02/05/2015	12/10/2014	●
Completion (Annex B: 2017)	28/04/2017	03/03/2017	●

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 2018. The scheme provides:

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

A Considerate Contractor audit report has rated the project worksite "Excellent". Soft strip demolition of 354-358 Oxford Street and 2 Stratford Place continues to plan. Bus diversions have been implemented to allow utility diversion works to commence. The first phase of the installation of the fire protected route within the station has been completed. Removal of the porters lodge was completed and the historic lion monument has been removed to safe storage.

London Underground

Bank Walbrook Square

Spend to end Q4 2010/11 £m	EFC £m
12.2	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Detail design compliance submission	13/11/2010	13/12/2010	Completed
Complete design of box fit out	30/08/2010	11/02/2011	■
Delivery into service (Annex B: 2015)#	10/07/2015	14/10/2015	■

The original Annex B milestone stated 2014 in error, this has now been replaced by a 2015 plan date

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

The original developer, Legal and General, has entered into an agreement with a new developer for the site, Walbrook Square Limited (WSL). The Deed of Variation to cover amendments to the LU station box layout has been agreed in principle. Delays to the project are due to the developer's relocation and reconfiguration of the station box as the design of the above-ground development continues to evolve.

London Underground

Bank Station Upgrade

Spend to end Q4 2010/11 £m	EFC £m
7.5	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
RIBA C Design Accepted / Phase Complete	05/02/2011	02/02/2011	Completed
RIBA D Design Accepted Phase Complete PAM (Target Date 31/08/12)	31/08/2012	09/08/2012	●
Delivery into service (Annex B: 2021)	23/01/2021	20/12/2021	■

The Bank Northern line congestion relief project will relieve current and expected congestion in Bank station. By mitigating increasingly frequent congestion of the Northern line/DLR area, station closures will be reduced.

Work on RIBA Stage D (scheme design) has commenced following a kick-off meeting with the contractor Mott MacDonald. The design programme has been rephased following the completion of RIBA Stage C (outline proposal) in the quarter. A review of the schedule with Mott MacDonald has led to a revision to the schedule. Given the early stage of the design, and the lack of a detailed construction programme it is probable that the likely date for completion will remain fluid, particularly on a date ten years in the future.

A number of positive working group meetings have taken place with the Corporation of London (CoL) aimed at progressing the Transport Works Act submission. CoL will also recommend a £2m Section 106 contribution to the new station control room.

London Underground

Station Condition Renewal

Spend to end Q4 2010/11 £m	EFC £m
578.9	875.5

Planned funding for Finsbury Park, Highbury & Islington, Vauxhall and a general provision for Congestion Relief schemes are now included in this programme.

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Notting Hill Gate station modernisation – practical completion	16/10/2010	15/10/2010	Completed
Notting Hill Gate station modernisation – delivery into service	18/11/2010	18/11/2010	Completed
Marble Arch station modernisation – practical completion	08/01/2011	07/01/2011	Completed
Marble Arch Station modernisation – delivery into service	31/01/2011	31/01/2011	Completed
Former Silverlink Stations Upgrade – Deliver Into Service Last Station (Approved by LU)	23/12/2010	31/03/2011	Completed

The programmes are generally on target. At Notting Hill Gate, works on the station modernisation were completed on 15 October 2010. The station was formally delivered into service on 18 November 2010.

At Stratford, the mezzanine ticket hall opened to passenger service on 20 March 2011. At Highbury & Islington, the project completed platform works ahead of the East London line extension opening on 28 February 2011. The new Stations Operation Room was also completed in the quarter. The last of the Silverlink Stations was delivered into service on 31 March 2011; the delivery was delayed due to subcontractor resource shortages and Network Rail works.

London Underground

Cooling the Tube Programme

Spend to end Q4 2010/11 £m	EFC £m
159.0	264.7

Milestones	Current Plan Date	Actual/Forecast Date	RAG
MTV Tranche 1 and 1A – all sites brought into beneficial use	21/08/2010	23/07/2010	Completed
Victoria line: mid tunnel vents tranche 2 – first site brought into beneficial use	16/10/2010	14/08/2010	Completed
Victoria line: mid tunnel vents tranche 3 – first start on site	11/12/2010	21/10/2010	Completed
Out of service fans, phase 3 and 4 – approved detailed design	19/12/2011	25/07/2011	●
Out of service fans phase 4 – all fans available for beneficial use	04/09/2012	19/09/2012	▲

This is a long term programme to control ambient temperatures on the Underground. Without intervention, temperatures will rise as more energy is dissipated within the tunnels due to increased train service capability delivered by the deep-tube line upgrades. Planned mitigation measures include improved energy efficiency, increased ventilation and selected station-based tunnel cooling systems.

Mid-tunnel vents:

All Tranche 1 sites have now been fully handed over to operations and maintenance teams. All Tranche 2 sites are now in beneficial use and one site has been fully handed over to operations and maintenance. All Tranche 3 sites have been stripped out and construction of upgraded systems is progressing to plan.

Restoration of out-of-service fans:

Phase 3 has been dropped due to the poor business case. The Phase 4 programme is being restructured to ensure that the minor slippage in the quarter is recovered. At Weston Rise and Clapham Substation Shaft, final designs and tendering information are being prepared. Site investigations at Clapham revealed weaknesses in the building structure that have necessitated some re-design resulting in a two week slippage.

London Underground

Crossrail Services and Safeguarding

Spend to end Q4 2010/11 £m	EFC £m
108.8	241.7

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Provided all LU input and support to facilitate MPRG (Major Project Review Group) Review Point 4	05/02/2011	15/12/2010	Completed
Barbican interlocking machine room – deliver into service	22/05/2011	22/01/2011	Completed
Communications Equipment Room – complete at Liverpool Street	21/12/2011	11/05/2011	●

The interlocking machine room at Barbican was delivered into service during the quarter. At Liverpool Street, Platform 3 works to relocate cables for telephone services, advertising screens and Passenger Help Points have all now completed on plan. Utility diversions at the Tottenham Court Road Goslett Yard site were completed.

London Underground

BCV/SSR Stations Lifts and Escalators and Accommodation

Spend to end Q4 2010/11	EFC to 2017/18 £m
1,407.4	2,678.7

Stations	Current Plan Date	Actual/Forecast Date	RAG
King's Cross station modernisation – delivery into service	16/10/2010	16/10/2010	Completed
Aldgate East station modernisation – delivery into service date agreed by LUL	31/03/2010	15/07/2010	Completed
Warren Street station modernisation – delivery into service	13/11/2010	13/11/2010	Completed
BCV Asset Stabilisation (2009-10 workbank) – replacement of obsolete fire control system	24/07/2010	24/07/2010	Completed
King's Cross station modernisation – Gate 6 completion	06/05/2011	05/06/2011	▲
Lifts and Escalators	Current Plan Date	Actual/Forecast Date	RAG
Piccadilly Circus escalators 1 to 11 refurbishment – returned to service (escalator 1)	10/07/2010	01/07/2010	Completed
Bank escalators 1,2,3 refurbishment – approval of practical completion submission (escalator 2)	26/11/2010	22/11/2010	Completed
Victoria escalators 1,2,3 refurbishment – approval of practical completion submission (escalator 1)	06/01/2012	04/11/2011	●

Stations

At Harrow on the Hill, bridge and first floor fit out were delivered on schedule in the quarter. At Bond Street, the low-voltage mains supply from the sub-station was completed. At West Brompton, work to repair the station roof commenced on schedule.

Lifts and escalators

At Bank station, enabling works were completed on schedule for the refurbishment of escalators 9 and 10. At Victoria, carriage and tracking works were completed and the step chain and steps installed as part of the refurbishment of escalator 3.

London Underground

Track Renewal (BCV/SSR)

Spend to end Q4 2010/11	EFC 2010/11 £m
103.6	121.7

SSR Milestones	Current Plan Date	Actual/Forecast Date	RAG
SSL Points and Crossings - three units achieved (year to date, 2009/10 deliverable)	29/05/2010	06/04/2010	Completed
SSL Ballasted Track Replacement and Reballast metres – 6,750 metres achieved (year to date)	18/09/2010	21/08/2010	Completed
Track drainage – 5,950m replaced (year to date)	18/09/2010	21/08/2010	Completed
SSL Ballasted Track Replacement and Reballast – 13,250 metres achieved (year to date)	31/03/2011	10/01/2011	Completed
Track drainage – 8,250m replaced (year to date)	31/03/2011	29/11/2010	Completed
BCV Milestones	Current Plan Date	Actual/Forecast Date	RAG
BCV Ballasted Track Replacement and Reballast metres – 1,500 metres achieved (year to date)	31/03/2011	18/04/2011	▲
BCV Points and Crossings – six units achieved (year to date)	31/03/2011	21/03/2011	Completed
BCV Class 1 (expected trackform life of 40 years) – 2,400m achieved year to date	31/03/2011	30/06/2011	■

Points and Crossing renewals for the year were delivered on target in the quarter such that the Track Programme has delivered all ballasted track renewal and Points and Crossings planned for the year. The year-end milestone for renewals in the deep Tube of 2,400m remains forecast for completion in 2011/12 as works were delayed on the Central line asbestos sites. A safe system of work is now in place and work commenced in the quarter.

London Underground

Civils (BCV/SSR)

Spend to end Q4 2010/11	EFC to 2010/11 £m
20.4	22.6

BCV Milestones	Current Plan Date	Actual/Forecast Date	RAG
C156 EM3, 4, 7, 8 and 9 - Perivale to Greenford C156 – practical completion	26/06/2010	19/02/2010	Completed
C172 CTS1C and CT52 West Acton to Hanger Lane Junction Cutting Stabilisation – Start on Site	21/08/2010	26/07/2010	Completed
SSR Milestones	Current Plan Date	Actual/Forecast Date	RAG
M072 EM2 – Pinner to North Harrow M072 - Practical Completion	16/10/2010	23/07/2010	Completed
EM12 and 13 Rickmansworth to Moor Park – practical completion	11/12/2010	08/09/2010	Completed
M020 EM10, EM11 and EM12 Chalfont and Latimer to Amersham embankment stabilisation – start on site	16/10/2010	17/09/2010	Completed
D164-EM1,2,4,5 East Putney to Southfields D164 practical completion	20/09/2010	20/08/2010	Completed
M020 EM1,2,3 Amersham to Chalfont and Latimer Practical Completion	28/11/2011	25/11/2011	●

Three projects were completed on site in the last quarter (strengthening to roof girders near embankment station, strengthening of embankments and cuttings between East Acton / North Acton and strengthening of embankments and cuttings between Upminster / Upminster Bridge) bringing the total completed in 2010/11 to 13 against the plan of 12.

Tube Lines

Tube Lines Station Upgrades

Spend to end Q4 2010/11 £m	EFC to 2017/18 £m
5.2	18.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Kingsbury – delivery into service	30/10/2010	09/09/2010	Completed
Stratford ODA Platform 3A – delivery into service	16/11/2010	05/09/2010	Completed
Stratford ODA – delivery into service	24/11/2010	28/02/2011	Completed
Finsbury Park – delivery into service	08/02/2011	08/02/2011	Completed
Heathrow T 1, 2 and 3 – delivery into service	30/09/2011	30/09/2011	●

The Stations programme consists of five stations: Kingsbury, Finsbury Park, Stratford, Heathrow Terminals 1, 2 and 3 and Green Park Step Free Access (of which the cost and progress are reported separately by LU). In addition, the Stations programme will deliver the Northern line Signal Equipment Rooms (SERs) that are part of the Northern line upgrade enabling works.

All projects within the Station Upgrade programme are progressing to schedule. In Quarter 4, work at Heathrow Terminals 1, 2 and 3 continued to schedule, the percentage complete increased by 5.1 per cent to 75.7 per cent. At Finsbury Park Station, the percentage completion of works increased by 5.6 per cent to 96.3 per cent, and the delivery into service milestone was achieved.

Works on the Signal Equipment Rooms Programme continued to schedule, the percentage complete increased by 0.3 per cent to 99.8 per cent.

Tube Lines

Tube Lines Lifts and Escalators (L&E)

Spend to end Q4 2010/11 £m	EFC to 2017/18 £m
7.9	193.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
North Greenwich E6 module 3 refurbishment – return to service	21/12/2010	21/12/2010	Completed
West Ham E2: module 3 – return to service	18/01/2011	18/01/2011	Completed
Southwark E5: module 3 – return to service	22/03/2011	22/03/2011	Completed
Bounds Green E3 Refurbishment – Return to Service (BIU)	28/05/2011	03/05/2011	●
Leicester Square E3 Refurbishment – Return To Service (BIU)	28/05/2011	12/05/2011	●
North Greenwich E2 Refurbishment – Return To Service (BIU)	28/05/2011	13/05/2011	●
West Ham E1 Refurbishment – Return To Service (BIU)	25/06/2011	27/05/2011	●
Southwark E6 Refurbishment – Return To Service (BIU)	17/09/2011	17/09/2011	●
Leicester Square E2 Refurbishment – Return To Service (BIU)	15/10/2011	15/10/2011	●
West Ham E3 Refurbishment – Return To Service (BIU)	15/10/2011	15/10/2011	●
Stratford E1 Replacement – Return To Service (BIU)	12/11/2011	12/11/2011	●
Stratford E2 Like For Like Refurbishment – Return To Service (BIU)	07/01/2012	07/01/2012	●
Southwark E4 Refurbishment – Return To Service (BIU)	07/01/2012	07/01/2012	●
Leicester Square E1 Refurbishment – Return To Service (BIU)	03/03/2012	03/03/2012	●
North Greenwich E8 Refurbishment – Return To Service (BIU)	03/03/2012	03/03/2012	●

In Quarter 4, refurbishment works were completed at North Greenwich (escalator 6), West Ham (escalator 2) and Southwark (escalator 5), with all escalators returned to service. Refurbishment works commence at Southwark (escalator 6), Bounds Green (escalator 3), West Ham (escalator 1).

The refurbishment programme for 2011/12 has been identified, key milestones are listed in the table above.

Tube Lines

Tube Lines Track

Spend to end Q4 2010/11 £m	EFC to 2017/18 £m
12.8	329.1

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Spot re-sleepering – Complete 2,770m	31/03/2011	31/03/2011	Completed
Track replacement – Install 8,800m of rail	31/03/2011	31/03/2011	Completed
JNP Track replacement, install 1,500m	17/09/2011	17/09/2011	●
JNP Enhanced Track replacement, install 983m	17/09/2011	17/09/2011	●
JNP Tube reconditioning, complete 850m	10/12/2011	10/12/2011	●

In Quarter 4, the 2010/11 targets for spot re-sleepering (2,770m total) and track replacement (8,800m total) were completed on schedule. Productivity levels were broadly on target for all works in the track programme, with the following totals completed in the quarter:

- 618m of re-rail
- 136m of Tube reconditioning
- 282m of pit block renewal
- 725m of spot re-sleepering
- 205m of depot plain line
- 2,476m of scrap rail removal

Tube Lines

Tube Lines Civils

Spend to end Q4 2010/11 £m	EFC to 2017/18 £m
2.3	114.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Drainage Renewal – Complete 1,200m	31/03/2011	31/03/2011	Completed
Earth Structure Renewal – Complete 350m	31/03/2011	31/03/2011	Completed
JNP Drainage renewal, complete 1,000m	17/09/2011	17/09/2011	●
JNP Drainage renewal, complete 2,400m	31/03/2012	31/03/2012	●
JNP Earth structure renewal, complete 300m	17/09/2011	17/09/2011	●
JNP Earth structure renewal, complete 600m	31/03/2012	31/03/2012	●

In Quarter 4, the 2010/11 targets for drainage renewal (1,200m total) and earth structure renewals (350m total) were achieved. Key milestones for the 2011/12 programme were identified and have been included in the table above. Works to undertake asset condition surveys progressed in the quarter, taking the total to 92 per cent complete.

Tube Lines

Tube Lines Jubilee and Northern Line Upgrade Works

Spend to end Q4 2010/11 £m	EFC to 2017/18 £m
	*

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

(*) Northern line – Due to the change of delivery strategy, scope and functionality all reporting milestones are suspended pending resolution. New milestones will be set upon agreement of a cost estimate and programme.

Milestones	Current Plan Date	Actual/Forecast Date	RAG
NL – Complete negotiations with Thales to enable placing of new Supplemental Agreement or Propose new strategy	30/04/2011	30/04/2011	Completed
JLU – J5 section commissioned and revenue service started	15/04/2010	25/06/2011	■

Northern line

Enabling works continue based on the new target programme while discussion on price, risk and contractual agreement are still ongoing – these works include the Control Centre Communications Project (CCCP), trackside installations and testing at various locations.

A provisional programme of works for the line upgrade has been identified and is currently subject to internal approval.

Post quarter update: although negotiations have concluded, a deal with Thales for the Northern line upgrade has yet to be signed due to ongoing final review by Thales.

Jubilee line

The Transmission Based Train Control (TBTC) system in Automatic Train Operation (ATO) has been in operation since 28 December 2010 in J234 (Stratford to Dollis Hill). Passenger reliability continues to improve with further software upgrades over the next three months to supplement reliability further.

J5 trial operations over weekend 19/20 February 2011 went well, taking limited numbers of trains in/out of Neasden Depot. Journey Time Capability testing over the weekend of 12/13 March (Period 13 activity), during engineering hours seven trains ran between Stratford and West Hampstead. The testing was successful, with no major issues to report.

Engineering Vehicle testing was undertaken on the mainline in the J4 area and across the Bakerloo line interface, communication issues were identified. A revised plan is being worked, but the Battery Locos will not be available in TBTC mode until a resolution of the issue has been identified.

Post quarter update: further trial operations in J5 over Easter went to plan and the reliability trend for the line continues to improve.

London Rail

East London Line Extension

Spend to end Q4 2010/11 £m	EFC £m
988.0	1,012.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
East London Line (Phase I) complete	30/06/2010	23/05/2010	Completed
Contractual completion of works	27/07/2010	27/07/2010	Completed
Croydon crossover operational	31/01/2011	30/01/2011	Completed

The final substantive works on the project, the commissioning by Network Rail of a crossover at South Croydon to allow turnback of trains, was completed on schedule on 30 January 2011. Focus remains on accepting the close out of 'as built' drawings and completion of residual works and defects. The final list of outstanding snagging works is due to be completed on 20 July 2011.

London Rail

East London Line Phase 2

Spend to end Q4 2010/11 £m	EFC £m
8.1	55.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
TfL South London Line Link GRIP 5 design complete	31/05/2010	02/07/2010	Completed
Award GRIP 6 South London Line Link contract	31/10/2010	07/03/2011	Completed
Commence passenger services	14/05/2012	09/12/2012	■

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

During the quarter, tenders for the civil and permanent way contract were received and evaluated. The milestone to award the contract was completed ahead of schedule on 7 March 2011 with an instruction to proceed issued to the successful bidders, Birse Metro.

Procurement was delayed by NR being slow to complete its 'GRIP 4' level design and TfL's decision to wait until we had the design so as to lower the cost and delivery risk. This pushed the potential opening date beyond May 2012 and the next chance to introduce new services on the national rail network is December 2012.

London Rail

London Rail Concession Rolling Stock

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

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Delivery of NLR fleet	30/04/2010	31/08/2010	Completed
Completion of 24 NLR three car units to four car units	31/12/2010	31/01/2011	Completed
Delivery of ELR fleet	30/04/2010	31/03/2010	Completed
First train in service ELR	30/06/2010	27/04/2010	Completed

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 (NLR) and the East London Railway (ELR).

The conversion of all 24 NLR units into four-car configuration was completed at the end of January 2011. Three additional units have been ordered to provide additional capacity; these units will commence construction in August 2011 for a planned delivery in November.

Issues with traction equipment on the new trains being affected by interference from Class 92 trains has now been resolved by upgrading software across the fleet.

London Rail

North London Railway Infrastructure Project

Spend to end Q4 2010/11 £m	EFC £m
244.6	252.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete all lines blockade	01/06/2010	01/06/2010	Completed
Core signalling and infrastructure practical completion	31/01/2011	27/02/2011	Completed
Project completion	31/01/2011	26/04/2011	▲

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.

Stages 3, 4 and 5 of the signalling commissioning works were completed in the quarter, with all core signalling and infrastructure works completed on 27 February 2011. The final works on the project to deliver the Latchmere curve improvement also completed post-quarter in April 2011. The improvement works were additional scope not originally included in the core infrastructure (which completed in February 2011), hence the slightly later than forecast completion date.

London Rail

DLR Three-Car Infrastructure

Spend to end Q4 2010/11 £m	EFC £m
287.0	293.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
North route – three-car service operational	30/06/2010	27/05/2010	Completed
Poplar to Woolwich Arsenal – three-car service operational	30/06/2010	19/04/2010	Completed
East route – practical completion of scissor crossover	21/09/2010	29/05/2010	Completed
East route – construction work complete	28/03/2011	01/12/2010	Completed
East route – service operational for Olympic test	30/05/2011	30/05/2011	●
East route – three-car operational capacity available	31/05/2011	31/05/2011	●

This project delivers the structural works necessary for three-car operation on the Docklands Light Railway (DLR). This includes platform extensions, track realignment and viaduct strengthening. The project includes three-car works on the Bank to Lewisham section, Delta Junction, the Poplar to Stratford Route, Poplar to Woolwich, Tower Gateway, Games station capacity (East route) and West route resilience.

On the East route works, construction and station finishes are now complete at all stations. A signalling software upgrade to allow three-car services to run completed post-quarter, during the Easter weekend. The software upgrade is the final part of enabling three-car operational capacity on the East Route.

A consolidated snagging list for the complete three-car works at time of handover is steadily reducing. The majority of the snagging items are of a minor nature or consist of outstanding paperwork or drawings. Weekly progress meetings are scheduled between the DLR project team and Taylor Woodrow to ensure the timely completion of snagging and that no safety issues arise as a result of snagging works.

London Rail

DLR Stratford International Extension

Spend to end Q4 2010/11 £m	EFC £m
149.8	182.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete conversion of North London line to DLR	20/09/2010	21/06/2011	■
Service operational	20/09/2010	04/07/2011	■

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

The final DLR works associated with Package 8 (Network Rail platforms at Stratford) were completed during the quarter. On Package 6 (conversion of NLL to DLR) works were substantially completed during the quarter, and snagging works have been identified. A request to accelerate the snagging activities has been issued to the contractor.

A system performance demonstration is due to take place on 12 June 2011, with trial operations commencing for two weeks from 21 June 2011.

Surface Transport

Congestion Charging Re-Let

Spend to end Q4 2010/11 £m	EFC £m
74.8	99.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
IBM functionality complete	31/08/2010	06/11/2010	Completed
Release 2 – go live of automated payment account charging	31/12/2010	29/12/2010	Completed
Project close approved	30/06/2011	30/06/2011	●

The Congestion Charging Re-Let project is to deliver new, more effective contracts to operate and manage the Congestion Charging and Low Emission Zone. The Re-Let will also incorporate more flexible and varied charging options.

The Congestion Charging 'Auto Pay' automated payment account charging functionality went live successfully on 29 December 2010, with the service launched to the public on 4 January 2011 as planned. Changes to the Congestion Charge fee and to some discounts and exemptions also came into effect on 4 January 2011. The Auto Pay public information campaign completed March 2011 with over 100,000 accounts having been registered.

The project is continuing to close, handing over operations into business-as-usual activities. The project will be removed from the report in the next quarter.

Surface Transport

TLRN Capital Renewals Programme

The annual budget for the Transport for London Road Network (TLRN) Capital Renewals Programme is based on long-term asset investment modelling and an objective, risk-based assessment of the maintenance required to deliver a safe and serviceable network.

Spend to end Q4 2010/11 £m	2010/11 EFC £m
48.1	45.4

Description of works	Units	2010/11 annual target	2010/11 achieved to date
Area of carriageway resurfaced	m ²	468,000	548,202
Area of footways resurfaced	m ²	58,500	65,538
Number of lighting units replaced	No.	1,080	871

Capital Renewals is an annualised programme of schemes that maintain the physical infrastructure of the TLRN, including carriageways, footways, structures, tunnels, lighting, drainage, green estate and street furniture. The programme consists of maintenance schemes that lengthen the useful life of an asset, either by replacing it with a new one, or by some other intervention such as reconstruction or refurbishment.

Schemes are identified, prioritised and programmed (assigned to an appropriate year) using a risk-based approach. Typically an additional ten percent of schemes are identified to act as reserves. The reserves creates flexibility that caters for unplanned scheme deferrals, caused by factors such as severe winter weather, refusal of permits on congestion grounds and other events.

The budget approved for the Capital Renewals 2010/11 programme by PRG in March 2010 was £47.9m, which part comprised £24m for carriageways, £5.7m for footways and £3.5m for lighting.

Carriageway resurfacing

In financial year 2010/11, TfL resurfaced 548,202m² of carriageway against a target of 468,000m², an over delivery of 17 per cent. The additional resurfacing was delivered within the approved budget. Efficiencies were achieved due to streamlining of the delivery process and improved value engineering of solutions. The decision was taken to use the efficiencies to exceed targets due to the recent decline in State of Good Repair due to the severe winter weather.

Footways resurfacing

In financial year 2010/11, TfL resurfaced 65,538m² of footway against a target of 58,500m², an over delivery of 12 per cent. The additional resurfacing was delivered on budget. Efficiencies were achieved due to streamlining of the delivery process and improved value engineering of solutions. The decision was taken to use the efficiencies to exceed targets due to the recent decline in State of Good Repair due to the severe winter weather.

Surface Transport

Lighting column replacements

In financial year 2010/11, TfL replaced 871 lighting columns against a target of 1,080, an under delivery of 19 per cent against an underspend to budget of eight per cent. The variance is due to unforeseen delays in several large schemes caused by supplier resourcing issues.

Surface Transport

A406 Bounds Green

Spend to end Q4 2010/11 £m	EFC £m
30.9	56.1

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Completion of advance statutory works	19/04/2010	19/04/2010	Completed
Commence main works	31/05/2010	19/04/2010	Completed
Complete protection structure for LUL bridge	31/03/2011	21/03/2011	Completed
Completion of main works	03/05/2012	28/02/2012	●

The section of the A406 between Bounds Green Road and Green Lanes suffers from congestion and has a poor accident record. The project will create a predominantly two-lane dual carriageway with improved traffic flows at junctions, improved pedestrian crossing facilities, a dedicated cycleway, improved bus journey reliability, and improvements to the local street scene.

The main contractor Skanska is making steady progress on carriageway widening and building reinforced concrete works for the retaining walls. The Wilmer Way footbridge opened in the quarter on 28 March 2011. Utility diversion works are expected to be substantially complete by the end of April 2011.

The protection structure for the LU bridge was completed on 21 March 2011, one week ahead of schedule. The completion of main works milestone is now forecast to be achieved in February 2012.

Surface Transport

Blackwall Tunnel Northbound Refurbishment

Spend to end Q4 2010/11 £m	EFC £m
52.5	73.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Mobilisation Period complete	03/05/2010	03/05/2010	Completed
Shaft 2 complete	18/03/2011	16/02/2011	Completed
Construction complete	02/12/2012	31/12/2011	●

This project will bring the Northbound tunnel to European best practice standards. Work includes: shaft alterations, ventilation upgrades, lighting, drainage, signage and public address system works and upgrades to the emergency points and fire detection and fighting systems. The project is being delivered during night time and occasional weekend possessions.

The timeline for the project has been accelerated by a further six months to complete ahead of the London 2012 Games. Spend has been accelerated into 2010/11 but the overall cost is expected to be the same.

Construction has continued well in the tunnel, with the continued installation of the cabling and containment for the permanent lighting. Work is underway on the installation of the permanent fire main, public address system, CCTV, wayfinding signs and radio rebroadcast cabling. The steelwork installation within shafts 1 and 4 has also continued and the installation of the lift in shaft 2 has commenced.

The project completion date has been accelerated to 31 December 2011 due to excellent progress on the construction works.

Surface Transport

Cycle Hire

Spend to end Q4 2010/11 £m	EFC £m
65.1	109.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1: go live #1 – website	Summer 2010	30/07/2010	Completed
Phase 1: on street construction completed	06/07/2010	31/06/2011	■
Phase 1: systems integration end to end testing	28/07/2010	31/12/2010	Completed
Phase 1: go live #2 – on street	Summer 2010	30/07/2010	Completed
Phase 2: expansion sites identified	28/02/2011	28/02/2011	Completed
Phase 2: go live #4 – expansion area on street	02/03/2012	02/03/2012	●
Phase 2: construction complete	05/09/2012	05/09/2012	●

The Barclays Cycle Hire scheme launched successfully on 29 July 2010 to registered members. 54 per cent of registered users have opted for annual membership, which means they get access for 12 pence per day, and as the vast majority of trips are under 30 minutes, this is a low cost as well as convenient alternative for many travellers.

Barclays Cycle Hire will expand to the east of the city in 2012. When complete, the expanded scheme will cover 65km² of the Capital and around 8,000 hire bikes will be available from 14,400 docking points at hundreds of locations across central and eastern London.

Work continues with the contractor Serco to deliver the remainder of the planned 400 docking stations and bring the total number of available hire cycles to circa 6,000. By the end of the quarter, an additional 58 docking stations had been delivered, taking the total to 394. Construction of the remainder of the docking stations is now being forecast to be completed by the end of June 2011.

On Phase 2, locations for all of the additional 4,200 planned docking points were identified in the quarter. Planning applications for new sites will be submitted, commencing in April 2011. Discussions are underway with Serco to ensure that the supply chain for cycles and docking points can support the planned delivery schedules.

Surface Transport

Ten Cycle Superhighways

Spend to end Q4 2010/11 £m	EFC £m
6.7	136.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1 invitation to tender Issued	09/04/2010	09/06/2010	Completed
Phase 1 preliminary design completed	30/09/2010	20/12/2010	Completed
Phase 1 contract award	31/08/2010	31/08/2010	Completed
Phase 1 detailed design completed	28/02/2011	25/02/2011	Completed
Phase 1 complete (two routes total)	31/05/2011	17/06/2011	▲
Phase 2 complete (four routes total)	31/10/2012	31/05/2013	■
Phase 3 complete (six routes total)	31/07/2013	30/09/2013	▲
Phase 4 complete (eight routes total)	30/04/2014	30/04/2014	●
Phase 5 complete (ten routes total)	30/01/2015	30/01/2015	●

The Ten Cycle Superhighways scheme will deliver a further ten radial routes into central London following the pilot project. The ten routes will be delivered in five phases of two routes, annually from June 2011 and the last is expected to be delivered by January 2015.

On Phase 1 (Route 2 – Ilford to Aldgate, Route 8 – Wandsworth to Westminster), works commenced at most junctions along each of the routes. Due to difficulties in gaining permission to access some sections of road, the completion date has slipped two weeks this quarter.

On Phase 2 (Route 5 and Route 12), preliminary design of both routes has now been completed, with detailed design on schedule to complete by the end of 2011. Construction has been rescheduled to commence after the 2012 Games and therefore the completion date for Phase 2 has slightly slipped back.

Outline costs for Phase 3 have been identified, the feasibility has started and design stages will commence in 2011.

Surface Transport

Split Cycle Offset Optimisation Technique (SCOOT)

Spend to end Q4 2010/11 £m	EFC £m
4.8	27.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
634 sites installed	31/03/2011	04/03/2011	Completed
885 sites installed	31/03/2012	31/03/2012	●
1,000 sites installed (Annex B: 2015)	31/03/2013	31/03/2013	●

The SCOOT programme will upgrade traffic signal technology to help meet the Mayoral objective of smoothing traffic flow. The programme has been added to this report to ensure that all milestones listed in Annex B of the Spending Review 2010 settlement letter are monitored on an ongoing basis. Costs shown are for the New SCOOT Investment project, which will deliver 528 sites of a planned 1,000 sites. The remaining sites are funded and delivered by business-as-usual activities across Surface Transport.

Under the New SCOOT Investment project, 113 sites were installed as planned in the 2010/11 financial year, bringing the total to date to 173 sites installed.

Future Ticketing

Spend to end Q4 2010/11 £m	EFC £m
1.5	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1 – initial bus launch to be implemented, payment of the bus single fare by contactless bank card	Early 2012	Early 2012	●
Phase 2a – multi-modal daily travel and daily capping with contactless bank card to be implemented (Annex B: 2012)	31/12/2012	31/12/2012	●
Phase 2b – 7 day capping to be implemented	31/12/2013	31/12/2013	●

The Future Ticketing Programme enables the acceptance as payment for travel of contactless cards issued on an EMV (Eurocard, Mastercard, Visa) platform both by banks and by TfL. To enable cost savings and acceptance of contactless cards, changes to the existing ticketing system and back office processes will be made.

On Phase 1 (the initial bus launch), the contractor Cubic continued to submit design documentation during the quarter; the project team are undertaking a design review process. The Phase 1 project plan has also been reviewed and refined.

For Phase 2 (multi-modal travel with price capping), Cubic and TfL have started work on the Concept of Operations document, detailing the security model and the technical architecture.

Corporate

ITSO

Spend to end Q4 2010/11 £m	EFC £m
39.5	58.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Head office processing system operational	19/06/2012	12/06/2012	●
3G communications software development complete	15/08/2011	9/09/2011	▲
Completion of changes to back-office systems	10/08/2011	5/12/2011	▲
Completion of project	31/12/2012	24/12/2012	●

ITSO (Integrated Transport Smartcard Organisation) is the name of the smartcard specification being mandated by the Department for Transport (DfT) for rail franchises and for the national bus concessionary scheme. Enabling the acceptance of ITSO specified tickets requires changes to TfL's ticketing systems, including a card reader capable of reading both Oyster and ITSO tickets, establishment of a head office processing system, new or upgraded communications links and other system changes. The project is being funded by the DfT under an agreement with TfL dated 28 May 2009.

During the quarter, production tri-card readers were introduced onto the TfL estate on buses, LU gates and LU Passenger Operated Machines. The new card readers allow Oyster, ITSO and EMV cards to be accepted for payment. Performance monitoring is ongoing. Software downloads have continued to buses, implementing software changes to the tri-card readers. Business Rules for acceptance of ITSO products on TfL estate have been agreed and signed-off.