

Board

Date: 24 September 2015

Item: Operational and Financial Performance and Investment Programme Reports – First Quarter, 2015/16

This paper will be considered in public

1 Summary

1.1 This paper informs the Board of TfL's Operational and Financial Performance (OFR) and presents the Investment Programme Report (IPR) for the first quarter of 2015/16 (1 April – 27 June 2015). An executive summary is also provided.

2 Recommendation

2.1 **The Board is asked to note the TfL Operational and Financial Performance and Investment Programme Reports – first quarter, 2015/16.**

List of appendices to this report:

Appendix 1: Executive Summary for TfL's quarterly finance, investment and operational performance reports

Appendix 2: Operational and Financial Performance Report – First Quarter 2015/16

Appendix 3: Investment Programme Report – First Quarter 2015/16

List of Background Papers:

None

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TfL's quarterly finance, investment and operational performance reports

Quarter 1, 2015/16

About Transport for London

We are the integrated transport authority for London. Our purpose is to keep London working and growing and to make life in the Capital better. We reinvest all of our income to run and improve London's transport services.

Our operational responsibilities include London Underground, London Buses, Docklands Light Railway, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line.

On the roads, we regulate taxis and the private hire trade, run the Congestion Charging scheme, manage the city's 580km red route network, operate all of the Capital's 6,200 traffic signals and work to ensure a safe environment for all road users.

We are delivering one of the world's largest programmes of transport capital investment, which is building Crossrail, modernising Tube services and stations, improving the road network and making the roads safer, especially for more vulnerable road users, such as pedestrians and cyclists.

We are a pioneer in integrated ticketing and providing information to help people move around London. Oyster is the world's most popular smartcard, and contactless payment is making travel ever more convenient. Real-time travel information is provided by us directly and through third parties who use the data TfL makes openly and freely available to power apps and other services.

Improving and expanding transport in London is central to driving economic growth, jobs and housing across the country.

Executive Summary

Quarter 1 (Periods 1-3), 1 April 2015 – 27 June 2015

In Quarter 1, TfL continued to perform well. Customer satisfaction is high across most of our services and LU underlying reliability (measured by excess journey time) shows further improvement. Road casualties are also down to their lowest level in any Quarter 1. Passenger numbers continue to grow, with more than 80 million more passengers in Quarter 1 compared to the same quarter last year.

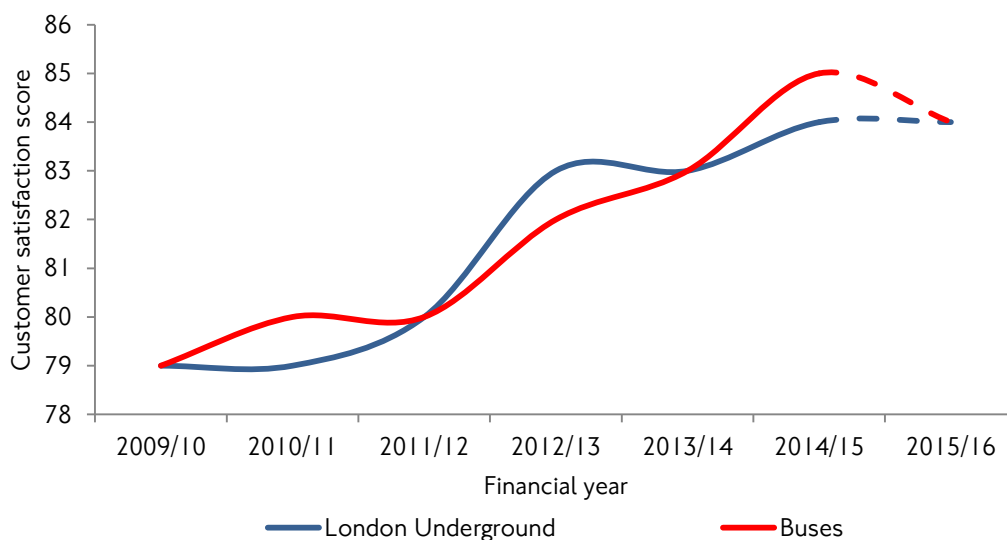
Our finances are broadly in line with Budget, with cash balances £6m higher than expected at the end of the quarter. We have rephased £157m of expenditure to future years – however, we expect to deliver the projects outlined in our latest Business Plan on time. Our multi-billion pound investment programme is financially balanced - with all income allocated to expenditure – and rests on the continuation of levels of government funding currently agreed, as well as us achieving almost £3bn in further savings up to 2020/21. This will ensure we deliver increased rail capacity and frequency, maintain our bus network at current levels and complete Crossrail, all while planning for the long-term with Crossrail 2.

The government is seeking significant savings from ‘non-protected departments’ as part of its 2015 Spending Review. Any material reduction in funding to TfL would result in a cut to vital investment in London’s transport infrastructure.

Customer

- Customer satisfaction has continued to improve for most of our services. Record scores have been maintained in both LU and on buses. The DLR also achieved its highest ever score, with 89 points over the full year, one point better than target.

Chart 1: Customer satisfaction, 2009/10 to 2015/16¹



- These improvements have been achieved while passenger numbers continues to increase across all services with the exception of London Tramlink. Quarter 1 saw 80 million more passengers than the same quarter last year.
- Bus passenger journeys were 2.8 per cent below target in Quarter 1, with fare-paying passenger numbers 4.1 per cent lower than target. The primary cause of this decline in demand is due to the slight deterioration in bus reliability caused by increased traffic levels driven by London’s strong economic

¹ Dashed lines represent the latest full-year forecast for 2015/16

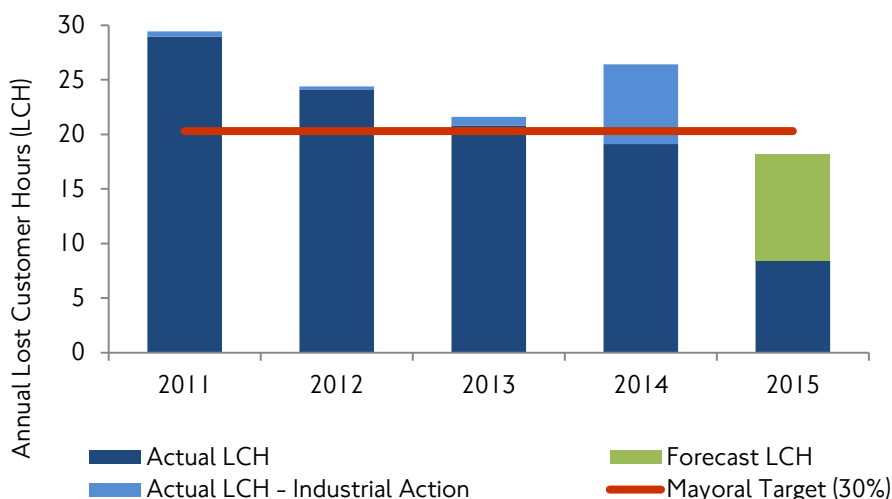
growth (including extensive building and construction projects across London), a rapidly rising population, our Roads Modernisation Programme and by town centre improvements.

- Cycling continues to flourish, with levels at their highest ever recorded for the quarter and five per cent higher than last year.

Reliability

- In Quarter 1, the LU network and seven individual lines recorded the best ever excess journey time score, with Period 2 marked by record-breaking performance, with the quickest journeys and least delay time on record.

Chart 2: LU reliability measured by lost customer hours, 2011-2015



- Underlying LU reliability – measured by lost customer hours and excluding the effects of industrial action - improved by nine per cent last year. Quarter 1, however, was slightly worse than the same quarter last year, largely due to two significant incidents; a derailed train at Holland Park and a five-hour delay on the Jubilee line due to an incorrectly installed conductor rail, causing the train to stall as the power supply was lost; we have since introduced a new process to ensure future prevention when installing conductor rail. We are targeting to improve LU reliability by 30 per cent² this calendar year on top of the 40 per cent improvement in reliability achieved between 2007/08 and 2011/12.
- Both bus excess wait time and TLRN journey time reliability continue to be affected by increased traffic levels driven by London’s strong economic growth (including extensive building and construction projects across London), a rapidly rising population, our Roads Modernisation Programme and by town centre improvements. From Quarter 2 we will introduce a further incentive scheme for bus operators targeting improved performances on routes in Outer London, which have been most severely affected over the past year.

Safety and security

- The number of people killed and seriously injured (KSI) on London’s roads has been reduced further since last year. Indicative KSIs are 39.8 per cent lower than the 2005-2009 KSI average, which is a further 2.3 per cent improvement from the same quarter last year. To achieve our target of an annual 40 per cent reduction by 2020, we have launched a number of new initiatives to reduce KSI levels such as Intelligent Speed Assistance (ISA) to promote speed compliance and improve road safety.

² From the 2011 calendar year baseline

- Crime rates and total number of incidents on the LU, DLR and bus network show further reductions; since 2010/11 the crime rate has fallen by over 31 per cent on the LU and DLR network and by 40 per cent on buses.

Financial update

- At the end of Quarter 1, our cash balances are £4.8bn, with £2.1bn of this ring-fenced solely for the Crossrail project. Our business plan is balanced over the long term, with income – including cash balances – matching planned expenditure³.
- In the year to date we are tracking close to Budget in cash terms, with cash balances £6m higher than expected. Key variances to Budget in the year to date include:
 - Fares income is £7m lower than Budget, largely due to lower than expected fare-paying passenger numbers on buses – partly a result of reduced reliability levels – which has been partly offset by increased passenger demand on the Tube, DLR and LO. We expect this to continue over the full year and now forecast a £55m shortfall against Budget
 - Investment rephasing of £133m, including £43m for the Four Lines Modernisation, £22m on the Northern Line Extension and £5m for New Routemasters
 - Cost increases of £110m, including £55m from the transfer of the Metropolitan Line Extension, which is now being delivered TfL rather than Hertfordshire County Council, £38m for the Northern Line Upgrade programme due to a re-estimate of the scope and minor increases in Surface Transport capital programmes
 - Over the full year grants are expected to be £46m lower than Budget, partly reflecting the reduction in government funding of £31m announced in the Summer Budget.
- Our latest full-year forecast – which was completed at the end of Quarter 1 and updates our Budget financials based on more up to date assumptions – forecasts cash balances to be £31m lower than Budget by the end of 2015/16. This is due to £125m of timing differences offset by £157m of underlying changes, the latter including £93m of net cost increases, with £55m for the Metropolitan Line Extension – which will now be delivered by TfL – and £38m of cost increases for the Northern Line Upgrade.

³ See page 5 overleaf

Cash balances

- Our cash balances have been built up in recent years as we have received funding and undertaken borrowing before we incur costs and complete projects:
 - Government funding is paid in line with the agreed schedule, and is fully allocated to our investment programme, including the deliverables in the DfT Annex B milestones agreed as part of the 2013 Spending Review
 - We also undertake borrowing to fund our investment, within annual limits. This means we borrow before we incur project costs and that our cash balances increase in the short term until projects are fully complete
 - Expenditure has also been rephased on some of our projects – but with no impact on overall project delivery – which has resulted in an increase in our cash balances before spend catches up.
- Cash balances include a prudent minimum level we are unable to use, our minimum cash level. This level changes from year to year, depending on our levels of debt service, and helps us preserve our excellent credit rating whereby we can borrow at the market’s best rates.
- Cash balances are used solely for investment; this year alone we expect to use £1.6bn of these reserves on our investment programme. Over the long-term, our cash balances are committed to a variety of enhancements, including:

£4.1bn cash funding
for investment projects

Crossrail	£2.1bn
New Routemasters	£0.1bn
Better Junctions	£0.1bn
Cycle Superhighways, including North-South, East-West routes	£0.2bn
Northern Line upgrade	£0.4bn
Tottenham Court Road station upgrade	£0.1bn
Victoria station upgrade	£0.2bn
Bank station upgrade	£0.5bn
Victoria and Jubilee line capacity increases	£0.2bn
London Overground capacity	£0.1bn
New growth fund, including Tottenham Hale	£0.1bn

Delivery

Reliability

Rail reliability	Quarter I	Variance to Target
LU: lost customer hours ¹	4.1	-0.2▼
LU: excess journey time ²	4.0	-0.3▼
DLR departures ³	99.0	0.0▶
London Overground PPM ⁴	94.6	0.1▲
TfL Rail	91.2	-0.8▼

Reliability levels remain high for most services. Underlying LU reliability – measured by lost customer hours and excluding the effects of industrial action – improved by nine per cent last year. Quarter I, however, was slightly worse than the same quarter last year, largely due to two significant incidents; a derailed train at Holland Park and a five-hour delay on the Jubilee line due to incorrectly installed conductor rail, causing the train to stall as the power supply was lost; we have since introduced a new process to ensure future prevention when installing conductor rail. We are targeting to improve LU reliability by 30 per cent⁷ this calendar year on top of the 40 per cent improvement in reliability achieved between 2007/08 and 2011/12.

LU excess journey time has shown further improvements in the Quarter, down 0.2 minutes from the same quarter last year. The entire network and seven individual lines recorded the best ever excess journey time score, with Period 2 marked by record-breaking performance, with the quickest journeys and least delay time on record.

TfL Rail started operating Liverpool Street to Shenfield services in May 2015. In the first period of TfL operations we increased reliability levels by 6.5 per cent compared to the previous quarter, although results were worse than target.

Bus and roads reliability	Quarter I	Variance to Target
Buses: excess wait time ⁵	1.1	0.1▲
TLRN reliability ⁶	87.7	0.8▲

Both bus excess wait time and Transport for London Road Network (TLRN) journey time reliability continue to be affected by increased traffic levels driven by London's strong economic growth (including extensive building and construction projects across London), a rapidly rising population, our Roads Modernisation Programme and by town centre improvements. Journey time reliability (JTR) on London's roads was 0.8 index points better than target, but 0.5 points down from the same quarter last year.

¹ Total additional journey time, measured in million hours, experienced by all customers as a result of delays that lasted two minutes or longer

² The average extra time that it took to complete a journey, compared to the time it would have taken if there were no delays, measured in minutes

³ Docklands Light Railway (DLR) departures: the percentage of actual train departures of the base service departures

⁴ The percentage of trains which arrive at their destination on time

⁵ The number of minutes that a passenger has had to wait in excess of the time that they should expect to wait if buses ran as scheduled

⁶ Transport for London Road Network (TLRN) journey time reliability: the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak

⁷ From the 2011 calendar year baseline

Bus excess wait time is up 0.1 minutes on target and the same quarter last year. We are introducing bus priority initiatives to protect service reliability from major roadworks in Central and Inner London, where services have been worst affected. It is expected bus excess wait time will be maintained at 1.1 throughout 2015/16 and 2016/17, returning to 1.0 in 2017/18 following investment in reliability and bus priority schemes.

Safety and security

Recorded crime ¹	Quarter 1	Variance to Target
LU and DLR	7.0	-0.1 ▼
London Overground	5.2	-2.2 ▼
London Buses	7.2	-0.3 ▼

We have reduced the rates and levels of crime across our services over recent years; from 2010/11 to 2014/15 the crime rate fell by over 40 per cent on the bus network and by 31 per cent on the LU and DLR networks. The risk of witnessing or becoming a victim of crime on TfL's public transport networks is at its lowest level since recording began in 2004/05. From this year onwards we will also report on the LO network. The rate of crime on buses, LU/ DLR and LO were all better than target in Quarter 1.

In line with Project Guardian expectations, there has been an increase in the number of sexual offences reported to the police on the bus network and on LU and DLR. Project Guardian was launched in July 2013 to reduce unwanted sexual behaviour on public transport in London, which was historically significantly underreported. Project Guardian aims to increase confidence in reporting of sexual offences, reduce the risk of becoming a victim, challenge unwanted sexual behaviour and target offenders.

Safety	Quarter 1	Variance to target
Cumulative reduction in killed and seriously injured ²	39.8	-3.3 ▼

Provisional data for Quarter 1 of 2015 shows that 502 people were killed or seriously injured (KSI) on London's roads, the lowest level of KSIs on record for Quarter 1. Compared to the 2005-2009 baseline, KSIs have been reduced by 39.8 per cent.

We are forecasting a 40 per cent reduction in KSIs against the baseline over the full year, in line with the Mayor's long-term target. We have introduced a more ambitious and challenging target, to reduce KSIs by 50 per cent by 2020, compared to the 2005/09 baseline.

¹ Recorded crime per million passenger journeys

² The UK standard for measuring reductions in KSI statistics: *Strategic framework for road safety* (May, 2011). Full year refers to the 12 months from December 2014 – November 2015, due to lead times in obtaining KSI data from third parties

Project and milestone progress

Budget milestone completion ¹	Full-year forecast
Completed on time or early	93%
Late by less than 90 days	5%
Late by 90 days or more	2%

As part of TfL's £23bn investment programme, a number of projects were completed and significant milestones met in Quarter 1, including:

- To enable better connectivity with London and Hertfordshire, delivery of the Metropolitan line Extension is being transferred to LU from Hertfordshire County Council
- Work has begun to enhance the customer experience and provide better public areas at the 22 stations now operated by TfL Rail
- The tunnel relining between Baker Street and Bond Street was completed ahead of schedule
- Construction started on the East-West Cycle Superhighway and at Elephant and Castle work began to transform the roundabout and create a better experience and environment for the area

£m	Full year actuals	Full-year variance to Budget	Full-year variance to forecast
Capital expenditure	(832)	67 ▲	(23) ▼
Revenue investment	(55)	4 ▲	29 ▲
Total investment	(887)	71 ▲	7 ▲

Investment expenditure² – including all capital expenditure and £350m of operating costs that are included in investment projects in 2015/16 – is £71m lower than Budget in the year to date. Over the full year, investment expenditure is now forecast to be £7m – just under one per cent – lower than Budget, due to £196m of rephasing partly offset by £125m of cost increases, £37m of overprogramming and £27m of reclassification of operating expenditure to capital expenditure.

¹ Automatic Train Control (ATC) milestones have been excluded from these scores following the cancellation of the ATC contract in December 2013

² A reconciliation between the investment programme financials and the OFR is provided in Appendix B, page 37

Value

Financial summary

£m	Year to date actuals	Variance to Budget	Full-year forecast variance to Budget
Fares income	1,066	(7) ▼	(55) ▼
Other income	151	2 ▲	8 ▲
Operating expenditure	(1,443)	13 ▲	50 ▲
Group Items	(75)	7 ▲	17 ▲
Margin	(301)	15 ▲	20 ▲
Net capital expenditure	(446)	67 ▲	(8) ▼
Crossrail expenditure	(344)	42 ▲	(34) ▼
Net service expenditure	(1,091)	124 ▲	(22) ▼
DfT grants	382	29 ▲	(48) ▼
GLA precept	1	(0) ▼	(0) ▼
Business rates retention	212	(0) ▼	0 ►
Other grants	23	(12) ▼	(4) ▼
Crossrail funding sources	225	3 ▲	6 ▲
Working capital	(214)	(116) ▼	39 ▲
Net borrowing	602	(23) ▼	2 ▲
Cash movements	140	6 ▲	(31) ▼

TfL's fares income is £7m – one per cent – lower than Budget in the year to date. Both LU and LO have seen higher than expected levels of passenger demand. However, fares income on buses has continued the trend from Quarter 4 last year, with 16 million lower than expected fare-paying passenger journeys from the slight deterioration in bus reliability caused by increased traffic levels driven by London's strong economic growth (including extensive building and construction projects across London), a rapidly rising population, our Roads Modernisation Programme and by town centre improvements.

Operating expenditure is £13m – just under one per cent – lower than Budget in the year to date. This is due to rephasing of £20m expenditure and £11m of cost reductions, offset by a £15m release of overprogramming. Rephasing includes, £9m on LU Fit for the Future-Stations programme and £10m in shared services mainly for the relocation of Lillie Bridge Depot and Earl's Court project expenditure.

Group items are £7m under budget in the year to date. This is due to reduced debt service costs from a combination of low market rates and a successful execution of £400m Green Bond and £120m private placement transactions, which were both secured at favourable rates of interest.

Net capital expenditure (excluding Crossrail) is £67m lower than Budget in the year to date. This is due to £108m of rephasing to later this year and future years and £12m of cost reductions, partly offset by £53m of overprogramming. Rephasing includes £43m for Four Lines Modernisation, £22m on the Northern Line Extension, and a combination of other minor movements in Surface transport and Shared Services.

Crossrail is £42m lower than Budget in the year to date. This is due to slower progress on Systemwide design and procurement activities, slower progress at Old Oak Common, net reductions in the provision held for contractual claims and lower than anticipated drawdown of Programme Risk. These costs were partly offset by cost increases including overspend at Tunnel West, poor contractor performance at Whitechapel and new funding agreement for Traction Power.

Our latest forecast was completed at the end of Quarter 1,

which updates the Budget financial forecast based on latest financial assumptions and information. The Quarter 1 full-year cash balance forecast is £31m lower than Budget, with the main differences including:

- A fares income reduction of £55m, mainly from less fare paying passenger journeys than anticipated, lower than previously assumed inflation rates, and a change in fares assumptions for 2016 only, where we now expect a real-terms fares freeze
- Lower operating costs of £50m against Budget, due to rephasing of £38m mainly including various Renewals & Reliability projects, bus priority and cycling programmes
- Rephasing of £60m of Northern Line Extension due to the impact of design changes
- Rephasing of £29m on the Four Lines Modernisation programme driven by prolongation of the ATC programme and alignment of the forecast with the new contractor's programme
- Cost reductions of £39m, including lower bus contracts and changes in fuel inflation assumptions.
- Cost increases of £110m, due to transfer of the Metropolitan Line Extension, which is now being delivered TfL rather than Hertfordshire County Council; and Northern Line Upgrade programme due to a re-estimate of the scope and minor increases in Surface Transport capital programmes.
- The release of £37m of overprogramming provision in London Underground to offset rephasing of capital programmes
- A £45m net reduction in grant, with £55m of funding for the Metropolitan Line Extension offset by a reduction in the DfT grant of £31m in the Summer Budget, and £60m of rephased grant for the Northern Line Extension reflecting the revised expenditure profile above.

Cash balances

£m	Year to date actuals	Year to date variance to Budget	Full-year forecast Variance to Budget
Crossrail SFA	2,093	71 ▲	(84) ▼
Other TfL	2,716	(64) ▼	53 ▲
Closing cash	4,808	6 ▲	(31) ▼

Cash movements

£m	Year to date variance to Budget	Full-year forecast Variance to Budget
Timing differences		
Investment rephasing	133 ▲	157 ▲
Crossrail	42 ▲	(34) ▼
Overprogramming	(68) ▼	(37) ▼
Investment acceleration	(6) ▼	0 ►
Grant changes	21 ▲	(71) ▼
Working capital	(116) ▼	39 ▲
Total timing differences	6 ▲	54 ▲
Underlying differences		
Net cost reductions/ (increases)	20 ▲	(93) ▼
Group items	7 ▲	17 ▲
Fares income	(7) ▼	(55) ▼
Grant changes	0 ►	19 ▲
Other	(20) ▼	25 ▲
Total underlying changes	0 ►	(87) ▼
Total movements	6 ▲	(31) ▼

Cash balances excluding Crossrail are £2.7bn at the end of Quarter 1, £64m lower than Budget. Cash balances including Crossrail now stand at £4.8bn, £6m higher than Budget.

Our cash balances have been built up in recent years as we have received funding and undertaken borrowing before we incur costs and complete projects:

- Government grant is paid in line with the agreed schedule, and is fully allocated to our investment programme, including the deliverables in the DfT Annex B milestones agreed as part of the 2013 Spending Review
- We also undertake borrowing to fund our investment, within annual limits. This means we borrow before we incur project costs and that our cash balances increase in the short term until projects are fully complete
- Expenditure has also slipped on some our projects – but with no impact on overall project delivery – with our cash balances showing a temporary upside before spend catches up.

Our cash reserves are used solely for investment; this year alone we expect to use £1.6bn of these reserves on our investment programme. Over the long-term, our cash balances are committed to the improvements outlined in our latest Business Plan.

Efficiencies

£m	Year to date actuals	Variance to Budget	Full-year forecast variance to Budget
Net efficiencies	(12)	(15) ▼	0 ►

TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to deliver the improvements to transport, while bearing down on fares and managing with lower levels of government funding. We have now secured £13bn of savings to date, and have a further £3bn to secure over the Business Plan period. The savings programme will be achieved by reducing back-office expenditure and identifying innovative ways of working to drive down costs, while protecting front-line services and our long-term investment programme.

At the end of Quarter 1, new secured savings for this year were £15m lower than target. This is largely due to an £8m change in Fit for the Future Stations driven by the rephasing of implementation costs, combined with early delivery in the Commercial directorate of gross savings, which were expected to be delivered in Quarter 1 of this year, but were secured early in 2014/15.

Customer

Passenger journeys

Million	Year to date actuals	Variance to Target
London Underground	319.6	6.2 ▲
London Buses	576	(17) ▼
DLR	28.2	(0.1) ▼
London Overground	39.9	2.8 ▲
Tramlink	6.8	(0.1) ▼
Emirates Air Line	0.4	0.0 ►
TfL Rail	3.6	0.0 ►
London River Services	2.9	0.0 ►

Passenger numbers continue to rise as London's population increases; the Capital's population hit 8.6 million earlier this year, higher than the previous peak in 1939. In Quarter 1 alone we saw an additional 80 million passengers using our services. LU saw over 40 million more journeys in Quarter 1 compared to the same quarter last year. Bus passenger journeys were also up on last year, although levels of fare-paying passengers are down partly due to a slight decline in bus reliability.

Cycling

Cycling levels	Year to date actuals	Variance to Target
Cycling growth per cent	2.6	N/A
Cycling levels on TLRN ¹	380	12 ▲
Cycle Hire	2,670	267 ▲

Cycling continues to flourish, with the levels five per cent higher than ever recorded in any Quarter 1. Cycling levels in Central London showed a 2.6 per cent increase on last year; we are aiming to increase cycling levels by 4 per cent over the full year.

£913m will be spent on cycling schemes up to 2021/22, to boost cycling levels, delivering a step-change in cycling provision to support the growing numbers of cyclists in the capital. Work is now underway on flagship Cycle Superhighway routes, with the beginning of construction on the North-South route and advanced works on site for the East-West route. In addition the Better Junctions programme is on track to deliver ten improved junctions by May 2016, with main works having started at Oval Triangle and consultation for both the Archway Gyrotory and Stockwell Cross complete.

¹ Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

Customer satisfaction and complaints

CSS score	Year to date actual	Variance to Target
London Underground	85	1 ▲
London Buses	85	1 ▲
DLR	89	1 ▲
London Overground	85	3 ▲
Tramlink	90	2 ▲
Emirates Air Line	93	- ►

Customer satisfaction continues to improve across most of our services in Quarter 1. The record score of 85 achieved by LU in Quarter 4 last year has continued into this quarter, and is two points up from the same quarter last year; buses customer satisfaction has been maintained from the same quarter last year, despite a dip in reliability. London Overground (LO) customer satisfaction reached 85 in the quarter, three points up against both the same quarter last year and target.

Complaints per 100,000 journeys	Q1 date Actual	Variance to Quarter 1, 2014/15
London Underground	0.92	-0.19 ▼
Docklands Light Railway	1.15	-1.78 ▼
London Overground ¹	2.90	0.27 ▲
Emirates Air Line	4.89	2.04 ▲
London Buses	2.52	0.10 ▲
Congestion Charge	8.42	1.19 ▲
Cycle Hire	2.58	-3.26 ▼
Dial-a-Ride ²	84.86	-74.51 ▼
Oyster	0.61	-0.31 ▼
Contactless payment cards	0.27	-0.55 ▼

In parallel with high levels of customer satisfaction, customer complaint rates are down across many TfL services, with LU, the DLR, Cycle Hire, Dial-a-Ride and Contactless payment cards all seeing significant reductions.

London Overground saw an increase in complaints rates for the first time since Quarter 1 last year. A key area of complaint is the disruption at London Bridge. Buses also saw a slight increase in complaint rates, which correlates with a slight worsening of bus reliability.

Cycle Hire complaints continue to fall as we see improvements in the redistribution of bikes. Dial-a-Ride customer service satisfaction rating was amongst the highest of our services for Quarter 1. The main source of complaint was booking refusals, accounting for 24 per cent of the total. Dial-a-Ride scheduled 91.5 per cent of booking request in Quarter 1, above its target of 91 per cent.

¹ Includes West Anglia services from 31 May 2015

² Per 100,000 journey requests

People

Headcount

FTE	End of Quarter I	Variance to Budget	Full-year forecast variance to Budget
London Underground	21,652	(24) ▲	(595) ▲
London Rail	314	(13) ▲	(57) ▲
Surface Transport	3,626	63 ▼	(32) ▲
Shared Services	4,210	(113) ▲	(499) ▲
Crossrail	959	166 ▼	0 ►
Total TfL	30,760	79 ▼	(1,182) ▲

TfL (including Crossrail) employed 30,760 FTE at the end of Quarter I, 79 less than Budget. These variances to Budget are due to:

- Staff numbers in LU are 24 below Budget, with individual areas being 145 below, offset by a central vacancy position of 170
- Surface Transport was 63 FTEs below Budget, this was mainly attributable to areas of Traffic Infrastructure, Silverton project and a pending reorganisation in Asset Management
- Shared services was 113 FTEs higher than Budget, largely due to increased demand in Human Resources and central vacancy position of 63 FTEs.
- Crossrail was 166 FTEs below Budget, due to later than expected recruitment of staff across the project.

By the end of 2015/16 we expect to employ 31,072 FTEs, 1,182 more than anticipated when setting the Budget, due to number of reasons, including:

- Additional FTEs in LU largely driven by revised Fit for the Future-Stations modernisation assumptions and additional requirement on capital programme
- Additional FTEs in LR largely due to the transfer in-house of previously outsourced Trams maintenance
- FTE Increases in Surface Transport mainly as a result of the Enforcement & On Street transformation programme
- Additional FTEs across shared services to work on IM projects, including Fit for the Future-Stations, Single Delivery Unit and End User Computing

Operational and Financial Performance Report

Quarter 1, 2015/16

Operational and Financial Performance Report

Quarter 1 (Periods 1-3), 1 April 2015 – 27 June 2015

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Delivery

Reliability

Table 1: Rail and Underground reliability

Performance indicator	Unit	Quarter 1, 2015/16			Full year 2015/16			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2011/12 – 2015/16
▼ lower is better								
London Underground: total lost customer hours	Millions of hours	4.1	-0.2 ▼	-2.94	18.5	-0.3 ▼	-4.2	
London Underground: total lost customer hours (excl. industrial action)	Millions of hours	4.1	-0.2 ▼	0.24	18.5	-0.3 ▼	-0.3	
London Underground: excess journey time	Minutes	4.0	-0.3 ▼	-0.7	4.1	-0.4 ▼	-0.5	
London Underground: excess journey time (excl. industrial action)	Minutes	4.0	-0.3 ▼	-0.2	4.1	-0.4 ▼	-0.4	
▲ higher is better								
DLR: Departures	%	99.0	0.0 ►	-0.3	99.0	0.0 ►	-0.3	
London Overground: public performance measure ¹	%	94.6	0.1 ▲	-1.5	94.5	0.0 ►	-0.7	
TfL Rail	%	91.2	-0.8 ▼	N/A	92.0	0.0 ►	N/A	N/A
Emirates Air Line: availability	%	96.6	1.6 ▲	-1.3	95.0	0.0 ►	-1.3	

Rail and Underground reliability

- 1.0 Underlying reliability – measured by lost customer hours (LCH) and excluding the effects of industrial action – improved by nine per cent last year. We are targeting to reduce lost customer hours by 30 per cent this calendar year, from the 2011 baseline. These reductions in delays are on top of the 40 per cent improvement in reliability achieved between 2007/08 and 2011/12.
- 1.1 LU reliability has continued to improve into Quarter 1. The entire network and seven individual lines recorded the best ever excess journey time score. Period 2 was marked by record-breaking performance, with the quickest journeys and least delay time on record. Performance would have been even better, but for two rare, but significant, delays with the derailment of an engineering train at Holland Park and an incorrectly installed conductor rail, causing the train to stall as the power supply was lost; we have since introduced a new process to ensure future prevention when

¹ Includes services between Liverpool Street and Enfield, Chestnut and Chingford from 31 May 2015

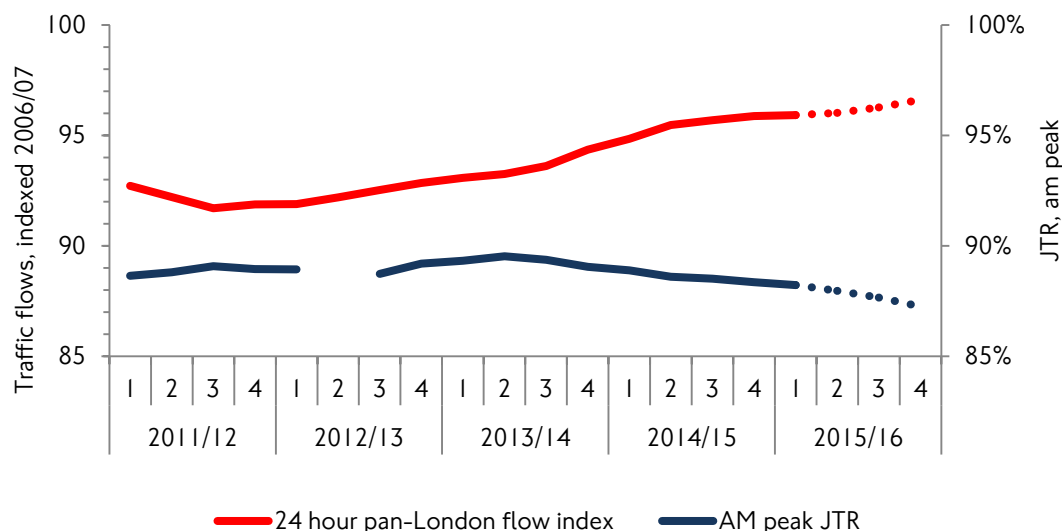
installing conductor rail. These incidents were among the ten largest LCH incidents recorded in the last five years.

- 1.2 Since the end of Quarter 1, there was industrial action across LU on 8-9 July 2015 and 5-6 August 2015. The impact of this will be an additional 6.75 million LCH over the full year. This has not been reflected in our latest forecasts, which were completed before industrial action was undertaken.
- 1.3 LO's operational performance, as measured by the public performance measure (PPM) moving annual average (MAA) was 94.6 per cent in Quarter 1, exceeding the target of 94.5 per cent and exceeding the national average for train operators of 89.6 per cent. LO was in fourth place in the national PPM league at the end of the quarter. The Quarter 1 result includes Abellio Greater Anglia / West Anglia services between Liverpool Street and Enfield Town, Cheshunt and Chingford, which TfL began operating from 31 May 2015. The PPM MAA on our new services was broadly in line with existing LO services at 94.4 per cent.
- 1.4 In Period 3, TfL started operating rail services running from Liverpool Street to Shenfield, the Great Eastern suburban lines, which will form part of Crossrail when the project completes. In the meantime this service will be known as TfL Rail. The PPM for the time that TfL controlled the service was 94.0 per cent, a 6.5 per cent improvement from the previous period and significantly better than the Quarter 1 moving average figure of 91.2 per cent.
- 1.5 DLR departures in Quarter 1 were 99.0 per cent, in line with target. Period 2 marked three full years since the DLR missed its target. The three year unbroken record didn't continue in Period 3 and the DLR narrowly missed its target by 0.3 per cent.
- 1.6 The second highest operational availability on the Emirates Air Line (EAL) was recorded in Period 1. Gusting winds affected performance in Periods 2 and 3; however, performance over the full quarter was 1.6 index points better than target.

Road and bus reliability

- 1.7 Roads and bus reliability continues to be affected by increased traffic levels driven by London's strong economic growth (including extensive building and construction projects across London), a rapidly rising population, our Roads Modernisation Programme and by town centre improvements. Traffic flows increased slightly in Quarter 1 compared to the same quarter last year, with a 0.1 index point increase in the volume of traffic on London's major roads. Delays to traffic, including buses, is expected to start improving from early 2016 as individual schemes start to complete and the benefits of the Road Modernisation plan are realised.
- 1.8 Journey Time Reliability (JTR) on the Transport for London Road Network (TLRN) in the AM peak in all directions in Quarter 1 was 87.7 per cent, 0.5 index points lower than the same quarter in 2014/15, but 0.8 index points better than target. JTR exceeded the target despite the slight increase in serious and severe disruption on the network. Disruption included an electrical fire on Kingsway, a taxi demonstration and the State Opening of Parliament as well as continued poor performance in the East area across all periods.

Chart 1: Traffic flows and journey time reliability, 2011/12 to 2015/16 ¹



1.9 Bus reliability – measured by excess wait time (EWT) - in Quarter 1 was affected by increased traffic flows as the economy grows, with performance both worse than target and last year. We are introducing a number of measures, including bus priority initiatives, to protect service reliability against disruption from major roadworks in Central and Inner London and from the wider deterioration in traffic congestion. From Quarter 2 we will introduce a further incentive scheme for bus operators targeting improved performance at routes in Outer London, which have been most severely affected over the past year.

¹ TLRN journey time reliability was not recorded during the 2012 Games as staff were deployed as TfL Ambassadors across the transport network. The dashed lines refer to our latest forecasts for 2015/16.



Table 2: Road and bus reliability

Performance indicator	Unit	Quarter 1, 2015/16			Full year 2015/16			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2011/12 – 2015/16
▼ lower is better								
London Buses: excess wait time	Minutes	1.1	0.1 ▲	0.1	1.1	0.1 ▲	0.0	
TLRN: serious and severe disruption	Hours	709	- ▶	0	1,500	- ▶	-2,055	
TLRN: unplanned serious and severe disruption per event	Hours per event	1.8	N/A	-0.1	2.0	- ▶	N/A	N/A
▲ higher is better								
TLRN: journey time reliability (AM peak)	%	87.7	0.8 ▲	-0.5	87	0.0 ▶	-1.3	
TLRN: carriageway in state of good repair	%	Annual measure			92	0.0 ▶	N/A	N/A
Dial-a-Ride: trip requests scheduled	%	91.1	0.1 ▲	1.8	91	0.0 ▶	0.8	N/A

- 1.10 In Quarter 1, there was a total of 709 hours of serious and severe disruption resulting from unplanned and planned events spread across 323 separate incidents. This is an overall increase of 59 hours compared to the same quarter last year. This compares to 649 hours spread across 298 incidents in Quarter 1 of the previous year.
- 1.11 Across Quarter 1 there were a number of planned and unplanned incidents that contributed to a large number disruption hours across all three periods. Planned disruption, at 199.75 hours, was up 69 hours compared to the same quarter last year. The increase in planned disruption was due to an increase in Highway Authority works (planned), Planned and Special Events and Utility works (planned). The increase in serious and severe hours was impacted in particular by the large volume of works on the Hammersmith Flyover causing a total of 50.15 hours of serious and severe disruption in Quarter 1. Currently planned figures are in line with the estimated planned works target of 1,500 hours at 200 serious and severe hours.
- 1.12 Unplanned disruption, at 508.94 hours, was down 10 hours compared to the same quarter last year. The main areas of reduction compared to the same quarter last year were: Traffic Incident – Collisions, Hazards, Traffic Volume and Emergency Works (unplanned). The two largest increases were Traffic Incident – Breakdowns and Utility Works (unplanned). The largest event was Thames Water works on St Mildred’s Road at the junction with Verdant Lane 8-10 April, causing 11.80 hours of serious and severe disruption in Quarter 1.
- 1.13 The amount of disruption per event, a measure of our effectiveness in resolving unplanned incidents, was 1.8 hours, a decrease from the 1.9 hours per event in Quarter 1 last year. This figure is lower than the full year target of 2.0 hours per event.

Safety and security


Table 3: Crime

Performance indicator	Unit	Quarter 1, 2015/16			Full year 2015/16			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2011/12 – 2015/16
▼ lower is better								
LU and DLR recorded crime ¹	Million passenger journeys	7.0	-0.1 ▼	0.3	6.8	0.0 ►	0.0 ►	
London Overground recorded crime	Million passenger journeys	5.2	-2.2 ▼	-2.6	7.5	0.0 ►	1.8 ▲	N/A
London Buses: recorded crime	Million passenger journeys	7.2	-0.3 ▼	0.5	7.2	0.0 ►	0.0 ►	

- I.14 We have reduced the rates and levels of crime across our services over recent years; from 2010/11 to 2014/15 the crime rate fell by over 40 per cent on the bus network and by 31 per cent on the LU and DLR networks. The risk of witnessing or becoming a victim of crime on TfL's public transport networks is at its lowest level since recording began in 2004/05. From this year onwards we will also report on the LO network. The rate of crime on buses, LU/ DLR and LO were all better than target in Quarter 1.
- I.15 Both the rate and volume of crime on LO remains at a very low level and is one of safest modes of travel in London. The adverse variance to the 2014/15 full-year result is due to the new services on the West Anglia route, which was factored in to the target when we completed the Budget. TfL and the BTP have put proactive measures in place to deal with the higher levels of crime that have historically been seen on this network, which is reflected in the low crime rate shown in the figures. These efforts to ensure that LO remains a safe, low crime environment will continue through the transfer process of rail routes from Liverpool Street to north-east London to TfL.
- I.16 In line with Project Guardian expectations, there has been an increase in the number of sexual offences reported to the police on the bus network and on LU and DLR. Project Guardian was launched in July 2013 to reduce unwanted sexual behaviour on public transport in London, which was historically significantly underreported. Project Guardian aims to increase confidence in reporting of sexual offences, reduce the risk of becoming a victim, challenge unwanted sexual behaviour and target offenders.
- I.17 During Quarter 1 there was a high profile launch of the 'Report it to stop it' campaign through a social media campaign. The increases in violence against person (VAP) reflects a wider increase in VAP across London. Resources have also been reallocated and additional measures have been put in place to help address the increase in VAP being experienced in some boroughs.

¹ Quarter 1 refers to snapshot crime figures for April – May. The information reported here may be different to other quarterly crime information published by TfL

Table 4: Safety

Performance indicator	Unit	Quarter 1, 2015/16			Full year 2015/16			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2011/12 – 2015/16
▼ <i>lower is better</i>								
London Underground & Rail significant injuries per million hours	Rate	0.28	-0.12 ▼	-0.20	0.40	0.0 ►	-0.08 ▼	N/A
▲ <i>higher is better</i>								
Cumulative reduction in KSI Londonwide ¹	%	39.8	-3.3 ▼	2.3	40.0	0.0 ►	-0.8 ▼	

1.18 Rail & Underground significant injuries per million hours include death (excluding suicide) and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable injuries to all customers, staff and contractors. It is aligned with the revised Office of Rail and Roads (ORR) standard. The downward trend throughout 2014/15 continued into Quarter 1, with the rate of 0.28, a 42 per cent improvement on the same quarter last year.

Road safety

1.19 Provisional data for Quarter 1 of 2015 shows that 502 people were killed or seriously injured (KSI) on London’s roads, the lowest level of KSIs on record for Quarter 1. Compared to the 2005-2009 baseline², KSIs have been reduced by 39.8 per cent. This shows a further 2.3 per cent improvement from the same quarter last year. This fall in the number of KSIs was achieved even with increased levels of cycling in the quarter – up three per cent from the same quarter last year. However, these increases in cycling levels partly explain the variance against target in the Quarter, which is 3.3 index points worse than target.

1.20 We are forecasting a 40 percent reduction in KSIs against the baseline over the full year, 0.5 index points higher than the Mayoral target of a 40 per cent reduction. We have introduced a more ambitious and challenging target, to reduce KSIs by 50 per cent by 2020, compared to the 2005/09 baseline.

1.21 We have launched a number of new initiatives to reduce KSI levels:

- TfL launched a trial of Intelligent Speed Assistance (ISA) on a number of buses in Quarter 1. This trial will allow TfL to understand the effectiveness of ISA in promoting speed compliance and improving road safety.
- To provide enhanced guidance to engineers, TfL has commissioned the development of an Urban Motorcycle Design handbook and training for TfL and London boroughs.
- Using a wide-ranging and innovative set of measures, TfL and the London boroughs of Wandsworth and Southwark are developing the Pedestrian Town Centres Programme in

¹ Cumulative reduction from a baseline of the 2005-2009 average. Quarter 1 refers to January – March 2015; full-year 12 months from January 2015 to December 2015

² The UK standard for measuring reductions in KSI statistics: *Strategic framework for road safety* (May, 2011)

Tooting and Peckham, to make these town centres safer and more appealing as places to walk.

- I.22 To further improve the safety of those walking and cycling in London, road safety marketing campaigns are being run to change the behaviour of all road users through posters at junctions, radio and cinema adverts, video on demand and social media promotion.

Value

The operating budget table below shows financial variances for actuals as of the end of Quarter 1 2015/16 against the Budget, as well as our full-year forecast as of Quarter 1. The table highlights TfL's operating contribution to fund investment, after revenue grants, including DfT General Grant, Business Rates Retention and the Greater London Authority (GLA) precept. The operating contribution is used to help fund investment and is allocated to projects through the annual business planning process.

Table 5: TfL group finances – operating income, expenditure and funding

TfL group (£m)	Year to date			Full year 2015/16		
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget	
Fares income	1,066	1,074	(7) ▼	4,585	(55) ▼	1%
Other operating income	151	148	2 ▲	648	8 ▲	1%
Total income	1,217	1,222	(5) ▼	5,233	(47) ▼	1%
Operating expenditure (net of third-party contributions)	(1,443)	(1,456)	13 ▲	(6,583)	50 ▲	1%
Operating margin	(226)	(234)	8 ▲	(1,350)	3 ▲	0%
Interest income ¹	6	6	0 ►	22	(1) ▼	3%
Debt interest	(89)	(96)	7 ▲	(378)	23 ▲	6%
Contingency and group items	8	8	0 ►	29	(5) ▼	15%
Margin	(301)	(316)	15 ▲	(1,677)	20 ▲	1%
Finance sources						
General grant	152	122	30 ▲	591	(48) ▼	8%
Overground grant	6	7	(1) ▼	29	(0) ▼	0%
GLA precept	1	1	(0) ▼	6	(0) ▼	0%
Business Rates Retention	212	212	(0) ▼	848	0 ►	0%
Other revenue grants	(0)	(0)	(0) ▼	(0)	1 ▲	0%
Total revenue grants	371	342	29 ▲	1,475	(47) ▼	3%
Operating contribution to fund investment ²	70	26	44 ▲	(202)	(27) ▼	16%

¹ Includes interest on the Crossrail Sponsors' Fund Account

² The operating contribution to fund investment is allocated to projects in our annual Business Plan. Any in-year variances to these values are assessed as part of our planning process.

Table 6: TfL group finances – capital expenditure, income and funding

TfL group (£m)	Year to date			Full year 2015/16		
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget	
Capital expenditure	(832)	(899)	67▲	(2,591)	(23)▼	1%
Third-party contributions – capital	10	10	0▶	64	7▲	12%
Sales of property and other assets	376	376	1▲	393	8▲	2%
Net capital expenditure excl. Crossrail	(446)	(513)	67▲	(2,134)	(8)▼	0%
Crossrail capital expenditure	(344)	(386)	42▲	(1,569)	(34)▼	2%
Net capital expenditure incl. Crossrail	(790)	(899)	109▲	(3,703)	(42)▼	1%
Finance sources						
Surplus/ -deficit to fund investment	70	26	44▲	(202)	(27)▼	16%
Investment grant	213	213	(0)▼	925	(0)▼	0%
Crossrail funding sources	225	221	3▲	899	6▲	1%
Other capital grants	23	34	(12)▼	161	(4)▼	3%
Working capital	(214)	(97)	(116)▼	(387)	39▲	9%
Net borrowing and reserve movements	472	501	(28)▼	2,308	29▲	2%
Total	790	899	(109)▼	3,703	42▲	1%

Fares income

2.0 TfL fares income is tracking close to Budget in the year to date, with a variance of £7m, less than one per cent. Both LU and LO have seen higher than expected levels of passenger demand. However, fares income on buses has continued the trend from Quarter 4 last year, with lower than expected fare-paying passenger numbers. We expect this to continue over the full year, resulting in £71m lower bus fares income compared to Budget.

Table 7: Fares income

Fares income (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	604	595	10 ▲	2,564	8 ▲
London Rail	97	94	3 ▲	480	8 ▲
London Buses	365	385	(20) ▼	1,540	(71) ▼
Total fares income	1,066	1,074	(7) ▼	4,585	(55) ▼

2.1 LU fares income was £10m – 1.6 per cent – higher than Budget for the year to date, largely driven by higher than budgeted passenger demand.

2.2 Over the full year fares income in LU is expected to be £8m – 0.3 per cent - higher than Budget. This is mainly driven by higher than budgeted passenger demand of £25m offset by £17m from lower fare increases as a result of lower inflation rates than previously assumed.

2.3 London Rail (LR) fares income was £3m – 3.1 per cent – higher than Budget, due to higher average fare per journey on DLR and increased passenger numbers on LO.

2.4 Over the full year fares income in LR is expected to be £8m – 1.6 per cent – higher than Budget. This is driven by higher than budgeted passenger demand of £10m, offset by £2m from lower fares increases due to lower than previously assumed inflation.

2.5 Bus fares income in the year to date was £20m lower than Budget, which was primarily due to 16 million less fare paying passenger journeys than anticipated. This is mainly as a result of lower travelcard and pay as you go journeys than previously budgeted. The decline in demand is thought to be the deterioration in the reliability of the bus network, through congestion caused by London's population growth and the construction of major highway and urban improvement schemes.

2.6 We are expecting the trends in bus passenger numbers to continue over the full year. Our latest forecast for bus fares income is £71m lower than Budget, with £61m from current passenger journey trends and service factors and a further £10 million from lower than previously assumed inflation rates and changes in fares assumptions. From next year onwards we expect passenger journey growth on the bus network to return, broadly in-line with population growth.

Other operating income

Table 8: Other operating income

Other operating income (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	33	32	1 ▲	138	(3) ▼
London Rail	4	7	(3) ▼	25	(0) ▼
Congestion Charge and LEZ and Road Network Compliance	72	72	(0) ▼	299	(2) ▼
Santander Cycle Hire	4	4	0 ►	17	0 ►
Other Surface Transport	26	24	2 ▲	107	7 ▲
Shared services	12	10	2 ▲	62	4 ▲
Total other income	151	148	2 ▲	648	8 ▲

- 2.7 LU other operating income was £1m higher than Budget for the year to date due to a mix of property rental and advertising income increases. Over the full year we are now forecasting LU other operating income to be £3m - 1.9 per cent - lower than Budget. This is due to reduced property rental income for the year of £8m partially offset by increased advertising income of £5m.
- 2.8 LR other operating income was £3m lower than Budget in the year to date, primarily due to phasing of LO station works contributions. We expect this to unwind by the end of 2015/16, with both station works and associated contributions aligned to Budget.
- 2.9 Road user charging, which includes Congestion Charge (CC), Low Emission Zone (LEZ) and Road Network Compliance (RNC), income in the year to date was in line with Budget. The full-year forecast has been reduced by £2m from the Budget to reflect the current trend in Penalty Charge Notice (PCN) volumes.
- 2.10 Other Surface Transport operating income is £2m higher than Budget in the year to date, largely due to £1.3m from higher than expected Private Hire licensing income. Private hire driver licences have increased by 48 per cent compared to last year, with private hire vehicle licences up by 40 per cent. This trend is expected to continue over the year, with an additional £4m of income added to the forecast at Quarter 1. This income is reinvested to meet the higher cost of licensing and compliance activities associated with growth volumes. Lane rental income has also increased in the year to date; we now expect a further £2m income from this over the full year.
- 2.11 Across shared services, operating income in the year to date was £2m higher than Budget, with £1m from the GLA for various projects and initiatives and £1m from Student Oyster Scheme and increased tourist activity.
- 2.12 Over the full-year, shared services operating income is forecast to be £4m higher than Budget. We expect a £2m increase from higher than anticipated use of visitor Oyster cards, due to growing demand, £1m from application fees for 16/18 plus and under 16 schemes, and £1m due to increases in income from GLA.

Operating expenditure

Table 9: Operating expenditure

Operating expenditure (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	(527)	(528)	2 ▲	(2,345)	4 ▲
London Rail	(113)	(114)	0 ►	(557)	0 ►
Surface Transport	(641)	(646)	5 ▲	(2,924)	32 ▲
Shared services	(161)	(168)	7 ▲	(757)	15 ▲
Total operating expenditure	(1,443)	(1,456)	13 ▲	(6,583)	50 ▲

- 2.13 Total TfL operating expenditure is £13m lower than Budget in the year to date, a variance of less than one per cent. This is mainly due to:
- Rephasing of expenditure of £20m, which includes £25m investment rephasing offset by £5m for accelerated works
 - Overprogramming provision of £15m which accounts for an over optimistic investment delivery schedule
 - Net cost reductions of £11m.
- 2.14 LU operating expenditure is £2m – 0.4 per cent - lower than Budget in the year to date. Key variances include cost reductions of £6m primarily due to staff costs, £9m rephased costs partly due to Fit for the Future-Stations programme, and slippage to next year of £3m due to delayed Central Line fleet heavy overhaul. In addition, there were cost increases of £11m, mainly due to increased fleet maintenance and materials, and acceleration of £6m of works from later this year.
- 2.15 Over the full year, LU operating expenditure is now forecast to be £4m – 0.2 per cent – lower than Budget. This was largely driven by a £17m decrease in costs due to a change in inflation assumptions offset by a £15m increase in operational staff costs.
- 2.16 Surface Transport operating expenditure is £5m – 0.8 per cent – lower than Budget in the year to date. Bus contract costs are £6m lower than Budget mainly due to lower than expected diesel prices and performance incentivisation payments. A new Outer London incentive scheme will be introduced from Quarter 2 this year to improve bus reliability, which is expected to offset the lower costs over the year.
- 2.17 Over the full year, Surface Transport operating costs are forecast to be £32m – 1.1 per cent - lower than Budget. This is largely due to rephasing of projects into future years, including £7m of bus priority, reliability and growth schemes, £5m of Mini Hollands construction costs, £5m of LIPs major schemes for Twickenham & Ealing identified following the Mini Holland bids and £3m reprofiling on LIPs bridges schemes. In addition, bus network costs are £13m lower than Budget, due to lower contract costs partially offset by additional costs for reliability schemes.
- 2.18 Shared services operating expenditure is £7m – 4 per cent - lower than Budget in the year to date. This was largely due to £7m of rephasing for the relocation work of Lillie Bridge Depot and Earl's

Court project expenditure. In addition, £1.5m of funding to the Garden Bridge Trust has been rephased while awaiting agreement and £1.5m of IM project costs have been reclassified from capital to operating costs.

- 2.19 Over the full year, shared services operating expenditure is expected to be £15m- 0.2 per cent - lower than Budget. This is largely due to a £34m reclassification from operating to capital expenditure for project expenditure related to the Retail and Arches project, Earl's Court and Go to Market strategy. This has been partially offset by: £7m of IM project costs that have been reclassified from capital to operating expenditure; £4m from later than expected delivery of savings and efficiencies which will now be delivered in later years; £5m of additional staff related costs, including higher graduate numbers and additional HR demand across the business; and £3m of accelerated costs for 55 Broadway disposal brought forward from future years.

Interest income, debt service and other group items

Table 10: Interest income, debt service and other group items

Interest income, debt service and other group items (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Interest income	6	6	0 ►	22	(1) ▼
Debt service	(89)	(96)	7 ▲	(378)	23 ▲
Contingency and other group items	8	8	0 ►	29	(5) ▼
Total interest, debt service and other group items	(75)	(83)	7 ▲	(327)	17 ▲

2.20 In Quarter 1 we completed most of the planned borrowing for the full year. A combination of low market rates and a successful execution of £400m Green Bond and £120m private placement transactions allowed TfL to achieve an overall favourable rate of interest, significantly lower than expected when completing the Budget. This has resulted in a £7m saving in debt service in the year to date, which is expected to be £23m lower than Budget over the full year.

2.21 In the full year contingency and other group items are expected to be £5m higher than Budget. This is largely due to a £3m of savings credited at the time of the Budget; these savings are now forecast to be achieved in the business areas, and therefore shown as a debit. This has no net effect on TfL's financial position.

Capital expenditure

Table 11: Capital expenditure

Gross Capital expenditure (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	(221)	(280)	59▲	(1,207)	11▲
London Rail	(59)	(55)	(5)▼	(300)	2▲
Surface Transport	(113)	(113)	(0)▼	(490)	10▲
Shared services	(438)	(451)	13▲	(595)	(45)▼
Gross capital expenditure	(832)	(899)	67▲	(2,591)	(23)▼

- 2.22 Total TfL capital expenditure is £67m – or 7 per cent - lower than Budget in the year to date, due to:
- Rephasing of £108m offset by the release of £53m of overprogramming; and
 - Net cost reductions of £10m.
- 2.23 LU capital expenditure is £59m lower than Budget in the year to date. This is mainly due to rephasing of £84m, the majority of which is still expected to be spent this year. Rephasing includes £43m for Four Lines Modernisation (formerly known as SSR Upgrade), with £27m from delays in identifying sufficient storage capacity for rolling stock spares, and a mutually beneficial agreement to slow down train production, and £11m due to impact of prolonged ATC contract negotiations. Northern Line Extension expenditure is £22m lower than Budget, including £8m from developer design changes impacting the start of construction; £5m of delays within the procurement of the tunnel boring machine contract; and a further £5m in negotiation of the construction insurance agreement for the programme. Project rephasing has been partly offset by the release of £32m from the overprogramming provision.
- 2.24 Over the full year, LU capital expenditure is now forecast to be £11m – one per cent - lower than Budget. £128m is due to rephasing of costs into future years, including: £60m on the Northern Line Extension due to design changes; £29m rephasing on the Four Lines Modernisation programme driven by prolongation of the ATC programme and alignment of the forecast with the new contractor's programme, and £11m rephasing on the Metropolitan Line Extension. There was also minor rephasing of £28m across a number of other projects. Project rephasing was partly offset by the release of £32m of the overprogramming provision. There were also cost increases of £102m, including: £55m from the transfer of the Metropolitan Line Extension, which is now being delivered by TfL rather than Hertfordshire County Council; and £38m for the Northern Line Upgrade programme due to a re-estimate of the scope to deliver the project benefits. Additionally, other smaller movements accounted for the remaining £17m reduction.
- 2.25 LR capital expenditure was £5m – eight per cent – higher than Budget for the year to date. This mainly relates to accelerated expenditure of £2m for the West Anglia stations programme and £2m for the LO capacity improvement programme.

- 2.26 LR capital expenditure for the full-year is forecast to be £2m – one per cent – lower than Budget. Driven by an increase of £6m due to the Barking Riverside project being transferred from TfL Planning and rephased. This is offset by rephasing into future years of £8m of costs predominantly driven by the Gospel Oak to Barking electrification project together with changes in various funded station works.
- 2.27 Surface Transport capital expenditure was in line with Budget in the year to date, with slippage of £17m - £3m in-year and £14m into future years – and £5m of cost reductions, offset by £22m overprogramming. In-year slippage was mainly due to Hammersmith Flyover, as bearings works have been extended from May 2015 to June 2015; the overall programme remains on track. Future-year slippage includes £5m on New Routemaster delivery as the revised production programme slips into next year, £5m borough programmes largely due to resource restrictions and slow progress of reliability scheme feasibility studies. These slippages have been reflected in the full year Quarter 1 forecast which is £10m below budget.
- 2.28 Capital expenditure across shared services is £13m – three per cent - lower than Budget in the year to date. This was predominantly due to £8m of rephasing, including £3m due to Finance transformation changes, £2m for IM projects, £1m for the Future Ticketing Project and a further £1m for Commercial Development initiatives to later in the year. There was also a £3m movement in overprogramming and £2m reclassification of IM capital costs to operating costs.
- 2.29 Over the full-year, shared services capital expenditure is £45m – eight per cent – higher than Budget. This was largely due to the net reclassification of £27m of operating to capital costs for the commercial initiatives including the retail and arches project, Earl’s Court and Go to Market Strategy. In addition, £11m of costs have been brought forward from future years and carried over from the final quarter of last year, including Commercial Development projects delayed from 2014/15 and in Customer Experience where some projects have been brought forward. The full-year forecast also includes an additional £5m of costs in Commercial Development which is expected to generate higher rental income in future years.

Capital third-party contributions

Table 12: Capital third-party contributions

Third-party contributions (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	7	5	2 ▲	43	10 ▲
London Rail	0	1	(1) ▼	3	(4) ▼
Surface Transport	3	3	(0) ▼	18	1 ▲
Shared services	(0)	(0)	(0) ▼	0	(1) ▼
Capital third-party contributions	10	10	0 ►	64	7 ▲

- 2.30 LU third-party contributions are £2m higher than Budget in the year to date, due to rephased works on stations (including Crossrail) and the Metropolitan Line Extension programme.
- 2.31 For the full year, LU third-party contributions are expected to be £10m higher than Budget, mainly driven by phasing of the third-party funded element of the Metropolitan Line Extension.
- 2.32 LR third-party contributions for the year to date and full year forecast reflect movements on funded works.

Sales of property and other assets

Table 13: Sales of property and other assets

Sales of property and other assets (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Total sales of property and other assets	376	376	1 ▲	393	8 ▲

- 2.33 Capital income is almost in line with Budget in the year to date. Year-to-date income was £376m, reflecting the sale of the long leasehold of Earl's Court to a Joint Venture that TfL part owns. This value is netted off in capital expenditure for the purchase of loan notes issued by the Joint Venture for the sale. There is, therefore, no net impact on TfL.
- 2.34 Full-year capital income is forecast to be £8m higher than Budget. This is due to additional capital receipts for Fielden House and a reduction in risk discount for other property development sites.

Crossrail

Table 14: Crossrail

Crossrail (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Crossrail	(344)	(386)	42 ▲	(1,569)	(34) ▼

- 2.35 In the year to date, Crossrail expenditure is £42m lower than Budget. Direct costs are £30m lower than Budget, due to slower progress on Systemwide design and procurement activities, slower progress at Old Oak Common, net reductions in the provision held for contractual claims and lower than anticipated drawdown of Programme Risk. These costs were partly offset by cost increases including overspend at Tunnel West, poor contractor performance at Whitechapel and new funding agreement for Traction Power. Indirect costs are £2m lower than Budget due to later than expected costs for consultancy and technical design services. Land and Property commitments are also £10m below Budget mainly due to net downward revaluations at Farringdon and Westbourne Grove.
- 2.36 Crossrail is now forecast to be £34m higher than Budget over the full year. Direct costs are £27m higher than Budget, due to performance and interface issues at Whitechapel and slower progress on Tunnels West and Eastern Running Tunnels, offset by lower drawdown of programme risk. Indirect costs are £5m higher than Budget due to costs being transferred from direct costs for Systemwide and Whitechapel respite accommodation. Land and Property costs are also £2m more than Budget due to commitments at Plumstead which were expected to be fulfilled in 2014/15, partly offset by a downward revaluation at Westbourne Grove.

Government grants and other funding

Table 15: Government grants and other funding

Government grants and funding (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget
DfT General grant	152	122	30 ▲	591	(48) ▼
DfT Investment grant	213	213	(0) ▼	925	(0) ▼
DfT Overground grant	6	7	(1) ▼	29	(0) ▼
GLA precept	1	1	(0) ▼	6	(0) ▼
Business Rates Retention (BRR)	212	212	(0) ▼	848	0 ►
Crossrail funding sources	225	221	3 ▲	899	6 ▲
Other capital grants	23	34	(12) ▼	161	(4) ▼
Other revenue grants	(0)	(0)	(0) ▼	1	1 ▲
Total grants and funding	832	811	21 ▲	3,460	(46) ▼

2.37 In the year to date overall grants are £21m higher than Budget. This is mainly due to an earlier than expected payment of £30m as part of the DfT General grant. This has been partly offset by £12m capital grants, which are lower than expected reflecting expenditure on the Northern Line Extension.

2.38 In the full year, we expect total grant to be £46m lower than anticipated in the Budget. This is due to :

- A reduction of £31m in the DfT General grant following the Summer Budget in July 2015
- A further £6m reduction in DfT funding relating to the West Anglia franchise;
- £11m relates to a change in the accounting treatment of the Garden Bridge grant from the DfT which was fully credited in the previous year
- Other capital grants reflects an additional £55m this year towards the costs of the Metropolitan Line Extension and a rephasing of NLE funding to reflect the revised expenditure profile.

Working capital

Table 16: Working capital

Working capital (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Working capital	(214)	(97)	(116) ▼	(387)	39 ▲

- 2.39 At the end of Quarter 1, working capital is £116m higher than Budget. This is mainly driven by lower activity spend being reflected in lower creditors and accruals on capital projects, particularly in LU. In addition there are some compensating movements with higher prepayments in Surface and debtors across shared services offset by higher provisions, resulting from delayed payments, in Crossrail.
- 2.40 In the full year forecast, creditors levels across the business return close to budgeted levels reflecting the catch-up in activity expenditure during the remainder of the year. The full year favourable variance includes a reduction in the amount of scheduled payments on the Crossrail related loan to Network Rail of £25m.

Borrowing and reserve movements

Table 17: Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Borrowings Raised	602	626	(24) ▼	624	2 ▲
Borrowings Repaid	0	0	0 ►	(25)	0 ►
Net borrowing	602	626	(24) ▼	599	2 ▲
Reserve movements	(130)	(125)	(6) ▲	1,709	(31) ▼
Net borrowing and reserve movements	472	501	(28) ▼	2,308	29 ▲

- 2.41 In the year to date, TfL has borrowed £602m, £24m less than expected at the time of the Budget. This variance is due to the timing differences; we expect that the planned level of borrowing will be completed by the end of the financial year.

Cash movements

Table 18: Cash movements

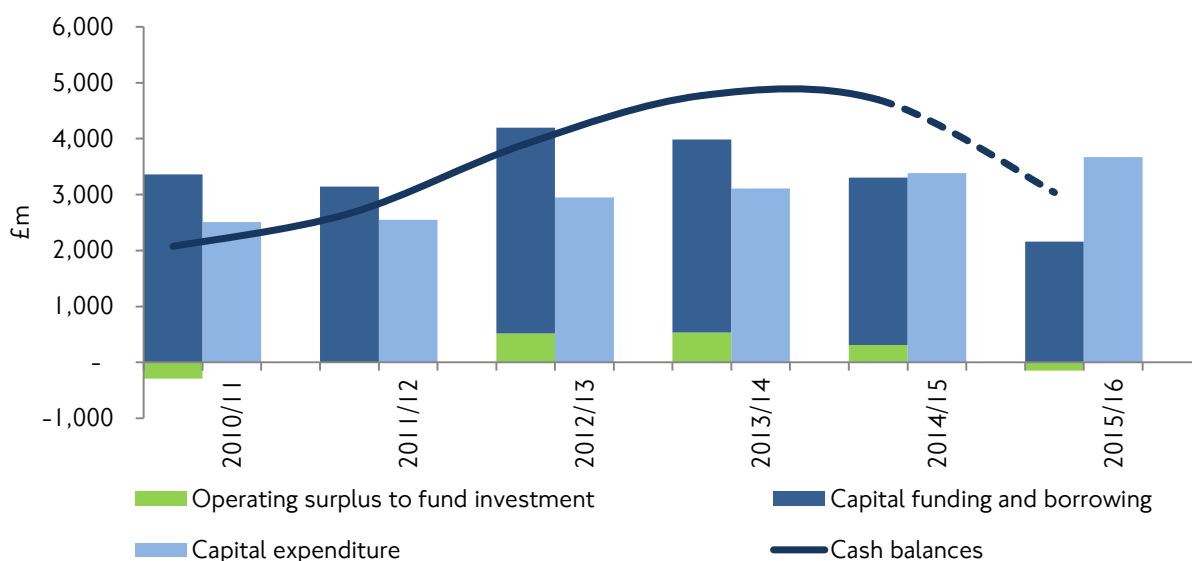
Cash summary (£m)	Year to date			Full year 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
Crossrail Sponsors' Funding Account	2,093	2,022	71 ▲	1,490	(84) ▼
Other TfL cash balances	2,716	2,779	(64) ▼	1,479	53 ▲
Closing cash	4,808	4,801	6 ▲	2,969	(31) ▼

2.42 TfL has cash reserves which it uses solely for investment; this year alone we expect to utilise £1.6bn of these reserves on our investment programme. These cash balances have been built up in recent years as we have received funding and undertaken borrowing before we incur costs and complete projects.

- Government funding is paid in line with the agreed schedule, and is fully allocated to our investment programme, including the deliverables in the DfT Annex B milestones agreed as part of the 2013 Spending Review
- We also undertake borrowing to fund our investment, within annual limits. This means we borrow before we incur project costs and that our cash balances increase in the short term until projects are fully complete
- Expenditure has also been rephased on some of our projects – but with no impact on overall project delivery – which has resulted in an increase in our cash balances before spend catches up.

2.43 The chart below shows the build up and decrease in our cash levels since 2010/11, with capital funding higher than expenditure in early years, reversing from 2014/15 onwards as project spend intensifies.

Chart 2: Expenditure, income, funding and cash balances, 2010/11 to 2015/16¹



¹ 2015/16 values are based on the Quarter 1 full-year forecast

- 2.44 Our cash balances include a prudent minimum level we are unable to use, our minimum cash level. This level changes from year to year, depending on our levels of debt service, and helps us preserve our excellent credit rating whereby we can borrow at the market's best rates.
- 2.45 Cash reserves at the end of Quarter 1 are broadly in line with Budget, only £6m higher than expected. A causal analysis of cash movements is shown in Table 19 below.

Table 19: Causal analysis of cash movements, 2015/16

Cash movement (£)	Year to date variance to Budget	Latest full-year forecast variance to Budget
Timing differences		
Investment rephasing	133 ▲	157 ▲
Crossrail	42 ▲	(34) ▼
Overprogramming	(68) ▼	(37) ▼
Investment acceleration	(6) ▼	0 ►
Grant changes	21 ▲	(71) ▼
Working capital	(116) ▼	39 ▲
Total timing differences	6 ▲	54 ▲
Underlying differences		
Net cost reductions/ (increases)	20 ▲	(93) ▼
Group items	7 ▲	17 ▲
Fares income	(7) ▼	(55) ▼
Grant changes	(0) ▼	19 ▲
Other	(20) ▼	25 ▲
Total underlying differences	0 ►	(87) ▼
Total movements	6 ▲	(31) ▼

TfL's efficiency programme

Table 20: Efficiencies

Efficiencies Programme ¹ (£m)	Year to date			Full year 2015/16	
	Actual	Target	Variance to Budget	Quarter 1 forecast	Variance to Budget
Gross Savings Secured	5	12	(6) ▼	174	(23) ▼
Implementation costs to secure savings	(18)	(11)	(7) ▼	(96)	24 ▲
Net Efficiencies secured	(12)	3	(15) ▼	77	0 ►

2.46 Our £16bn savings programme is allowing us to deliver more infrastructure and improvements to services while keeping fares affordable and managing with less government funding. We have already secured £13bn of our long-term savings target of £16bn. The targets presented here relate to the unsecured portion of the efficiencies programme only.

2.47 At the end of Quarter 1 new secured savings for this year were £15m lower than target. This is largely due to an £8m change in Fit for the Future Stations driven by the rephasing of implementation costs, combined with early delivery in the Commercial directorate of gross savings, forecast to be delivered at Q1 2015/16, during the final quarter of 2014/15.

2.48 The majority of the full year variances (£27m of implementation costs and £22m for savings) are associated with a programme which has been removed from S&E reporting. This followed a review of delivery plans which indicated that it would no longer deliver the savings originally forecast. Over the life of our Business Plan the net savings that were expected to be delivered by this programme have been retained as a target and there is no impact on achieving the overall total of £16bn.

Our long-term savings programme







2.49 Over the years to 2020/21, the remaining £3bn savings will be secured through a range of initiatives, reducing back-office expenditure and identifying innovative ways of working to drive down costs, while protecting front-line services and our long-term investment programme. We are also making use of the latest technology, for example going cashfree on buses, to improve the customer experience and drive down cost.

¹ Efficiencies are quoted net of implementation costs

Customer

Passenger journeys

Table 21: Passenger journeys

Millions	Quarter 1, 2015/16			Full year 2015/16			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2011/12 – 2015/16
▲ higher is better							
London Underground	319.6	6.2 ▲	40.4	1,351.5	7.8 ▲	46.1	
London Buses	576	(17) ▼	31	2,373	(72) ▼	(12)	
DLR	28.2	(0.1) ▼	4.0	120.5	1.2 ▲	10.3	
London Overground	39.9	2.8 ▲	9.1	170.4	1.9 ▲	30.6	
London Tramlink	6.8	(0.1) ▼	(0.1)	30.4	(0.7) ▼	(0.3)	
Emirates Air Line	0.4	0.0 ►	0.0	1.7	0.0 ►	0.2	
TfL Rail	3.6	0.0 ►	N/A	31.8	0.0 ►	N/A	N/A
London River Services	2.9	0.0 ►	0.5	10.2	0.0 ►	(12)	N/A


- 3.1 Passenger numbers continue to increase across most TfL services, with only London Tramlink showing a slight decrease in the quarter compared to last year.
- 3.2 There were 40.4 million more journeys on LU in Quarter 1 compared to last year. Increases are expected, as Quarter 1 this year was six days longer than the comparable quarter last year. Against Budget - which takes the length of the quarter into account - passenger journeys were two per cent higher than target in Quarter 1.
- 3.3 Bus passenger journeys were 16.8 million - or 2.8 per cent - below target in the quarter. The primary cause of this decline in demand is due to the slight deterioration in the reliability of the bus network, due to increased traffic levels driven by London's strong economic growth (including extensive building and construction projects across London), a rapidly rising population, our Roads Modernisation Programme and by town centre improvements. Fare-paying passenger journeys saw the largest reduction, with 16.2 million - 4.1 per cent - journeys lower than target. Non-fare passenger journeys in the Quarter were 0.6 million - 0.3 per cent - below target.
- 3.4 Total Passenger Journey growth figures of 31.5 million or 5.8 per cent compared to last year are impacted upon by the inconsistency in the number of days in the Quarter. Underlying passenger journeys - after taking in to account the differences in length of the quarter - are down 1.3 per cent, with a fare-paying passenger journey decline of 2.3 per cent offset by non-fare paying passenger journey growth of 0.7 per cent.

- 3.5 There were 28.2 million passenger journeys on DLR in Quarter 1, 16.7 per cent more than last year, but 0.4 per cent lower than target. The number of journeys in Periods 2 and 3 of the Quarter were affected by weekend track and Crossrail works.
- 3.6 LO carried 39.9 million people in Quarter 1, 29.7 per cent more than last year, largely driven by the inclusion of West Anglia services into the LO network from May 2015. Quarter 1 journeys were up 2.8 million against target. Fewer weekend closures than last year and the introduction of five car trains is lifting LO journey numbers on the existing LO network.
- 3.7 Tram passenger journeys were 6.8 million, 1.7 per cent lower than target, with unplanned service disruptions as well as closures related to London Borough of Croydon improvement works affecting passenger numbers in Period 3.
- 3.8 EAL passenger journeys for Quarter 1 were 0.4 million, 11.3 per cent up on the same quarter last year.

Cycling

3.9 More than 580,000 cycle journeys are made every day in London, and cycling in London has more than doubled in the last decade. We are targeting to increase the number of journeys within the central congestion zone by four per cent this year, in line with the long-term aim of increasing cycling journeys by 400 per cent by 2025.¹ A daily averages of 412,757 kilometres - or an estimated 135,000 journeys - were cycled during Quarter 1, 2.6 per cent higher than the same quarter last year.

Table 22: Cycling journeys on the Transport for London Road Network (TLRN)

	Unit	Quarter 1, 2015/16			Full year 2015/16			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2011/12 – 2015/16
▲ higher is better								
Central London Cycling CC Zone – per cent growth	per cent	2.6	N/A	N/A	4	0 ►	0	N/A
Cycling levels on the TLRN ¹	Index	380	12 ▲	18 ▲	348	0 ►	18	
Cycle Hire	000s	2,670	267 ▲	226 ▲	10,338	38 ▲	254	N/A

3.10 Cycling levels on the Transport for London Road Network (TLRN) are presented as an index of flow relative to a baseline of March 2000, which represents 100 on the index. Levels of cycling on these roads were five per cent - 18 index points - higher than the same quarter last year and three per cent (12 index points) above the Quarter 1 target.

3.11 The full-year index of cycle flows forecast on the TLRN for 2015/16 is 348, an increase of 5 per cent (18 index points) from last year. At Quarter 1 the full-year cycle flow forecast is just 0.2 per cent (1 index point) below the full-year target so can be considered on track for a 6 per cent increase in cycling between 2014/15 and 2015/16.

3.12 In Quarter 1, the first section of Cycle Superhighway 5 opened as well as a segregated section of the Cycle Superhighway 2 Upgrade on the A11. A number of high profile cycling events have taken place including the London Nocturne Cycling event which saw thousands of people taking to the streets of Farringdon to watch the world's cycling elite race around Smithfield Market, as well as the Croydon Tour series in Croydon Town Centre. The Mayor's Vision for Cycling Roadshow "hub" has had a presence at many summer events, to promote TfL products and services.

3.13 A number of consultations were launched by borough delivery partners, including: further sections of the Central London Grid in both Westminster and Lambeth and in Waltham Forest for one of the Mini Holland flagship schemes – Whips Cross roundabout and sections of the Lea Bridge Road segregated cycle lane. There has been a lot of construction work ongoing, including some high profile schemes - the East-West, North-South and CS5 Cycle Superhighways, Quietways 1 and 2, Oval Triangle and Mini-Holland Schemes in Outer London including Walthamstow Village, Ruckholt Road and Enfield Town.

¹ Compared to the 2001 figure

Table 23: Mayor's Vision for Cycling: expenditure, 2012/13 to 2021/22

Cycling vision £m	Year to date		Full Year 2015/16		2012/13 – 2021/22	
	Actual	Variance to Budget	Quarter 1 forecast	Variance to Budget	Original budget	Variance to original budget
Gross Cycling Vision expenditure	(28)	6 ▲	(180)	(53) ▼	(913)	- ►
Overprogramming adjustment ¹	-	- ►	35	53 ▲	-	- ►
Net Cycling Vision expenditure	(28)	6 ▲	(145)	0 ►	(913)	- ►

3.14 To date, £185m has been invested in the Cycling Vision, with a total budget of £913m over 10 years. Our forecast net expenditure for 2015/16 remains £145m, which is in-line with the level committed in the Mayor's Vision for Cycling in London 2013.

3.15 £28m was invested in Quarter 1, £6m lower than Budget, of which £3m is Cycle Superhighways routes. The slippage is largely due to the extension of the consultation period for the North-South and East-West routes. The consultation report was expected to be finalised in December 2014, however this was not concluded until February 2015. Construction has now started on both routes and final completion dates remain unchanged. The full-year forecast for 2015/16 is not affected due to the level of overprogramming in the Budget.

¹ As with TfL's overall investment programme, a central overprogramming assumption is included in forecast expenditure to correct for optimism bias and levels of slippage that occur on complex investment programmes. This is held centrally and therefore does not act as a disincentive to the timely delivery of schemes.

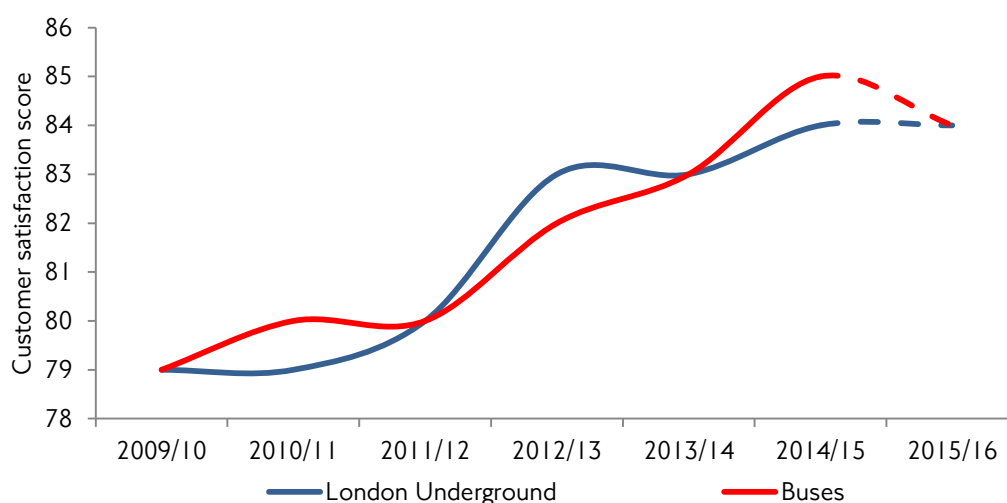
Customer satisfaction

Table 24: Customer satisfaction by service

Score (out of 100)	Quarter 1, 2015/16			Full year 2015/16			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2011/12 – 2015/16
▲ higher is better							
London Underground	85	1 ▲	2	84	- ▶	-	
London Buses	85	1 ▲	0	84	- ▶	-1	
DLR	89	1 ▲	1	89	1 ▲	-	
London Overground	85	3 ▲	3	83	1 ▲	-	
London Tramlink	90	2 ▲	1	89	1 ▲	-	
Emirates Air Line	93	- ▶	1	93	- ▶	-	
Cycle Hire	Bi-annual measure			82	- ▶	-	N/A
Transport for London Road Network (TLRN)	74	- ▶	0	74	- ▶	-	N/A

3.17 Increased customer satisfaction is one of our long-term strategic goals; everything we do supports this including reliability and capacity increases on the Tube, improved trains that help passengers keep cool, improved ticketing technology - with options to use contactless cards and mobile phones – greater accessibility, and improved customer service and communications, the latter including Twitter. The chart below show year-on-year changes in both LU and bus customer satisfaction scores.

Chart 3: Customer satisfaction, LU and buses, 2009/10 to 2015/16



- 3.18 LU's Quarter 1 Customer Satisfaction Survey (CSS) score was 85, matching the all-time high set in the previous quarter and exceeding target by one point (the target has gone up by one point this quarter). Customers experienced excellent reliability with only five per cent of customers having experienced a disruption or delay. Satisfaction with the helpfulness of station staff increased by one point to 84.
- 3.19 Customer satisfaction with bus services was better than target in Quarter 1, and maintained the high levels from recent quarters. Customer surveys point to improvements in boarding and alighting, ease of paying for a journey, and value for money.
- 3.20 At 90, the DLR CSS score in Quarter 1 was one point better than target and one point better than the previous quarter.
- 3.21 The LO CSS score for Quarter 1 rose by two points from the previous quarter to 85, which is the highest score since LO was established in 2007. This improvement was driven by three point increases on the Richmond to Stratford and Surrey Quays to Clapham Junction lines. The new Abellio Greater Anglia / West Anglia services were not included within the Quarter 1 CSS surveys.
- 3.22 The Quarter 1 Tramlink CSS score was 90, matching the highest score since the service opened in 2000, whilst EAL's score of 93 met its target.

Customer satisfaction – environment

Table 25: Environmental performance

Numbers	Quarter 1, 2015/16			Full year 2015/16		
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year
▲ higher is better						
Hybrid bus introduction	1,280	N/A	0	1,650	- ►	397

- 3.23 TfL remains on target to deliver 1,650 hybrid buses by 2016 through the route tender programme for new Routemaster and standard hybrid buses.

Customer complaints

Table 26: Customer complaints

No. complaints per 100,000 journeys	Quarter 1, 2015/16	
	Actual	Variance to Quarter 1, 2014/15
▼ lower is better		
London Underground	0.92	-0.19▼
Docklands Light Railway	1.15	-1.78▼
London Overground inc West Anglia services from Period 3	2.90	0.27▲
Emirates Air Line	4.89	2.04▲
London Buses	2.52	0.1▲
Congestion Charge	8.42	1.19▲
Cycle Hire	2.58	-3.26▼
Dial-a-Ride ¹	84.86	-74.51▼
Oyster	0.61	-0.31▼
Contactless payment cards	0.27	-0.55▼
River	0.66	-0.02▼
Taxi and Private Hire	5.03	N/A
Tramlink	1.74	0.83▲
TfL Rail	2.61	N/A
Streets	0.18	N/A

3.24 In LU, delayed journeys continue to be the most significant cause for complaint, accounting for 24.7 per cent of the total, down from 29.5 per cent in the previous quarter.

3.25 Ticketing issues remain the DLR's greatest single source of complaint. However, levels continue to reduce as we work to improve the reliability of the Ticket Vending Machines. Staff performance is a key focus area of the new franchisee and the complaint numbers, coupled with lower CSS scores in this area, mean action plans are being pulled together to tackle this important area for customers. DLR service performance remains strong. However, a couple of poor days, particularly in May and June, meant that reliability dropped below the high standards expected by our customers. The number of complaints remains relatively low, with 14 about service reliability from over nine million journeys.

¹ Per 100,000 journey requests

- 3.26 In Quarter 4 2014/15 customers experienced poor performance on the eastern and southern sections of London Overground, which were affected by the London Bridge works and the knock-on impact of service issues faced by other National Rail Operators. Overcrowding had been a common complaint, in particular on the East London Line. This has been remedied by the five-car services now in operation for all services on the East London Line and the North West London Lines which have increased capacity by 25 per cent.
- 3.27 Buses have seen a marginal increase in the complaints rate when compared to the same time last year. There has also been a slight year-on-year rise in absolute numbers, tallying with the trend seen elsewhere in data for bus route reliability, traffic volumes and traffic speeds. We are working with bus operators to provide sufficient resource and schedules for buses to run reliably. The programme of bus priority measures should also improve bus reliability and journey times.
- 3.28 Around half of complaints in London Buses are for driver-related issues. The single most common complaint about drivers is that the bus did not stop to let passengers board or alight. One in five of all bus complaints consistently relate to this issue, and a number of initiatives are currently being progressed to reduce them: bus driver communications, customer information and infrastructure changes to remove the remaining 'Request Stop' flags. Addressing 'pain points' such as this is one of the aims of an organisation-wide customer experience programme.
- 3.29 Congestion Charging Autopay (CCAP) continues to operate well with around 250,000 members. The majority of the complaints relating to this system are generated following a customer's payment being refused. Very few complaints are escalated, which indicates that customer issues are being dealt with at the first point of contact.
- 3.30 The number of complaints received regarding Cycle Hire continues to fall as we see improvements in the redistribution of bikes. Customers are finding it easier to both hire and dock a cycle at their preferred station, which can be a source of frustration.
- 3.31 The customer satisfaction rating of 91 out of 100 for the Dial-a-Ride (DaR) service overall was amongst the highest of our services for Quarter 1. DaR received an average of just three complaints per day in this quarter, with the total of 266 being nearly half of the 469 received over the same period last year. The main source of complaint was booking refusals, accounting for 24 per cent of the total, although DaR scheduled 91.5 per cent of booking requests in Quarter 1, above its target of 91 per cent.
- 3.32 Around 85 per cent of Taxi and Private Hire Vehicle (PHV) complaints relate to Taxi journeys because most passengers contact the PHV Operator in the first instance. We investigate complaints robustly and make decisions on what action to take based on the evidence from the complainant, the driver and any independent witnesses. The outcome can range from recording the complaint against the driver or, in more serious cases, reviewing their fitness to remain licensed.
- 3.33 TfL Rail began operating the Liverpool Street to Shenfield service at the end of May 2015, making significant improvements to both the service and the environment from the outset. The migration of complaint handling from the incumbent operator Abellio Greater Anglia to TfL has gone smoothly, with no disruption to the service customers receive. During the first month of operation, we were contacted 254 times by customers, of which 94 were complaints. The highest proportion related to staff and have been investigated thoroughly by MTRC, the operator of TfL Rail, and action taken where appropriate.

3.34 The bulk of the complaints on Tramlink this quarter relate to engineering closures and disruption to the timetable. The uncompleted Croydon Council work at East Croydon has also been a source of passenger dissatisfaction.

Customer services

Table 27: Customer communications and correspondence

	Quarter 1, 2015/16			Full year 2015/16		
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year
▲ higher is better						
Correspondence Service level agreement	69.39	-10.61 ▼	-19.17	80	- ►	N/A
Mystery shopper quality assessment scores	88.90	3.90 ▲	-1.85	85	- ►	N/A
▼ lower is better						
Call abandonment rate	11.56	-3.44 ▼	-4.72	15	- ►	N/A

3.35 A rapidly growing population and customer base means that the level of correspondence and telephone calls was substantially higher than in Quarter 1 last year. Correspondence levels were almost 11 per cent higher, driven by a number of factors, including a higher level of calls about the bus service and an increasing volume of questions about contactless payment as it became a much larger payment channel (around 20 per cent of all 'pay as you go' journeys). We dealt with over 100,000 items of correspondence during Quarter 1, many within 24 hours. However, for the reasons described, our performance against service level was lower than last year and lower than target. A programme of work is in place with the aim of meeting our correspondence target by the end of the year.

3.36 The mystery shopper telephony and correspondence quality assessment scores have remained strong throughout the Quarter.

3.37 In Quarter 1 the call abandonment rate was better than target, despite an increase in call volumes of almost 32 per cent on the same quarter last year.

Ticketing

Table 28: Ticketing system availability

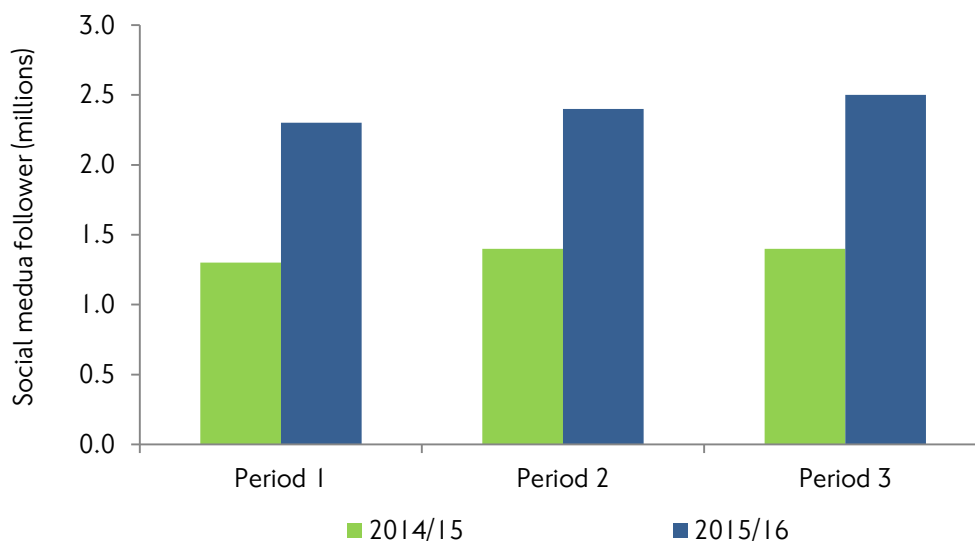
	Quarter 1, 2015/16			Full year 2015/16		
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year
▲ higher is better						
London Underground-ticketing system overall availability	98.82	0.02 ▲	-0.12	98.8	- ►	N/A
London Buses- ticketing system overall availability	99.15	0.1 ▲	0.03	99.0	- ►	N/A

3.38 Both London Underground and buses ticketing system availability targets continue to be exceeded. As part of LU's Fit for the Future Stations Programme we are closing ticket offices at stations, which has led to an increase in Oyster card purchases from self-service ticket machines. In Quarter 1, 903,000 Oyster cards were purchased from machines, a 95 per cent increase on the same quarter last year.

Website and social media

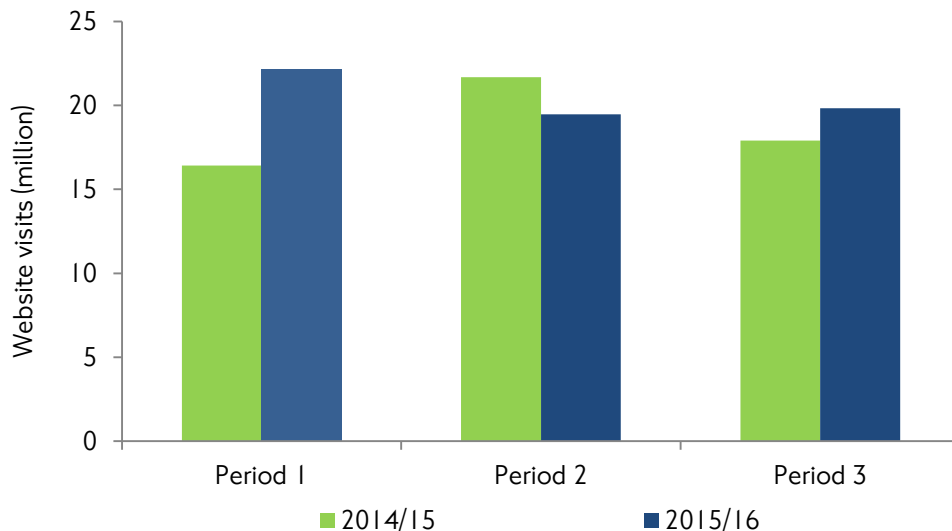
3.39 Social media, including Twitter and Facebook, is becoming an increasingly important method of communicating with our customers. We have 21 Twitter feeds, providing travel updates, ticketing information and weekend engineering work schedules.

Chart 4: Social media followers, 2014/15 to 2015/16



3.40 Social media use has risen fast in the past year; we now have over two and a half million followers. This is up over 75 per cent on the same quarter last year. Our website also remains a vital source of information for our customers, with visits increasing by almost 10 per cent when compared to Quarter 1 last year. In Quarter 1, our (tfl.gov.uk) website availability has reached 100 per cent.

Chart 5: Website visits, 2014/15 to 2015/16



People

Headcount

Table 29: TfL full-time equivalent (FTE)

FTEs	End of Quarter 1, 2015/16			End of 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget
London Underground	21,652	21,627	(24) ▲	21,491	(595) ▲
London Rail	314	301	(13) ▲	363	(57) ▲
Surface Transport	3,626	3,689	63 ▼	3,759	(32) ▲
Shared services	4,210	4,097	(113) ▲	4,455	(499) ▲
Crossrail	959	1,125	166 ▼	1,004	0 ►
Total	30,760	30,839	79 ▼	31,072	(1,182) ▲

- 4.1 LU headcount at the end of Quarter 1 was 24 FTE higher than Budget, with individual areas being 145 below, offset by a central vacancy provision of 170. LU Operations was 117 lower than budget, where despite increased recruitment, there are variances across all of the business units. Capital Programmes were just 5 lower than budget while the other Directorates were 23 lower than budget mainly due to Employee Relations heads that have now transferred to Corporate.
- 4.2 For the full year, LU headcount is expected to be 595 FTE higher than Budget. Of this increase, 461 have a nil incremental cost impact. The LU increase is largely due to increases driven by revised Fit for the Future-Stations assumptions (191) and capital programmes increases, in particular Four Lines Modernisation programme rebaselining (233), additional Stations resource (95), and prolongation of the Northern and Jubilee lines upgrades and newly approved WCC scope (86).
- 4.3 LR headcount was 13 FTEs higher than budget due to the use of agency staff on Trams maintenance instead of consultants (as budgeted), plus an increase in Crossrail operations staff, partly offset by slower recruitment of DLR engineering staff.
- 4.4 For the full year, LR headcount is expected to be 57 FTE higher than budget. The LR increase is mainly due to Trams maintenance being brought in-house and additional projects resources.
- 4.5 Surface Transport was 63 FTE under Budget at the end of Quarter 1 2015/16. This was mainly attributable to vacancies in the areas of Traffic Infrastructure, Silvertown project and a pending a reorganisation in Asset Management. Enforcement and On Street was under budget as only a small number of new recruits for the Multi Officers team were successfully recruited, with the remainder still undergoing security checks. In addition, there were Revenue Protection Supervisor, Road Network and Compliance Officer vacancies which are expected to be filled in the next few periods. Similarly, Buses had vacancies where recruitment is expected to commence within the next few periods. Road Space Management experienced delays in recruiting to specialist Traffic Modelling roles mainly as a result of the scarcity of candidates with the required skills in the marketplace,

therefore recruitment is ongoing. These variances were partially offset by a budget vacancy factor of 77 FTE to reflect the trend of being unable to recruit to full establishment.

- 4.6 Surface Transport FTE forecast to be over Budget by 32 FTE at the end of 2015/16. FTE increases are expected in Enforcement & On Street mainly as a result of the EoS Futures transformation programme which aims to improve integration and operational effectiveness across the Directorate. There is also an increase in Compliance Officers as per the Mayor's announcement on 9th June 2015, which is to be funded through Taxi & Private Hire Licence fees. Strategy Planning forecast an increase in FTE to enable delivery of the Freight and Fleet programme and to coordinate the Travel Demand Road Modernisation plan. Road Space Management anticipates an increase in FTE to work on programmes such as Brent Cross, Road Modernisation and Cycle Superhighways. Service Operations plan to extend the requirement for temporary FTE in Taxi Licensing until the end of the year; however this will be offset by driver vacancies in Dial a Ride as a result of an increased use of Community Transport drivers. There is also an increase in the vacancy factor since the budget.
- 4.7 At the end of Quarter 1 shared services are 113 FTE higher than Budget. Human Resources are 66 FTEs over budget largely due to increased demand in Recruitment and a transfer of 25 employees from LU not budgeted. Crossrail 2 is 7 FTEs under budget as they are awaiting confirmation of funding from the DfT before they recruit. General Counsel is 11 FTEs under budget due to vacancies that they are currently recruiting for. These variances are increased by the central vacancy provision of 63 FTEs, the remainder are minor variances.
- 4.8 By the end of 2015/16 shared services headcount is expected to be 499 higher than Budget. This is due to:
- 214 new project roles in IM (including Fit for Future Stations, Single Delivery Unit and End User Computing)
 - 29 additional FTEs are forecast due to the increase in recruitment volumes across the wider business
 - 18 FTEs relate to additional graduate intake
 - an additional 17 FTEs are required for the HR staff supporting transformation project
 - 20 additional FTEs for Crossrail 2 feasibility
 - 24 additional roles funded by projects such as Employee Communications and Every Journey Matters
- 4.9 Crossrail is 166 FTE under Budget due to the delayed recruitment of new roles that have been created in the 2015/16 business plan.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground & London Rail (£m)	Year to date			Full year, 2015/16		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
London Underground	604	595	10▲	2,564	8▲	2.1 and 2.2
London Rail	95	92	3▲	473	8▲	2.3 and 2.4
Emirates Air Line	2	2	(0)▼	7	0▶	
Total fares income	701	689	13▲	3,044	16▲	
Other operating income	37	38	(2)▼	163	(3)▼	2.7 and 2.8
Total operating income	738	727	11▲	3,207	13▲	
Chief Operating Officer	(397)	(390)	(7)▼	(1,756)	(22)▼	
Capital programmes directorates operating costs	(11)	(9)	(2)▼	(42)	(2)▼	2.14 and 2.15
Other Operational Expenses	(86)	(87)	1▲	(405)	12▲	
London Rail Operations	(113)	(114)	0▶	(557)	0▶	
Renewals and reliability Projects	(33)	(42)	9▲	(141)	16▲	
Total operating expenditure	(640)	(642)	2▲	(2,901)	4▲	
Capital expenditure						
London Underground	(221)	(280)	59▲	(1,207)	11▲	2.23 and 2.24
LU third-party contributions	7	5	2▲	43	10▲	2.30 and 2.31
London Rail	(59)	(55)	(5)▼	(300)	2▲	2.25 and 2.26
London Rail third-party contributions	0	1	(1)▼	3	(4)▼	2.31 and 2.32
Net capital expenditure	(274)	(329)	55▲	(1,460)	19▲	
Net Service Expenditure	(176)	(243)	67▲	(1,155)	36▲	

Surface Transport

Surface Transport (£m)	Year to date			Full year, 2015/16		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
Bus fares income	365	385	(20) ▼	1,540	(71) ▼	2.5 and 2.6
Bus contract costs	(464)	(469)	5 ▲	(2,033)	11 ▲	2.16 and 2.17
Direct Bus Subsidy	(99)	(84)	(15) ▼	(493)	(60) ▼	
Other Bus Income	9	8	1 ▲	37	1 ▲	2.10
Bus operating Expenditure (net of third-party contributions)	(18)	(20)	2 ▲	(81)	3 ▲	2.16 and 2.17
Bus Capital Expenditure (net of third-party contributions)	(26)	(31)	5 ▲	(115)	24 ▲	2.27
Net Bus Service Expenditure	(134)	(127)	(8) ▼	(652)	(32) ▼	
Other Surface Transport						
Other Operating Income	93	92	2 ▲	387	5 ▲	2.9 and 2.10
Other Operating Expenditure (net of third-party contributions)	(159)	(157)	(2) ▼	(810)	18 ▲	2.16 and 2.17
Other Capital Expenditure (net of third-party contributions)	(84)	(78)	(5) ▼	(357)	(12) ▼	2.27
Net Service Expenditure	(284)	(271)	(14) ▼	(1,432)	(22) ▼	

Shared services

Corporate (£m)	Year to Date			Full year, 2015/16		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
Other Operating Income	12	10	2 ▲	61	4 ▲	2.11 and 2.12
Operating Expenditure (net of third-party contributions)	(161)	(168)	7 ▲	(757)	15 ▲	2.18 and 2.19
Net capital Expenditure	(62)	(75)	13 ▲	(202)	(39) ▼	2.28 and 2.29
Net Service Expenditure	(211)	(233)	22 ▲	(897)	(19) ▼	

Appendix B: Reconciliation to the Investment Programme Report (IPR)

TfL group (£m)	Year to date			Full year, 2015/16		Section
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget	
TfL gross capital expenditure						
London Underground	(221)	(280)	59▲	(1,207)	11▲	
London Rail	(59)	(55)	(5)▼	(300)	2▲	
Surface Transport	(113)	(113)	(0)▼	(490)	10▲	
Shared services	(438)	(451)	13▲	(595)	(45)▼	
Total gross capital expenditure	(832)	(899)	67▲	(2,591)	(23)▼	
Plus revenue investment (included in operating expenditure):						
London Underground	(33)	(42)	9▲	(141)	16▲	
Surface Transport	(22)	(17)	(5)▼	(209)	13▲	
TfL revenue investment	(55)	(59)	4▲	(350)	29▲	
TfL gross investment programme						
London Underground	(254)	(322)	67▲	(1,348)	27▲	
London Rail	(59)	(55)	(5)▼	(300)	2▲	
Surface Transport	(135)	(130)	(5)▼	(699)	24▲	
Shared services	(438)	(451)	13▲	(595)	(45)▼	
TfL gross investment programme	(887)	(958)	71▲	(2,942)	7▲	

Appendix C: Balance Sheet

TfL Group Balance Sheet at Quarter 4 (£m)	Full year 2015/16			
	Actual	Variance to Budget	Quarter 1 forecast	Variance to Budget
Non-current assets (-higher / lower than budget)	33,423	114	35,705	(205)
Current assets (exc. cash & investments) (-higher / lower than budget)	680	(40)	563	15
Short term loans receivable – (higher) / lower than budget	929	28	1,285	25
Cash & investments (-higher / lower than budget)	4,798	(5)	2,969	21
Creditors (higher / -lower than budget)	(2,866)	(120)	(3,001)	7
Derivative liabilities (higher / -lower than budget)	(62)	(17)	(84)	5
Borrowings (higher / -lower than budget)	(9,116)	(24)	(9,113)	(2)
Provisions (higher / -lower than budget)	(3,175)	8	(3,051)	(15)
Total Net Assets – (higher) / lower than budget	24,611	(56)	25,273	(149)

Non-current assets

5.0 Non-current assets at the end of Quarter 1 were £33,423m. This was £114m below the budget and was largely driven by lower capital activity; £40m for the Crossrail project and £65m in R&U following re-phasing of Four Lines Modernisation works and delays to the start of the Northern Line Extension extension. In addition no interest has been capitalised to date in R&U, whereas the budget assumed £8m. This is expected to be rectified in Quarter 2.

5.1 The quarter non-current asset forecast has long term assets at £35,705m some £205m higher than the budget. £200m of this is related to fixed asset movements with the remaining £5m being the net of minor long term cash and debtor movements. The £200m fixed asset variance is driven by higher additions for the Crossrail project of £34m, (higher spend on both stations and civil works), allied to higher spend in Corporate (£41m) where projects related to Future Ticketing and retail developments have been re-classified from revenue to capital. In addition, depreciation is expected to be some £145m below budgeted levels, primarily in R&U due to new assets coming into service later than assumed in the budget. Offsetting the above is £20m of underspends elsewhere across the Group, mainly in Surface where plant and machinery purchases are expected to be under budget.

Current assets

5.2 Short term debtors were £40m above budget at the end of quarter 1 where balances in Corporate were £16m higher due to more favourable revenue shares than assumed. Within Surface, pre-payment balances were £11m higher largely due to a payment for New Routemasters being recorded in short term debtors whereas the budget is included in long term. Surface balances also include a payroll debtor of £6m not included in the budget at quarter 1 assets at the end of quarter 1.

5.3 The short term loan receivable balance represents the amount loaned to Network Rail as part of the Crossrail project, due to be repaid in full in May 2016. The variance at Quarter 1 and the full year reflect the latest phasing of spend by Network Rail.

Cash and investments

5.4 Cash and short term investments at quarter 1 were £4,798m some £5m above budget but are forecast to reduce to £2,969m by year end which is £31m below budget. The forecast position assumes a £46m grant reduction following a centrally imposed reduction to Transport Grant and additional reductions representing the premium to be paid for the West Anglia franchise. Appendix E below summarises actual and forecast cash movements compared to budget.

Creditors

5.5 Year to date creditors were £120m lower than budget, primarily in R&U (£68m) and Crossrail (£45m). R&U balances reflect lower levels of accruals for capital works, both short and long term, aligned to the activity underspends. In Crossrail the variance arose as a milestone payment for Canary Wharf station, budgeted for later in the year, was settled at the end of period 2. The full year creditor forecast remains close to the budgeted level.

Derivatives

5.6 The derivatives position at quarter 1 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. Where hedge accounting applies, any movement in the fair value of the derivative liability is recognised directly in reserves; otherwise the movement is recorded in the income statement. The fair value movement is expected to reverse by maturity in future years.

Borrowings

5.7 Borrowings at quarter 1 were £24m below budget following a decision to defer a small amount of new borrowings until later in the year. The forecast variance arises from increased levels of fees and discounts on borrowings raised in the year.

Provisions

5.8 Provisions at the end of quarter 1 were £8m higher than budget. Provisions related to the Crossrail project were £11m above the budget, with lower payments for property claimants of £34m offset by £15m lower property commitments arising and an £8m reduction in contractual claims. Elsewhere in the group provisions for dilapidations were £3m lower than budget. The forecast position has provisions at the year end £15m below budget, again largely driven by Crossrail assumptions with higher than budgeted property payments of £12m added to lower amounts provided for contractual claims of £3m.

Balance Sheet (£m)	Year to date			Full year, 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget
Intangible assets	115	111	(4)	120	(23)
Property, plant & equipment	32,387	32,503	116	34,629	(177)
Investment properties	438	438	-	438	-
Investment in associate	44	44	-	44	-
Long term investments	10	10	-	-	10
Long term debtors	429	431	2	474	(15)
Non Current Assets	33,423	33,537	114	35,705	(205)
Stocks	55	54	(1)	53	-
Assets held for Sale	625	586	(39)	510	15
Short term debtors	14	23	9	9	14
Short term derivative	929	957	28	1,285	25
Cash and Short Term Investments	4,798	4,793	(5)	2,969	21
Current Assets	6,421	6,413	(8)	4,826	75
Short term creditors	(2,060)	(2,156)	(96)	(2,253)	37
Short term derivatives	-	(1)	(1)	(2)	1
Short term borrowings	(784)	(784)	-	(784)	-
Short term lease liabilities	(71)	(77)	(6)	(114)	61
Short term provisions	(197)	(196)	1	(113)	(24)
Current Liabilities	(3,112)	(3,214)	(102)	(3,266)	75
Long term creditors	(82)	(105)	(23)	(85)	(34)
Long term borrowings	(8,332)	(8,356)	(24)	(8,329)	(2)
Long term lease liabilities	(653)	(648)	5	(549)	(57)
Long term derivatives	(76)	(101)	(25)	(91)	(10)
Other provisions	(88)	(79)	9	(57)	10
Pension provision	(2,890)	(2,892)	(2)	(2,881)	(1)
Long Term Liabilities	(12,121)	(12,181)	(60)	(11,992)	(94)
Total net Assets	24,611	24,555	(56)	25,273	(149)
Capital and Reserves					
Usable reserves	4,651	4,487	(164)	2,841	(252)
Unusable reserves	19,960	20,068	108	22,432	103
Total capital employed	24,611	24,555	(56)	25,273	(149)
Cash and Investments					
CRL Sponsor funding account	2,093	2,022	(71)	1,490	84
Other cash and investments	2,715	2,781	66	1,479	(53)
Total as above ¹	4,808	4,803	(5)	2,969	31

¹ Includes Cash and Investments, and long-term investments

Appendix D: Cash summary

Cash Summary In / (Out) Flow (£m)	Year to date			Full year, 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 Forecast	Variance to Budget
Margin	(225)	(234)	(8)	(1,350)	(3)
Working Capital Movements	(17)	24	40	139	(98)
Cash Spend on Operating Activities	(242)	(210)	32	(1,211)	(101)
Net Capital Expenditure	(446)	(513)	(67)	(2,134)	8
Crossrail	(344)	(386)	(42)	(1,569)	34
Working Capital Movements	261	370	109	225	97
Cash Spend on Capital Activities	(529)	(529)	-	(3,478)	139
Cash Settlement of derivatives	-	-	-	-	-
Non-cash items included in activity	(42)	(53)	(11)	(193)	(40)
Fair value adjustment for long term investments	-	-	-	-	-
Loans to third parties (paid) / repaid	(491)	(520)	(29)	(885)	(15)
Non-Activity Cash Movements	(533)	(573)	(40)	(1,078)	(55)
Grants, Precept & other contributions	832	811	(21)	3,459	46
Borrowings Raised	602	626	24	624	2
Borrowings Repaid	-	-	-	(25)	-
Total Funding	1,434	1,437	3	4,058	48
Net Movement in Cash	130	125	(6)	(1,709)	31

Appendix E: Financial comparison with 2014/15

TfL group finances – operating income, expenditure and funding

TfL group (£m)	Quarter 1			
	Year to date, 2014/15	Year to date, 2015/16	Year on year change	
Fares income	938	1,066	128	12%
Other operating income	147	151	4	3%
Total income	1,086	1,217	131	11%
Operating expenditure (net of third-party contributions)	(1,342)	(1,443)	(101)	7%
Operating margin	(256)	(226)	30	(13%)
Interest income	6	6	0	0%
Debt interest	(79)	(89)	(10)	11%
Contingency and group items	6	8	2	25%
Margin	(323)	(301)	22	(7%)
Finances sources				
General grant	193	152	(41)	(27%)
Overground grant	7	6	(1)	(17%)
GLA precept	1	1	0	0%
Business Rates Retention	153	212	59	28%
Other revenue grants	1	(0)	(1)	0%
Total revenue grants	354	371	17	5%
Operating contribution to fund investment	30	70	40	57%

Full-year actuals, 2014/15	Full-year		
	Quarter 1 forecast, 2015/16	Year on year change	
4,281	4,585	304	7%
720	648	(72)	(11%)
5,002	5,233	231	4%
(6,152)	(6,583)	(431)	7%
(1,150)	(1,350)	(200)	15%
28	22	(6)	(27%)
(358)	(378)	(20)	5%
27	29	2	7%
(1,453)	(1,677)	(224)	13%
Finances sources			
897	591	(306)	(52%)
26	29	3	10%
6	6	0	0%
828	848	20	2%
8	(0)	(8)	
1,766	1,474	(292)	(20%)
313	(202)	(515)	255%

TfL group finances – capital expenditure, income and funding

TfL group (£m)	Quarter 1			
	Year to date, 2014/15	Year to date, 2015/16	Year on year change	
Capital expenditure	(471)	(832)	(361)	43%
Third-party contributions – capital	7	10	3	30%
Sales of property and other assets	5	376	371	99%
Net capital expenditure excl. Crossrail	(460)	(446)	14	(3%)
Crossrail capital expenditure	(339)	(344)	(5)	1%
Net capital expenditure incl. Crossrail	(799)	(790)	9	(1%)
Finance sources				
Surplus/ -deficit to fund investment	30	70	40	57%
Crossrail funding sources	421	213	(208)	(98%)
Investment grant	210	225	15	7%
Metronet grant	0	23	23	100%
Other capital grants	21	(214)	(235)	110%
Working capital	54	472	418	89%
Net borrowing and reserve movements	63	790	727	92%
Total	799	(832)	(1631)	196%

Full-year				
Full-year actuals, 2014/15	Quarter 1 forecast, 2015/16	Year on year change		
(1,979)	(2,591)	(612)	24%	
25	64	39	61%	
47	393	346	88%	
(1,906)	(2,134)	(228)	11%	
(1,475)	(1,569)	(94)	6%	
(3,382)	(3,703)	(321)	9%	
313	(202)	(515)	255%	
1,702	925	(777)	(84%)	
909	899	(10)	(1%)	
0	161	161	100%	
124	(387)	(511)	132%	
(389)	2,308	2,697	117%	
722	3,703	2,981	81%	
(3,382)	(2,591)	791	(31%)	

Glossary

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

Docklands Light Railway: on-time performance	%	The number of valid train departures expressed as a percentage of the base service departures: valid departures must have a minimum dwell of 5 seconds, the correct number of carriages and complete the whole of the scheduled route.
London Overground: public performance measure	%	<p>The Public Performance Measure (PPM) shows the percentage of trains which arrive at their destination on time.</p> <p>The PPM combines figures for punctuality and reliability into a single performance measure. It is the rail industry standard measurement of performance.</p> <p>PPM measures the performance of individual trains advertised as passenger services against their planned timetable as agreed between the operator and Network Rail at 22:00 the night before. PPM is therefore the percentage of trains 'on time' compared to the total number of trains planned.</p> <p>In London and the South East, a train is defined as on time if it arrives at the destination within five minutes (ie 4 minutes 59 seconds or less) of the planned arrival time. Where a train fails to run its entire planned route calling at all timetabled stations it will count as a PPM failure.</p>
Emirates Air Line: availability	%	Operating availability is the ratio of actual operating hours / planned operating hours. Planned operating hours are not necessarily the same as scheduled due to instances when the EAL is open outside of schedule in support of local events – particularly those at the O ₂ .
TLRN: journey time reliability (am peak)	%	The key measure for monitoring smoothing traffic flow is journey time reliability (JTR). It is defined as the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak.

Scheduled services operated	%	The amount of service that TfL actually operated, compared to what we planned beforehand – comparing peak and off-peak times. (Peak times are 07.00 – 10.00 and 16.00 – 19.00 Monday – Friday.) This helps us check whether the service we operate at the busiest times of day is as good as during quieter periods.
Recorded crime	Per million passenger journeys	The number of recorded (or notifiable) crimes per million passenger journeys on the appropriate network.
LU and LR major injury frequency rate	Major injuries/million hours	<p>The KPI records the number of serious injuries to customers, employees and contractors using or working on London Underground and London Rail as a measure of customer and employee safety.</p> <p>A major injury is one classified as ‘major’ under schedule 1 of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Injuries arising from criminal acts, alleged suicide attempts, and medical conditions are excluded.</p>
Cumulative reduction in killed and seriously injured (KSI) Londonwide	%	The percentage reduction in Killed or Seriously injured (KSI) KPI relates to personal injury road traffic collisions occurring on the public highway, and reported to the police, in accordance with the Stats 19 national reporting system. The KPI measures the percentage change in KSI casualties on London's roads compared to the baseline average number of KSI casualties between 2005 and 2009. The Safe Streets for London (SSfL) Road Safety Action Plan published on 6 June 2013 sets out the target of a 40 per cent reduction in KSI casualties by 2020 against the 2005-09 baseline.
Vehicles operated by FORS accredited companies	Number	The KPI measures the cumulative total of vehicles operated by Fleet Operators’ Recognition Scheme (FORS) accredited companies. The numbers of vehicles recognises those from at all levels (bronze, silver & gold) of accreditation. The cumulative total starts from 2008.
Passenger journeys	Millions	It’s important to know how much people are travelling on TfL services. We use this information to plan for the future.

Cycling levels on the TLRN

Index

The purpose of this indicator is to assess the level of cycle use on the TLRN. The overall ambition is to increase cycling levels by 400% such that by 2025 cycling will equate to a 5% mode share of all journey trips. This indicator does not represent cycling across London as a whole; It only represents cycling on the 5% of London's roads that are the TLRN. The indicator is presented as an indexed flow relative to a baseline of March 2000 (a flow level that is represented as 100 on the index). Sixty automatic cycle counters on the TLRN provide sample counts of cyclists using the network. The indicator converts these counts into an index that is used to represent increases in cycle flows on the TLRN over time. It does not represent the total number of cyclists in London. Automatic cycling counters are pieces of monitoring equipment that emit a magnetic field that detects the presence of a moving cycle.

Customer satisfaction

%

One of our most important performance measures is customer satisfaction; this helps us understand what the people who use our services really think.

An independent research company interviews around 10,000 customers every year, as they complete their trip. They are asked to make an 'overall evaluation' of their journey experience, by giving a score out of 10. We take the average of everybody's scores and multiply it by 10, to give a final result out of 100

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S-Stock Train Operator Training at Kew Gardens

Investment Programme Report Quarter One

April – June 2015

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TfL Investment Programmes

About Transport for London

We are the integrated transport authority for London. Our purpose is to keep London working and growing and to make life in the Capital better. We reinvest all of our income to run and improve London's transport services.

Our operational responsibilities include London Underground, London Buses, Docklands Light Railway, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line.

On the roads, we regulate taxis and the private hire trade, run the Congestion Charging scheme, manage the city's 580km red route network, operate all of the Capital's 6,200 traffic signals and work to ensure a safe environment for all road users.

We are delivering one of the world's largest programmes of transport capital investment, which is building Crossrail, modernising Tube services and stations, improving the road network and making the roads safer, especially for more vulnerable road users, such as pedestrians and cyclists.

We are a pioneer in integrated ticketing and providing information to help people move around London. Oyster is the world's most popular smartcard, and contactless payment is making travel ever more convenient. Real-time travel information is provided by us directly and through third parties who use the data TfL makes openly and freely available to power apps and other services.

Improving and expanding transport in London is central to driving economic growth, jobs and housing across the country.

The Investment Programme described in this report – one of the largest in Europe – contains a range of projects that will deliver world-class transport services to London. This report covers the larger projects, defined as those with an estimated final cost of over £50m.

The report includes:

- Group Summary of progress – Summarisation of the performance of the whole Investment Programme
- Programme Update – Commentary update to the significant projects and programmes within the Investment Programme
- Financial Variance – Variance with commentary on financial Key Performance Indicators
- Milestone and Project variance – Variance and commentary on significant movement on delivery milestones



New Tram

Investment Programme highlights

Q1 2015/16 Plan Milestone Analysis



■ On Time or Early ■ Late - up to 89 days ■ Late - 90 days or more

The Investment Programme is at the heart of TfL's strategy to improve the travelling experience of our customers and cope with the growing demand for our services.

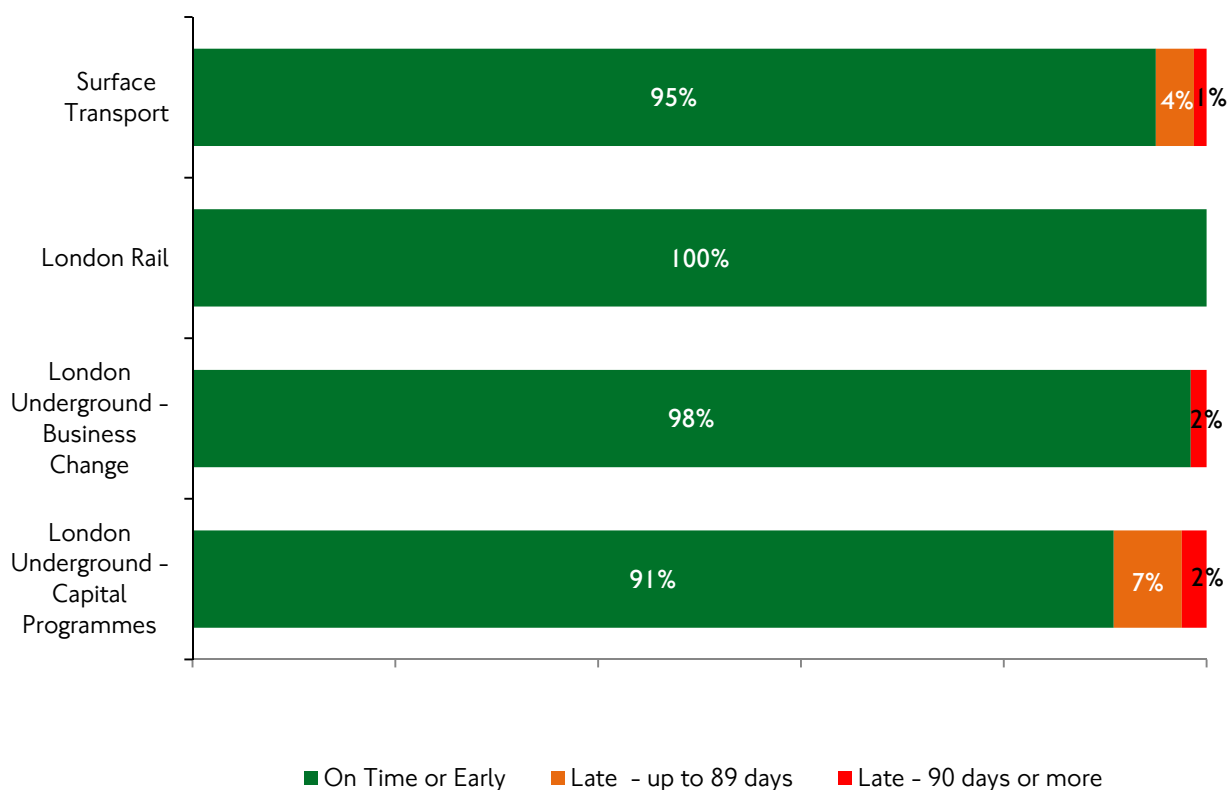
This quarter saw the start of many new schemes across the capital which will help to deliver the Mayor's Transport Strategy. To enable better connectivity with London and Hertfordshire, the Metropolitan line Extension is being transitioned to LU from Hertfordshire County Council. Since taking over the franchise to operate trains north of Liverpool Street station, work has begun to enhance the customer experience and provide better public areas at the 22 stations that TfL now operates. In order to relieve congestion and enable growth in the east and southeast of London, we are preparing to begin statutory consultation on the Silvertown tunnel project and engage the market to find a Public Private Partnership to deliver the project.

We are forecasting that 93 per cent of our budget milestones will be delivered on time or early. The 'Big East West Breakthrough' occurred on 4 June 2015 – signifying the end to the tunnelling phase of Crossrail – as the final Tunnel Boring Machine broke through at Farringdon. The tunnel relining between Baker Street and Bond Street was completed ahead of schedule. Construction started on the East/West Cycle Superhighway and at Elephant and Castle work began to transform the roundabout and create a better experience and environment for the area.

IPR Programme Update

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Q1 2015/16 Plan Milestone Analysis



London Underground and London Rail

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London Underground

Four Lines Modernisation (4LM)

Overview

The 4LM covers 40 per cent of the Underground network. In order to continue running reliable and regular services on the Circle, Metropolitan, District and Hammersmith & City lines, a programmed replacement of fleet, signalling and supporting systems was instigated because most existing assets were at, or beyond, their design life. The necessity for asset replacement simultaneously affords the opportunity for asset modernisation. Installation of modern equipment on all four lines will facilitate the delivery of improved journey times and capacity, both of which are essential to accommodate London's projected population and employment growth.

The modernisation includes the replacement of trains across all four lines with new S-Stock trains. These trains are walk-through with air conditioning, as well as improved visual and audio displays, dedicated wheelchairs spaces and colour contrasting interiors. The programme will deliver a 33 per cent increase in peak-hour capacity, operating 32 trains per hour on one of the



world's most complex railways.

A test train arrives at Ruislip

S-Stock Train Roll Out

Roll-out on the Metropolitan, Circle and Hammersmith & City lines is fully complete and is progressing as scheduled on the District line. Completion of the District line roll-out is planned in 2016, ahead of the Department for Transport's (DfT's) milestone. The timetable change in May 2015 was successfully supported and the replacement of D-Stock trains continues as scheduled.

Programme financial forecast

Spend to end Quarter I, 2015/16 (£m)	Estimated Final Cost (EFC) £m	Authority £m	Variance to Authority	Commentary
2,796.6	3,143.7	3,143.7	0.00 ▲0.0%	Revised Programme authority for Four Lines Modernisation obtained on 1 July and the ATC Signalling contract was awarded post quarter on 28 July 2015.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
D-Stock Replacement - Deployment of 9th Train on District MAIN Service Pattern	16-May-15	11-May-15	-	Complete	
S-Stock enabling infrastructure handed over (excluding one person operation (OPO), legacy signalling & immunisation)	17-Aug-15	15-May-15	-	Complete	
D-Stock Replacement - Deployment of 12th Train on District MAIN Service Pattern	17-Jul-15	09-Jun-15	-	Complete	
Power works complete for 44 District line S-Stock (Victoria & Embankment DC feeder cables)	11-Sep-15	02-Jul-15	-	●	Achieved post quarter one.
Winterisation facilities available for S-Stock at Ealing Common & Upminster Depots	04-Dec-15	10-Nov-15	-	●	
Lighting main upgrade complete (SUP Supporting Works)	01-Jan-16	16-Oct-15	-	●	

Significant changes in EFC this quarter (more than 2 per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2014/15	Variance Commentary
S-Stock Train Roll Out	3,144	-4	The EFC has increased due to new project authority for Train roll-out, as part of the overall Four Lines Modernisation approved by TfL Board on 1 July 2015, includes additional funded scope (Neasden Heavy Maintenance Facility and Platform Train Interface works) that was not included in the last quarterly forecast.

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
S-Stock Train Roll Out	161	140	-20	-13	The reduction of the year-end forecast against Budget reflects the delay in contract award compared with the planned date at the time the Budget was set. This impacts the first two quarters of this year on the ATC contract and associated enabling works.



Bouverie substation

Automatic Train Control (ATC)

The Thales programme is being integrated with the LU supporting works programme as part of the continuing work to agree a delivery programme for the ATC contract. Award of the contract occurred post quarter one on 28 July 2015.

Preparatory work is being undertaken to minimise the effect of the delay to contract award. Work includes fitting two S-Stock test trains with ATC signalling equipment and the installation of ATC equipment at a test site to validate the signal system functionality and reliability. Surveys have also been conducted on the Sub-Surface Railway where new signalling equipment will be installed.

Modifications to the track layout to optimise the adoption of ATC have been finalised and plans are being prepared to deliver the programme.

Programme financial forecast

Spend to end Quarter I, 2015/16 (£m)	Estimated Final Cost (EFC) £m	Authority £m	Variance to Authority	Commentary
620.7	2,267.8	2,267.8	0.00 ▲0.0%	Revised Programme authority for Four Lines Modernisation obtained on 1 July.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Full signalling upgrade across the Sub-Surface network complete (Annex B:2018)	31-Dec-18	TBC	-	-	This date has been superseded following Programme Re-authorisation, but no new DfT date has yet been set.

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Automatic Train Control (ATC)	201	235	34	17	The decrease in forecast against budget is due to deferring delivery of the Rolling Stock Heavy spares. We are currently working on identifying sufficient storage capacity for these spares which is on track for delivery in September 2015.



Future map design

Metropolitan Line Extension

The project team is working towards a transition date that will allow LU to take ownership of the current Stage I (Design) Contract from Hertfordshire County Council (HCC) on 10 August 2015. The Metropolitan Line Extension will provide a catalyst for regeneration and growth in the Watford area and improve connectivity between southwest Hertfordshire and northwest London. The project involves the diversion and extension of the existing Metropolitan line from just north of Croxley to a new terminus at Watford Junction via the existing Watford High Street. The existing Metropolitan line terminus at Watford station will close following the opening of the extension.

As part of the transition of the project, agreements need to be approved between both LU and HCC. These include the funding, the procurement strategy (which has been approved in principle) and the strategy to deliver and build the scheme.

The design baseline was agreed post quarter on 16 July 2015 and recruitment of key resources is underway with potential support available from the Crossrail and Stations team.

Programme financial forecast

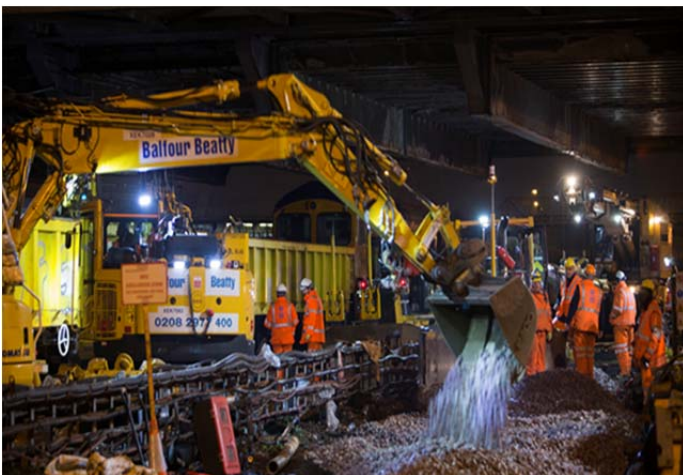
Spend to end Quarter I, 2015/16 (£m)	Estimated Final Cost (EFC) £m	Authority £m	Variance to Authority	Commentary
8.8	284.4	284.4	0.00 ▲0.0%	Revised Programme authority obtained on 1 July.

Infrastructure Renewals

Overview

A well-managed infrastructure portfolio is central to the network. Maintaining and improving asset condition improves reliability and enables capacity improvements. The programme is made up of the following:

- Track and drainage renewals:
 - Ballasted and deep tube track renewals – replacing and reconditioning track
 - Rail joint elimination – a network wide workstream replacing joint rails with welded plain rail to significantly reduce network safety and performance risks
 - Track depot and sidings works – renewal and refurbishment of track in depots and sidings
 - Drainage renewals/replacements – improve track drainage infrastructure
 - Points & Crossings – refurbishment/renewal of points and crossings, and the installation of new junction layouts
- Power Upgrades: provides the traction and signalling power supplies necessary to enable the capacity increases planned for line modernisations and increased service frequencies
- Cooling Upgrades: controlling temperatures on the deep tube to protect the wellbeing of customers and staff, especially where higher service frequencies require more power
- Plant & Depot Portfolio: supports infrastructure renewals and maintenance activities by providing an enhanced engineering vehicle fleet capacity and capability
- Civils – Earth Structures: carrying out work to embankments and associated structures and prolonging lifespans.



Points and crossing renewals at Neasden during the Easter blockade

Track Programme

During the Easter weekend hundreds of engineers worked across the LU network to deliver one of our biggest track renewals. The work will enable much smoother train journeys, with increased speeds and much greater reliability.

This work was two years in the planning and focused on three areas: at Harrow, a set of points was renewed along with several hundred metres of track, completing the series of upgrade works that commenced in July 2014; at Neasden, points were replaced on the Metropolitan and Jubilee lines to improve reliability; at Finchley Road, track was renewed on the southbound Metropolitan line to continue the work to improve safety by reducing any gaps between the train and platform.

Elsewhere, new track and point mechanisms were installed, replacing track and machinery from the 1960s, with new technology which will be cheaper and easier to maintain. Preparatory work began at Walthamstow as we installed a gantry crane in preparation for major points and crossings renewals planned for August. At Wembley Park, we renewed poor condition track on the northbound Jubilee line and carried out level access improvements.

In total, we delivered over 4.6km of ballasted track renewal, 2.5km of drainage works, and renewed 13 points and crossing units, as well as completing 1.5km of deep tube renewals and replacing over 8km of worn rails.

The development of our innovative delivery techniques continues and we trialled a world-leading induction welding unit. Induction welding is significantly faster and stronger, and is fume and spark free.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1,065.7	2,820.3*	1,805.4	-1,014.9▲-36.0%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC (from 2018/19-2023/24). Approval for this future authority will be sought when required.

*EFC does not include JNP works.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
25.3km of Track replaced (total 13% replaced)	31-Mar-15	02-May-15	-16	Complete	
Remodel Walthamstow Crossover - Block closure complete	07-Sep-15	07-Sep-15	-	●	
Deep Tube Renewal - Achieve 2.9km metres	15-Oct-15	15-Oct-15	-	●	
Renew Points & Crossings units - Achieve 20 units	16-Oct-15	16-Oct-15	-	●	
Achieve 'Consent to Operate' for the 7 th Schoma Locomotive	07-Dec-15	12-Oct-15	-	●	
Track Drainage Renewal - Achieve 3km metres	16-Oct-15	16-Oct-15	-	●	
Achieve 'Consent to Operate' for first of two new tamping machines	03-Mar-16	20-Jan-16	-13	●	
Cumulative 16 per cent of Track replaced on Sub-Surface and BCV lines	31-Mar-16	31-Mar-16	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
Ballasted Track Renewal & re-ballast - Achieve 13,760 metres	16-Oct-15	08-Jan-16	-84	▲	Possessions were affected by late government notification of the VE Day anniversary, and Network Rail strike, which was called off at late notice, with the engineering train fleet drivers unable to be re-rostered.

Year end actual v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Track	245	230	-15	-7	The increase in forecast against budget is due to the re-profiling of the workbank following approval of authority for the next three years.



New 11,000 volt switchgear during pre-commissioning phase at Ravenscourt Park

4LM Major Power Works (Traction)

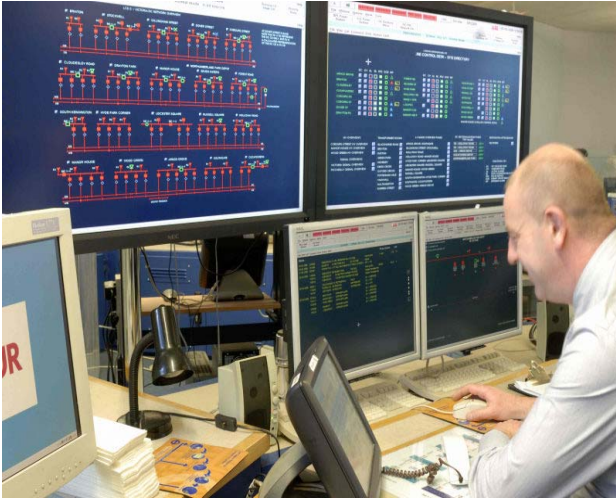
The switchgear order for the Mile End high voltage sub-station placement was achieved two months ahead of schedule. The contract to provide high voltage switchgear extensions was awarded to Asea Brown Boveri to enable power resilience works to reduce the risk of power loss. Ground works completed at the National Grid site at Hendon to upgrade the supply to 132,000 volts to the Neasden depot bulk supply point. Additional traction energy capacity on the eastern end of the District line at Dagenham Heathway was supplied to support the 4LM programme.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
430.4	503.3	521.4	18.1 ▼3.6%	EFC has reduced due to efficiencies that have been embedded across the portfolio as a result of value engineering initiatives and risk mitigation.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Package 5B - Switchgear Order Placement for First Site	23-Jul-15	14-Apr-15	100	Complete	
Package 3A - Completion of Demolition of Existing Upminster Sub-station	27-Aug-15	30-Jul-15	-	Complete	
Package 5C - Issue of ITT - Static VAR Compensator at Greenwich Issue ITT	24-Sep-15	24-Sep-15	-	●	
Main Civil Works Substantial Complete	05-Oct-15	05-Oct-15	-	●	
Completion of Jointing 132kV Cable Route	15-Oct-15	15-Oct-15	-	●	
P8M Completion of Main System QICCs - Part 8	28-Oct-15	24-Sep-15	7	●	
Package 3B Cromwell Curve Substation - Ready To Energise	22-Nov-15	23-Oct-15	-	●	
Finish Package 2 Stage Gate 5 - Delivery	01-Dec-15	02-Nov-15	7	●	
Package 3A Sub-stations - Substantial Completion	03-Dec-15	05-Nov-15	-	●	
Southfields – Substation Power Upgrades Commissioning Completion	27-Nov-15	27-Nov-15	-	●	
Package 3B - Putney Bridge First Transformer Rectifier - Ready to Energise	12-Feb-16	15-Jan-16	-	●	
Package 3B - Chiswick Park Substation - Ready to Energise	17-Feb-16	20-Jan-16	-	●	
5A - Enabling Works complete (first cable route)	18-Feb-16	18-Feb-16	-	●	
5A - All Cable Route Surveys Complete	07-Mar-16	07-Mar-16	-	●	



Power Control room desk

Power System Control Replacement (SCADA)

The SCADA replacement project is currently out for Invitation to Tender with bids due to be returned by 11 September 2015. The new system will offer enhanced operational features including a self service Track Access function. Significant operational efficiencies will be realised with the introduction of the new system.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
2.8	45.9	5.4	-40.5 ▼ -88.2%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. Approval for this future authority will be sought when required.



Baker Street to Bond Street team celebrate the completion

Baker Street to Bond Street Tunnel Lining

The project substantially completed five days ahead of the target date of 28 June 2015. The completion of the last ring marks a significant achievement for LU, using an innovative process that eliminates the need for a full line closure. This method has reduced the cost and time usually taken to deliver this kind of project and delivered the output of the project four months ahead of the baseline programme.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
30.4	32.9	34.4	1.5 ▲ 4.6%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Baker Street to Bond Street Tunnel Remediation - Installation of 300 Tunnel Rings Complete	03-May-15	03-Apr-15	2	Complete	
Baker Street to Bond Street Tunnel Remediation - Installation of 359 Tunnel Rings Complete	28-Jun-15	23-Jun-15	-23	Complete	
Baker Street to Bond Street Tunnel Project - Practical Completion	16-Dec-15	18-Nov-15	-	●	

Legacy Train Systems

Overview

This programme is responsible for the renewal and improvement projects associated with legacy fleets, line signalling and communication systems. The aim is to ensure that the existing asset base is kept in a safe and reliable condition until planned modernisations commence. The programme will be delivering a range of refurbishments on the Bakerloo '72 Tube Stock, Battery Locomotives (engineering trains), Central line '92 Tube Stock, installation of inter-car canopy barriers on the Waterloo & City line fleet and improvements to track monitoring through the installation of an automatic track monitoring system on LU fleets.



Driver in legacy train

As part of the Legacy Trains programme, 28 of the existing battery locomotives will have work carried out to extend their life and upgrade them to 750v. The tenth battery locomotive was upgraded ahead of target in April 2015.

The Bakerloo '72 Tube Stock works will address the structural condition of the Bakerloo line fleet with a target to extend the life of three trains a year. The first train has been completed and work on the second train is continuing to plan.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
156.2	787.1	352.3	-434.8 ▲-55.2%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. Approval for this future authority will be sought when required.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
1943 Gearbox Overhauls Complete	03-Jul-15	24-Apr-15	42	Complete	
Train 1 Completed	24-Apr-15	24-Apr-15	-10	Complete	
Installation W & C Line	19-Jun-15	13-May-15	14	Complete	
20 trains traction card overhaul completed	09-Oct-15	12-Jun-15	-3	Complete	

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Complete 750 V Upgrade works for 15th Battery Loco	11-Sep-15	14-Jul-15	31	●	Milestone still forecast to achieve by planned date, which is one period ahead of target date.
Complete life extension work for 14th Battery Loco	28-Aug-15	14-Jul-15	-	●	
Life Extension Complete on 72TS-Train 2	28-Oct-15	30-Sep-15	-54	●	Milestone still forecast to achieve by planned date, which is one period ahead of target date.
Complete 750 V Upgrade works for 20th Battery Loco	15-Jan-16	18-Dec-15	-	●	
Life Extension Complete on 72TS-Train 3	12-Feb-16	15-Jan-16	-63	●	Milestone still forecast to achieve by planned date, which is one period ahead of target date.
Complete life extension work for 16th Battery Loco	24-Feb-16	27-Jan-16	-	●	
17th Loco Complete	28-Jun-16	28-Jun-16	-	●	
Battery Locos Engineers Vehicles available for service upgraded for 750V traction supply	28-Oct-16	28-Oct-16	-	●	
Finish on Site - 28 Battery Locomotives	18-Apr-19	27-Mar-19	-	●	

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Legacy Train Systems	34	48	13	28	The reduction in forecast against budget is due to unapproved projects being re-phased to align with sponsors plan for commencing Bakerloo and Central Lines Communication & Information life extension works. Northumberland Park Depot funding delayed also whilst delivery strategy is being defined.

Northern Line Extension

Overview

The primary aim of the Northern Line Extension (NLE) is to support economic growth in London and the wider UK economy by facilitating the sustainable regeneration of the Vauxhall Nine Elms Battersea (VNEB) Opportunity Area. This includes the creation of a major new residential, business and leisure district in London's Central Activities Zone.

The London Plan (2011) designates VNEB as an Opportunity Area with the potential for up to 18,000 new homes and to more than treble the number of jobs created in the area (up to 24,000). This level of development cannot occur sustainably without the appropriate transport infrastructure. The NLE will achieve this primary aim by providing a twin tunnelled extension from Kennington to a terminus station at Battersea via an intermediate station at Nine Elms. The NLE will help to relieve existing congestion at Vauxhall station, and provide relief to the Victoria line and to the Northern line south of Kennington. Journey times from Battersea to the West End or the City will, in some cases, be less than 15 minutes.

The project will provide all the necessary infrastructure works, signalling, additional rolling stock, power supply, communications and control systems to support a peak service frequency of at least 28 trains per hour (tph) on this new section of the Northern line. These key deliverables are planned to be achieved with the programme running through to 2020.



Design impression of the Battersea site

Local authority consent was granted for all four Northern Line Extension site locations allowing full construction to proceed including the demolition of the boiler house chimney at Nine Elms and the Kennington Park lodge.

New site offices were fitted out and project teams transferred from Southbank House to site.

The manufacture of the Tunnel Boring Machines (TBM), which will be used to extend the tunnels from Kennington to the new Battersea station, has begun as planned and the tender exercise to procure the pre-cast concrete tunnel rings is being progressed.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
137.3	926.3	1,044.0	117.7 ▼ 12.7%	Further reduction to EFC in Q1 due to confirmation that the risk held for step-free access at Kennington station is not required, and a significant saving made in the procurement of the Owner Controlled Insurance Programme, due to favourable changes in insurance market conditions. However, cost pressures due to Battersea design changes (yet to be confirmed) are captured in the Pressures and Opportunities Schedule.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Kennington Green commence enabling works for site accommodation	07-Aug-15	01-Apr-15	-	Complete	
Kennington commence identifying cables for removal in the platform and track areas	28-May-15	17-Apr-15	-	Complete	
Commence mobilisation for bentonite farms at Battersea	18-May-15	17-Apr-15	-4	Complete	
Kennington Park provision of temporary HV power to work site complete	09-Jul-15	29-May-15	-21	Complete	
Kennington Green complete site mobilisation, office establishment and welfare	01-Oct-15	19-Jun-15	20	Complete	
Kennington Park complete site mobilisation, office establishment and welfare	10-Sep-15	19-Jun-15	-15	Complete	
Nine Elms commence piling	30-Oct-15	24-Sep-15	-30	●	
Battersea complete construction of muckaway river jetty	08-Oct-15	10-Sep-15	-21	●	
Battersea commence piling	10-Dec-15	15-Sep-15	-5	●	
Kennington Park commence piling	12-Jan-16	12-Sep-15	-39	●	
Kennington completion of loop and platform early enabling works	18-Jan-16	19-Oct-15	-24	●	
Nine Elms Complete demolition of existing Banham building	18-Dec-15	13-Nov-15	-	●	
Tunnels First Tunnel Boring Machine (TBM) final Factory Acceptance Test approved to enable TBM to be delivered	28-Mar-16	04-Dec-15	-	●	
Kennington Green commence piling	29-Feb-16	10-Nov-15	-	●	
Stockwell commence Substation HV panel modifications	30-Mar-16	11-Mar-16	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
Battersea Commence Excavation Works (Crossover box)	14-Mar-16	19-May-16	-170	■	Battersea Power Station Development Company (BPSDC) Over Station Development design changes have delayed the station box design from being finalized, which in turn has delayed the design and construction activities. This milestone is unachievable by 14 March 2016. The project will continue to work with BPSDC to mitigate the slippage.
Hand over of Crossover Box for commencement of Tunnelling launch chambers	30-Mar-16	23-Jun-16	-160	■	As a consequence of this slippage, together with concerns over constructability and integration, the key milestone of handing over the Tunnel Boring Machine (TBM) launch chamber is unachievable by 30 March 2016. To mitigate delays the project is focusing on activities to achieve the earliest possible TBM launch date.

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2014/15	Variance Commentary
Northern Line Extension	926	4	EFC has reduced due to risks not materialising, predominantly confirmation that step-free access is not required at Kennington station. A significant saving was also made in the procurement of the Owner Controlled Insurance Programme. The reduced Q1 EFC does not include the Battersea design changes cost pressure. This is captured on the Q1 Pressures and Opportunities schedule with the value still to be confirmed.

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Northern Line Extension	106	165	60	36	Battersea design changes have delayed the start of construction and therefore costs incurred this year will be reduced.

World Class Capacity

Overview

The World Class Capacity programme will provide additional capacity beyond that delivered by the first wave of modernisations on the Northern, Victoria and Jubilee lines (Capacity 1 Modernisations). There are still some relatively minor works outstanding to complete the original Jubilee and Northern line modernisations. The majority of these works are scheduled in 2015/16 and will correct defects, remove redundant equipment and implement further reliability enhancements. A key deliverable for 2015/16 will be to fully close-out the Jubilee Line Upgrade 1. One further service enhancement is planned on the Northern Line Upgrade 1 to deliver 32 trains per hour (tph) from Morden by August 2016.

The second wave of upgrades (Capacity 2 Modernisations) are at differing stages of maturity with the Victoria Line Upgrade 2 in implementation, Jubilee Line Upgrade 2 in design and Northern Line Upgrade 2 in feasibility. Capacity improvements are planned across three lines which will increase the Victoria line from a current level of peak service of 34tph up to 36tph by mid 2016. The Jubilee line capacity will increase from a current level of peak service of 30tph up to 36tph by mid 2019 and capacity on the Northern line (central branches) will further improve to 36tph by mid 2021.



Northern line sign

Capacity 1 Modernisations

The new signalling systems on the Jubilee and Northern lines are performing well and meeting reliability targets though improvements and software commissioning are still required to support the Night Tube timetables.

The Jubilee line rolling stock mid-life refurbishment contract award is delayed to November 2015. This will allow lessons learnt from the Northern line rolling stock to be incorporated within the contract, reducing the potential for future variations. Consequently, the mid-life fit-out of the Jubilee line rolling stock trains has been delayed.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1,240.8	1,364.7	1,410.9	76.0 ▼19.6%	Savings have been made historically against authority due to signalling contractor delivering below target price and escalation savings. Cost pressures to close out NLU1/JLU1 that are not included in EFC may offset these. They are currently being reviewed and an updated view will be provided in the quarter two forecast.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Northern Line Rolling Stock Mid-Life Refurbishment - Complete Northern Line fitment of 106 Trains	28-Jun-15	28-Apr-15	33	Complete	
WTT55 reliability scope (Delivery of phase 2 scope)	29-Sep-15	01-Sep-15	-	●	
Cockfosters to Barons Court - All PLC Cabinets installed & powered	27-Nov-15	30-Oct-15	-	●	
Northern Line Rolling Stock Mid-Life Refurbishment - Project Closeout	28-Dec-15	30-Nov-15	-	●	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Award 'key' contracts for JL R/S Midlife fit-out	26-Jul-15	-127	The milestone will be missed due to a delay in the procurement process. The scope was reviewed following a budget reduction of £8m. The delay has allowed lessons from the Northern line mid-life refurbishment to be incorporated into the invitation to tender, reducing the potential for future contract variations.
Complete JL fit-out of the first train	05-Jan-16	-116	The delivery team has reassessed the timescale for completing the Jubilee line fit-out (basing this on the time it took to complete the Northern line). Fit-out of the first train will take longer than the original 30 days. The team will mitigate this by providing additional resources to accelerate delivery.

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
Commencement of Midlife fit-out	27-Nov-15	08-Feb-16	-101	■	The delivery team has reassessed the timescale for completing the Jubilee line fit-out (basing this on the time it took to complete the Northern line). Fit-out of the first train will take longer than the original 30 days. The team will mitigate this by providing additional resources to accelerate delivery.

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
Software Commissioning 3.16	28-Sep-15	01-Dec-15	-137	■	Thales was asked to prioritise the Night Tube software, which is being done as part of the 3:16 software commissioning release. To accommodate this, the original reliability improvement releases have been delayed by up to 12 weeks. Thales will be asked if it can improve on its current schedule.
Software Commissioning 3.17	25-Apr-16	28-Mar-16	-208	■	This milestone has been impacted by the delay to the 3:16 software release (December 2015). The project has not gained stakeholder support for residual issues that are not included in this final software release (3:17). This has introduced a risk that further software releases are required and introduce further delays. The project will continue discussions to resolve the issue.



Victoria station platform

Capacity II Modernisations

Sessions are being held to review the costs, programme and options following receipt of the Siemens' delivery proposal, to ensure that up to 36 trains per hour (tph) on the Victoria line can be achieved by April 2016.

Thales has been asked to provide a quotation for signalling works on the Jubilee line to begin finalising the costs for this project.

Progress continues towards issuing the invitation to tender in October 2015 for the procurement of the additional 34 trains required on the Jubilee and Northern lines to achieve the 36tph performance.

Programme financial forecast

Spend to end Quarter I, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
10.5	997.8	75.4	-922.4▲-92.4%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. The Jubilee and Northern Line Upgrade 2 programmes are still at an early phase of the programme, hence approval for this future authority will be sought when required.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Jubilee line project mobilisation complete	28-May-15	30-Apr-15	-	Complete	
Victoria line Seven Sisters Sub station works - detailed design complete	12-Aug-15	15-Jul-15	-	●	Achieved post quarter one.
Northern line final Stage 2 feasibility report approved	28-Dec-15	30-Nov-15	-	●	
Jubilee line all concept design complete	28-Feb-16	31-Jan-16	-	●	
Completion of signalling work	21-Mar-16	22-Feb-16	-	●	

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Capacity II Modernisations	31	38	7	19	The reduction in the forecast against budget is due to rephasing of VLU2 due to ongoing commercial negotiations with signalling contractor.

New Tube for London (NTfL)

Overview

As a coordinated series of modernisation schemes for the Piccadilly, Bakerloo, Central and Waterloo & City lines, the NTfL programme will form the next generation of line modernisations. The programme provides an opportunity to capitalise on the need to renew life-expired assets to deliver long-term business transformation through the introduction of more efficient maintenance models and higher levels of automation. This technology-enabled change will enhance the customer experience and will result in an increase in capacity on the Piccadilly line of 60 per cent (space for up to an additional 19,000 customers per hour). The key milestone for the next phase of the programme is to issue the Invitation to Tender for the first phase of the new generation of trains.



NTfL exterior platform front

The new Programme Director joined the team and commenced a programme review to analyse the programme set-up and organisation using the HM Treasury route map to benchmark and incorporate industry best practice. These have established a programme baseline that provides a clear foundation in terms of requirements, scope, time and cost, progress reporting and programme controls, (including the restructuring of the Programme Performance Report) communications and safety. The Programme Requirements Statement was also updated and the new version was issued in draft to clarify and update the Sponsor's requirements, assumptions, outputs and deliverables for the current stage.

A workshop to determine strategy regarding the Piccadilly line interoperability and signalling strategy was held with Programme Board members and the Programme team members. This provided a new positive direction for the programme on this issue.

Further development of the Rolling Stock Tender Evaluation Model (RSTEM) took place and it was issued to PwC to proof test and audit.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
37.1	57.5	59.1	1.6 ▼ 2.8%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
OUTPUT Safe PTI Final Concept Design Complete	17-Dec-15	19-Oct-15	-	●	
Issue ITT for New Tube for London (NTFL) Rolling Stock	29-Dec-15	30-Nov-15	-	●	
Issue of works information (for ITT) - Site Works (31316)	31-Mar-16	22-Mar-16	-	●	

Stations, Crossrail & Third Party

Overview

Stations are the gateway to our network. In order for them to perform effectively they need to be able to cope with the millions of passengers who use them every day. A programme of station capacity upgrades is central to London Underground’s strategy to meet rising demand and changing customer needs. To ensure that congestion does not rise significantly as line capacity and demand increases, a strategic programme of congestion relief interventions is being planned and implemented. As well as increasing capacity we also need to ensure our station assets are maintained.

The Integrated Stations Programme (ISP) will implement a range of improvements to ensure stations remain safe, maintainable and operable. ISP will also deliver improvements to the condition of customer facing areas (including walls, ceilings and floors). In conjunction with current and potential third party funding we are also developing a strategy for the delivery of a partnership step-free access programme at approximately 12 stations over the next ten years.



Vauxhall station entrance and bus stops

Vauxhall Station Upgrade

The block work construction to the new passenger ticket machines was completed post quarter and the ticket hall has been enlarged. The breakthrough from the entrance and cross passages to both platforms has taken place. Installation of the new lift is progressing well and arrangements for the transfer of the subways to LU management control are being finalised.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
23.3	30.9	35.1	4.2 ▼ 13.6%	The reduction in EFC reflects savings on the primary tunnel lining works risk provision and legal fees for party wall requirements.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Vauxhall Station Capacity & step-free access (SFA) - Bring Into Use (Lift and Stairs)	08-Jan-16	25-Nov-15	-7	●	

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last Qtr (Days)	RAG	Commentary
MAID Accepted by LU - Vauxhall	25-Jan-16	05-Jan-16	-36	●	Delay to tunneling work (now complete) has eroded programme float though the forecast to complete remains ahead of target.
Vauxhall Station Capacity & SFA - Completion of all Site Works (including snagging)	11-Mar-16	15-Jan-16	-	●	
BIU - Bus Station Lift	31-Mar-16	15-Jan-16	-	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2014/15	Variance Commentary
Vauxhall Station Upgrade	31	6	EFC has reduced to take account of savings on legal fees for party wall requirements and a reduction with the Primary Tunnel Lining works risk provision.



Embankment station platform

Integrated Stations Programme (ISP)

The ISP will deliver improvements at 23 stations by 2020. The improvements will remove safety and operational risks and bring assets back to an acceptable condition in order to keep stations safe, maintainable and operable.

The first seven stations were started by the Station Stabilisation Programme (SSP) and are in progress with completion due during 2015/16. Work was completed at Harrow-on-the-Hill and Paddington stations on or ahead of target.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
99.5	334.4	333.1	-1.3 ▲-0.4%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Finish On site - Paddington	30-Apr-15	30-Apr-15	-	Complete	
Start On Site - Holland Park	12-Jul-15	14-Jun-15	-	Complete	
MAID Mandatory Asset Information Deliverable Approved (PCHC Issued) - Greenford	18-Jun-15	18-Jun-15	-13	Complete	
MAID Mandatory Asset Information Deliverable Approved - Baker Street	09-Oct-15	14-Jul-15	-75	●	Minor delay to MAID - but still ahead of target.
Practical Completion Earl's Court - PMM 290616	18-Sep-15	01-Sep-15	-11	●	
MAID Mandatory Asset Information Deliverable Approved (PCHC issued)	29-Aug-16	04-Jul-16	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
Finish On site - South Kensington	21-Aug-15	23-Oct-15	-91	■	All cameras installed at the station are defective and have been recalled by the supplier. The cameras will be removed and new cameras installed. This will delay the completion of works on site. A revised target date for finish on site of 13 November 2015 has been agreed.



Escalators at Canning Town station

LU Lifts and Escalators

Escalators at eight locations were brought back into customer use following replacement or refurbishment across the network including at Waterloo, Brixton and Canning Town. Work has commenced on the lift refurbishment at Tufnell Park.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
315.6	954.7	595.9	-358.8 ▼ -37.6%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. Approval for this future authority will be sought when required.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Brixton - Return To Service (RTS) E1	27-May-15	09-Apr-15	-	Complete	
Euston E1 - BIU (Bring Into Use)	13-Jul-15	15-Jun-15	-	Complete	
Canada Water E2 - BIU (Bring Into Use)	20-Jul-15	19-Jun-15	3	Complete	
Queensway - Bring into Use L2	21-Jun-15	01-Jul-15	-40	▲	Minor delay due to slower delivery than originally forecast. Achieved post quarter one.
Angel E5 - BIU (Bring Into Use)	13-Aug-15	13-Jul-15	-4	●	Achieved post quarter one.
Kings Cross Bring Into Use (BIU) Esc 1, 2 & 3 - Escalator Works	03-Aug-15	13-Jul-15	-7	●	Achieved post quarter one.
Green Park E9 - BIU (Bring Into Use)	18-Aug-15	15-Jul-15	5	●	Achieved post quarter one.
Brixton E3 Return To Service (RTS)	21-Sep-15	25-Jul-15	-	●	Achieved post quarter one.
BIU (Bringing into Use)	04-Sep-15	07-Aug-15	-	●	
Bring into use Lift 3 & 4 at Elephant and Castle Station	12-Oct-15	10-Sep-15	18	●	

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Greenford Station Phase 3 - LIFT RTSBIU	20-Oct-15	24-Sep-15	-2	●	
Westminster E7 - BIU (Bring Into Use)	24-Nov-15	27-Oct-15	-	●	
Covent Garden L3 & L4 - BIU (Bringing into Use)	04-Dec-15	06-Nov-15	-	●	
King Cross - Return To Service (RTS) E9	18-Dec-15	11-Nov-15	-	●	
Tottenham Court Road E4 - BIU (Bring Into Use)	14-Dec-15	16-Nov-15	-	●	
Tottenham Court Road E5 - BIU (Bring Into Use)	14-Dec-15	16-Nov-15	-	●	
Walthamstow Central E3 Return To Service (RTS)	23-Dec-15	21-Nov-15	9	●	
Elephant & Castle - Bring into Use L6	30-Mar-16	09-Dec-15	84	●	Schedule resequencing - ahead of target.
Tufnell Park L1 - BIU (Bringing into Use)	05-Apr-16	24-Dec-15	61	●	
Tufnell Park BIU (Bringing into Use) L2	22-Mar-16	24-Dec-15	-	●	
Angel E4 - BIU (Bring Into Use)	22-Feb-16	25-Jan-16	-	●	
Walthamstow - Return To Service (RTS) E1	01-Apr-16	20-Feb-16	10	●	
Canada Water E8 - BIU (Bring Into Use)	07-Apr-16	02-Mar-16	-27	●	
Kings Cross E7 Return To Service (RTS)	30-May-16	17-Mar-16	-	●	
Completion & Consent to Operate Report Approved - Lifts RTS for Elephant and Castle Lift 1	05-Jul-16	03-Jun-16	21	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
Greenford Station Phase 2 - STAIR BIU	20-Oct-15	24-Sep-15	-94	▲	We encountered water ingress problems which have been now been resolved. This resulted in a movement in the forecast date but still due to deliver ahead of target.

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2014/15	Variance Commentary
Lifts & Escalators	51	6	The EFC has reduced due to the lifts programme at South Kensington being delayed, and now due to start in 2017.



Over-site development at Tottenham Court Road Station

Tottenham Court Road Station Upgrade

Piling within the existing ticket hall continues to support its expansion. The work on the permanent water management solution for the Northern line escalator barrel is progressing well. We continue to review possible operational scenarios for the station following the re-opening of the Central line platforms in December 2015.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
414.0	487.1	538.0	50.9 ▼ 10.4%	Efficiency savings have reduced the EFC.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All Primary SCL Tunnelling completed	01-Nov-15	17-Aug-15	71	●	Schedule resequencing has brought activity forward.
Tunnelling works completed and handed over to allow commencement of Fit-out of Southern Tunnels	27-Dec-15	16-Oct-15	67	●	Schedule resequencing has brought activity forward.
Start Escalator 9 & 10 Installation	21-Apr-16	06-May-16	-11	▲	
Tunnelling Set Up Decommissioned	18-Jul-16	25-May-16	-8	●	
SC03 OSD Frame to be handover to Developer - Planned Date	28-Apr-17	28-Mar-17	2	●	
Bond St Station Upgrade - Practical completion (Annex B:2017)	28-Apr-17	28-Mar-17	2	●	

Year end actual v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Tottenham Court Road Station	50	41	-9	-22	The increase in forecast against budget is due to the reprofiling of the risk provision in line with the scope of works. There is no change to the total EFC for the project.



Bond Street lift shaft 3

Bond Street Station Upgrade

The project won three awards; a Royal Society for the Prevention of Accidents (RoSPA) Gold Award, a Considerate Constructors Scheme Gold Award and a Green Apple Environmental Award.

Works were completed on the southern tunnel cross passages and the structure of lift shaft 2. The permanent deck sections have been installed for the Crossrail link passageway and the floor has been cast to the two new passages to improve access to the Jubilee line platforms.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
238.0	308.3	307.6	-0.7 ▲ -0.2%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All Primary SCL Tunnelling completed	01-Nov-15	17-Aug-15	-	●	
Tunnelling works completed and handed over to allow commencement of Fit-out of Southern Tunnels	27-Dec-15	16-Oct-15	-	●	
Start Escalator 9 & 10 Installation	21-Apr-16	06-May-16	-	▲	Some minor slippage, but expected to be recovered and delivered on time.
Tunnelling Set Up Decommissioned	18-Jul-16	25-May-16	-	●	
SC03 OSD Frame to be handover to Developer - Planned Date	28-Apr-17	28-Mar-17	-	●	
Bond St station upgrade - practical completion (Annex B:2017)	28-Apr-17	23-Mar-17	-	●	



Fixing and pouring walls in the LU station box at Bank station

Bank (Waterloo & City)

The developer's construction works remain on plan for handover of the station box in August 2015. The design of the station fit-out is progressing to plan and budget. Works will create a new station entrance for the Waterloo & City line in conjunction with the redevelopment of a site adjacent to Walbrook (to be known as Bloomberg Place) together with new connections to the existing Waterloo & City concourse.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
30.2	57.4	58.0	0.6 ▼ 1.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Start On Site (Fit Out)	25-Sep-15	25-Sep-15	-	●	
Adits Civil Works Complete	26-Feb-16	26-Feb-16	32	●	On target to be achieved.
Bank Stn (W & C) - Bring Into Use (Stage 5) (Annex B:2015)	31-Dec-17	31-Dec-17	-	●	



Design impression of the new Bank station entrance

Bank Station Capacity

A redevelopment of this critical interchange serving the financial centre of London is required to reduce congestion and increase capacity at the station, principally to the Northern line and Docklands Light Railway areas as well as to provide step-free access to both areas. The work will include a new station entrance, the construction of a new tunnel and platform for the southbound Northern line and conversion of the old platform into passenger walkways.

The Transport and Works Act Order (TWAO) application has been considered at a Public Inquiry which took place during April 2015. This progressed more quickly than anticipated and without objections and a decision is expected from the Secretary of State later in the year.

We are working to relocate utilities in Arthur Street to clear a path for the establishment of the project's main construction worksite and have reached agreement with landowners affected by the scheme.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
145.5	607.5	254.3	-353.2 ▲-58.1%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. Approval for this future authority will be sought when required.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Completion of all designs to Compliance to S1538	31-Mar-16	23-Feb-16	-	●	
TWAO Grant of Powers	15-Jun-16	21-Apr-16	-	●	
Start on Site - Bank	16-Jun-16	21-Apr-16	-	●	
Partial Opening (without new ticket hall entrance/exit nor PRM lift)	08-Oct-20	13-Aug-20	-	●	
New Ticket Hall Open to Public	14-Sep-21	25-Aug-21	-	●	
Works to relieve station congestion on the Northern Line at Bank Complete (Annex B:2021)	31-Dec-21	31-Dec-21	-	●	



Bank station control centre mock up

Bank Station Systems Integration Upgrade

The project will install a new station operations room at Bank Station which is required for both the Bank (Waterloo & City), and Bank Station Capacity Upgrade projects. The project will also replace and upgrade systems including closed circuit television and passenger help points.

Construction activities have started on site, hoardings have been installed and cable management system installation has commenced.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
5.4	15.4	15.4	0.00 ▲0.0%	



Victoria Station Upgrade junction waterproofing

Victoria Station Upgrade

The project has won a number of awards, including a Royal Society for the Prevention of Accidents (RoSPA) Gold Award and a Considerate Constructors Scheme Gold Award. It was also runner up for the Most Considerate Site National Award, which rates the project in the top 32 sites (of 9,000) across the UK.

Approval has been received from the City of Westminster for the revised Wilton Road entrance structure, discharging one of the outstanding TWAO planning conditions. We have constructed the North ticket hall slab at Cardinal Place, which will allow escalator installation to commence.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
411.2	609.5	677.4	67.9 ▼11.1%	Efficiency savings have reduced the EFC.

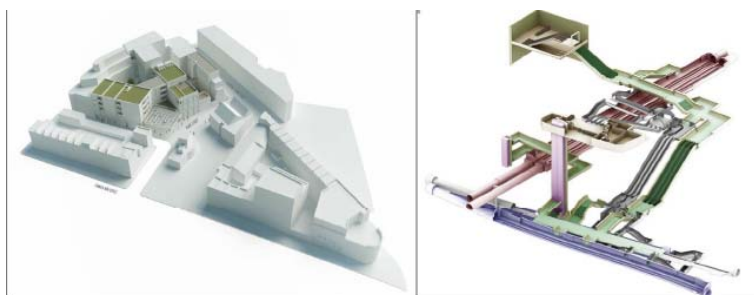
*EFC includes £20m of asbestos removal costs.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
VSU - Realignment of Bressenden Place road system	11-Aug-15	23-Aug-15	-58	▲	Impacted by Victoria Street sewer lining which has eroded programme float - working to recover minor delay.
VSU - Completion of South Paid Area Link Tunnelling (PALs 8, 5, 11 & 13)	18-Mar-16	12-Feb-16	-56	●	
Handback basement areas to Network Rail	26-Jun-17	16-Feb-16	-42	●	
South Ticket Hall and remainder of VSU works (Sectional completion S4) - DIS (Annex B:2018)	04-Jun-18	16-Jan-18	-56	●	
District & Circle Underpass Civils Complete	15-Dec-15	28-Oct-15	-14	●	
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) - DIS (Annex B:2016)	23-Oct-16	31-Dec-16	-	▲	Mitigations plan implemented - further actions to be implemented to secure DfT milestone (31-Dec-16).
Handback North Ticket Hall worksites to Landsec (Sectional Completion S2, S3)	23-Oct-16	09-Jan-17	14	■	Historical re-sequencing to maintain programme for critical activities has impacted this milestone. We are working to recover to target.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
South Ticket Hall station operations room complete	19-Sep-16	-112	Programme re-sequencing to maintain programme for critical activities has impacted this milestone. We are working to recover to target.



Generic designs

Future Station Capacity

Future Station Capacity is focused on understanding station capacity constraints, their impact on the network and to identify and plan future station capacity interventions, working with other programmes and third parties as appropriate. Studies have been undertaken at seven stations so far.

At Camden Town the design narrative has been signed off. At Holborn, proposals are being reviewed to undertake the concept design at Old Street, and tenders have been issued to commence the feasibility study.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
11.0	860.6	78.4	-782.2 ▲-90.9%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. Approval for this future authority will be sought when required.

Year end actual v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Station Capacity Future	20	8	-12	-150	Works at Camden Town have been brought forward to align with third party opportunities.



Relocated Liverpool Street station gate line

London Underground Crossrail Works

The Crossrail network will be operational in 2019, connecting Reading and Heathrow in the west to Shenfield and Abbey Wood in the east. The construction includes 21km of twin tunnels running under central London. London Underground will be the Infrastructure Manager for Bond Street, Tottenham Court Road, Farringdon, Liverpool Street and Whitechapel stations. As a result, the Crossrail works will impact directly and indirectly on the existing London Underground infrastructure. London Underground is supporting Crossrail by facilitating the design and build to ensure successful handover into operations and maintenance of the five stations.

The relocation of the ticket gate line and the underground ticketing system room at Liverpool Street station was completed, enabling Crossrail demolition work to commence. The alternative access route at Moorgate station opened and the enabling works for the stations operations room integration project test facility was completed.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
234.4	284.7	261.5	-23.2 ▲-8.1%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. Approval for this future authority will be sought when required.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
LU support complete for Crossrail trial running stations (central section)	28-Feb-19	31-Dec-18	-	●	

London Rail Capacity and Growth

Overview

The London Rail Capacity & Growth programme will help boost capacity, ease overcrowding and grow the network while improving customer service and reliability. Projects include a series of works which consist of lengthening trains across the London Overground network to boost capacity by 25 per cent and improving accessibility at key stations. With commencement of the West Anglia inner services this year, work will also begin on improving the stations along this route. The Gospel Oak to Barking line will be electrified with the current two-car diesel trains being replaced by four-car electric trains, boosting capacity by 90 per cent. This will pave the way for the line to be extended to reach the Barking Riverside opportunity area.

Other deliverables include double-tracking of the remaining single-tracked section of the DLR network, improvements to DLR vehicles to maximise use of space, procurement of additional DLR trains to meet demand in the Royal Docks, double-tracking key sections of the Tramlink network between Croydon and Wimbledon and the procurement of six extra trams.



Five car train in service on the North London Line

London Overground Capacity Improvement

The first five-car train on the North London line went into service in April 2015 on the Stratford to Richmond/Clapham Junction route, and the roll-out of further new carriages continues. Adding the fifth carriage to the existing stock will increase capacity by 25 per cent and help ease congestion.

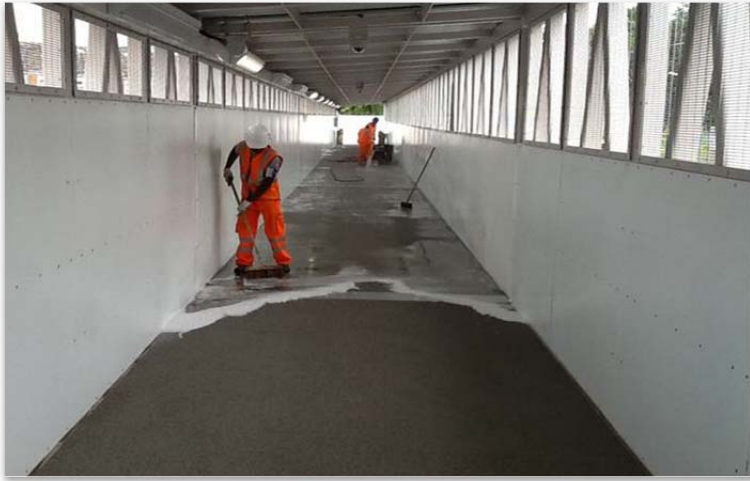
Willesden depot is currently undergoing considerable development to enable the maintenance of the five-car fleet and at Wembley additional stabling is also under construction to accommodate the longer trains.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
147.5	174.6	174.7	0.1 ▼ 0.1%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Commission East London Line signalling data stage	30-Sep-15	25-Jul-15	-	●	
Commence 5 car passenger services on the North London line and West London line	31-Aug-15	31-Aug-15	-	Complete	



New walkway at Hackney

London Overground Stations Capacity Programme (LOSTAT)

A new gull-wing style canopy has been installed over the platforms at Crystal Palace station and progress has continued at the other priority stations: the new pedestrian interchange connecting Hackney Downs and Hackney Central is almost ready to be opened to the public; at South Tottenham the platform extension works have commenced and temporary staircase has been installed, and at Kensal Rise station the fitting out of the lift and the lift motor room have commenced.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
15.4	34.2	29.3	-4.9 ▲ -14.3%	Approval not yet sought for additional authority.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
West Hampstead station: Issue ITT for main delivery contract	10-Apr-15	10-Apr-15	-	Complete	
Hackney Interchange: Bring Interchange bridge into passenger use	31-Jul-15	31-Jul-15	-	●	Achieved post quarter one.
Hackney Central: Issue ITT delivery contract	31-Aug-15	31-Aug-15	-	●	

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
London Overground Stations Programme	11	17	6	33	The reduction in forecast against budget is due to delays within procurement, design and party wall issues at South Tottenham and Kensal Rise partly offset by additional costs at West Hampstead.



Platform track slab laying at Wimbledon station

Trams Wimbledon Line Enhancement

Production of the new trams is progressing well, with an accelerated vehicle delivery programme agreed between Stadler and Trams.

The re-modelling of platform 10 at Wimbledon station is underway with the track slab and rail constructed, and canopy modifications begun; to complete the work, and the new track layout, a short section of the route will be closed between Dundonald Road to Wimbledon from 13 July 2015.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
21.3	30.0	30.0	0.00 ▲0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Wimbledon platform 10b in service	31-Mar-16	31-Mar-16	-	●	



Image of new bridge at Manor Park

Station Improvements East and West Programme

The programme comprises works at 22 'on network' stations to be served by TfL's Crossrail services which are outside the required scope of the Crossrail project to fund or enhance. The works include: the installation of lifts at stations, providing complete accessibility; the provision of ticket gates at stations; remodelled ticket halls providing better public areas and improved station infrastructure to enhance the customer experience.

Programme financial forecast

Spend to end Quarter I 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
2.5	93.6	93.6	0.00 ▲0.0%	



Construction of the Operations, Maintenance and Control centre at Old Oak Common

Crossrail Rolling Stock Programme

Detailed design for most of the physical elements of the new Class 345 rolling stock has been completed. The first components of the structural test car-body are on the production line being prepared for assembly and the trial roof panels have been manufactured ready to allow verification of the weld process.

Construction of the Operations, Maintenance and Control building at Old Oak Common depot is well underway. Bombardier Transport and Mass Transit Railway Services teams are now fully resourced as the preparations for the services phase continue. This team will work closely with us during this stage of mobilisation to support the train, new sidings and detailed depot design reviews.

Programme financial forecast

Spend to end Quarter I 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
124.0	1,104.0	1,104.0	0.00 ▲0.0%	

Crossrail



Celebrating the end of TBM tunnelling at Farringdon

Crossrail Limited (CRL)

At the end of quarter one Crossrail remains on time and within the funding envelope of £14.8bn. Overall, the project is more than 66 per cent complete. Tunnel Boring Machine tunnelling was completed on 23 May 2015 with an event held to celebrate 'The Big East West Breakthrough' on 4 June 2015. The sprayed concrete construction that forms the majority of station platform tunnels is now complete and secondary lining is 63 per cent complete with work continuing at Whitechapel, Liverpool Street, Farringdon, Bond Street and Fisher Street.

The £2.3bn upgrade of the existing rail network for Crossrail being undertaken by Network Rail is 46 per cent complete. In May, more than a mile of new track was laid by Network Rail between the Crossrail tunnel portal at Plumstead and Abbey Wood station representing the first section of dedicated Crossrail track to be installed anywhere along the route. Crossrail continues to work closely with Network Rail on the critical issue of signalling on Crossrail's western route. Positive progress continues on station design and submissions to Councils with additional station improvement work not originally in the Crossrail scope is now funded and progressing.

MTR Crossrail began operating TfL Rail services between Shenfield and Liverpool Street on 31 May as a precursor to the introduction of the Crossrail rolling stock built by Bombardier arriving for Crossrail's Stage One opening in May 2017.

During the quarter £340m was spent progressing the project. A Master Operational Handover Schedule was introduced on 1 April 2015 to guide all activities to completion and embed an operational focus, ensuring a greater focus on integration activities and an aim of earlier dynamic testing. Overall schedule and cost performance remained stable during the period however cost pressures have emerged at a number of stations which are being addressed at senior management level. At the end of the quarter there is a greater than 20 per cent chance that some of the £600m TfL contingency funding may be needed.

The seven anchor milestones forecast for quarter one were all achieved and all other 2015/16 milestones are forecast to be achieved prior to their baseline late dates with several tracking their baseline early dates.

Crossrail anchor milestones forecast

Anchor Milestones	Baseline Early Date	Baseline Late Date	Actual / Forecast	RAG	Commentary
Scheduled Q1 2015/2016					
Network Rail – Western outer signalling – relock recontrol data change complete	06-Apr-15	06-Apr-15	06-Apr-15	Complete	
Whitechapel - Complete Phase I Durward Street Shaft / Handover to C510 station tunnels for escalator installation	23-Apr-15	08-Jul-15	17-Apr-15	Complete	
Systems – Complete signalling design for trainborne equipment	30-Apr-15	30-Jun-15	30-Apr-15	Complete	
Network Rail – Infrastructure complete for systemwide installation at Plumstead	11-May-15	11-May-15	11-May-15	Complete	
Completion of Y Drive tunnelling	16-May-15	31-May-15	23-May-15	Complete	All TBM tunnelling completed 23 May 2015.
Drive H - Thames Tunnel available for systemwide installation	15-Jun-15	08-Aug-15	11-May-15	Complete	
Handover Victoria Dock Portal to systemwide	25-Jun-15	18-Sep-15	25-Jun-15	Complete	
Scheduled 2015/2016					
Access via Fisher Street to FTS West of TCR for C610	01-Aug-15	01-Oct-15	01-Aug-15	●	
Final handover of Bond Street western ticket hall	31-Aug-15	25-Nov-15	05-Sep-15	●	
Westbourne Park Railhead established and ready for track installation	15-Nov-15	18-Dec-15	15-Nov-15	●	
Nine urban realm principal station consents obtained for central section	11-Nov-15	04-Feb-16	11-Nov-15	●	
ETCS completion of outline design	30-Nov-15	30-Nov-15	30-Nov-15	●	
Handover East and Westbound running tunnels Victoria Dock Portal to Stepney Green	30-Nov-15	25-Jan-16	31-Dec-15	▲	
Access through Pudding Mill Lane portal for track delivery by systemwide	01-Dec-15	11-Dec-15	01-Dec-15	●	
Network Rail – Completion of Old Oak Common stage works (KD32)	04-Jan-16	04-Jan-16	04-Jan-16	●	
Seven oversite development agreements signed by 31 Mar 16	31-Mar-16	23-Jun-16	21-Jun-16	■	

RAG Key used for Crossrail Master Operational Handover Schedule version 1

Greater than or equal to 70% of float* remaining	●
Less than 70% of float remaining	▲
Less than 30% of float remaining	■

*Float is calculated as the difference between the Baseline Early Date and the Baseline Late Date

Business Change and Technology

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Fit for the Future – Stations

Overview

Fit for the Future – Stations (FftF-S) is a large and complex programme of change for London Underground. The objective of the programme is to redesign the way that Underground stations work so that staff are more accessible to customers and can respond to their needs quickly and effectively.

To enable this, the programme aims to update processes and ensure staff are equipped with the relevant ticketing knowledge and technology to allow them to concentrate on providing high levels of customer service.



The programme is being delivered in three phases. Phase A to appoint 97 Area Managers to lead the change has been completed. Phase B addresses the Customer Service Transformation which includes ticket hall changes, customer service training and provision of mobile devices to staff, and relocation of staff in stations. Almost half the stations on the network are operating without a ticket office and approximately 2,000 staff have been through a five day customer service training course. We are currently on track to complete this phase by the end of 2015. Phase C will deliver a new efficient and effective Station Staffing Model for LU stations, improving processes throughout the operational organisation. This phase is currently scheduled for early 2016.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
48.1	131.7	106.5	-25.2 ▲-19.1%	Authority figure does not include £18m approved in June 2015 for Process Change project. Plan in place to seek outstanding authority within FY15/16 (for People Change project and programme resource costs).

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Area Manager - Stations Full Accountabilities Commence	04-May-15	01-Apr-15	-	Complete	
Start Customer Service Manager (CSM) People Management Training	01-Jun-15	11-May-15	-	Complete	
First Gateway Station Operating Without Ticket Office	07-Sep-15	24-Aug-15	-14	●	Kings Cross ticket office scheduled to close 24 August ahead of target.

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Contract Award for Cash Management Solution at Stations	01-Sep-15	28-Aug-15	-81	●	Change control approved during Q1 to move target date due to change in project requirements.
All Planned Visitor Information Centres Open for Business	09-Oct-15	24-Sep-15	-10	●	Re-planning of Heathrow works has resulted in later opening date. Forecast remains within target.
Start Distribution of New Uniform for the Main Roll-out to Station Staff	02-Oct-15	01-Oct-15	-31	●	Revised schedule from supplier included increased time to reconcile differences that the QA checks found between specification and approved samples.
Start First Tranche Rollout of Cash Management Equipment to Stations	02-Nov-15	23-Oct-15	-56	●	Change control approved during Q1 to move target date due to change in project requirements which impacted forecasted start date.
All Station Staff formally Contracted and Notified of Final Working Location	18-Dec-15	20-Nov-15	-	●	
All Relevant Ticket Offices Converted to Passenger Operated Machine (POM) Suites	22-Jan-16	25-Dec-15	-	●	
All Stations Operating without Ticket Office (excl. Ex-Silverlink Stations)	29-Jan-16	31-Dec-15	-	●	
All Planned Customer Service Training Completed	26-Feb-16	28-Jan-16	-	●	
New Station Operating Model Goes Live	07-Mar-16	07-Feb-16	-	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2014/15	Variance Commentary
Fit For The Future - Stations	132	9	Programme EFC reduced from £145m to £132m when elements of Ticketing project's scope and related budget were transferred out.

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Fit For The Future - Stations	56	67	11	17	Underspend in financial year driven by rephasing of delivery activity into FY15/16: Process Change (contract award for Cash Management solution now in August 2015), People Change (training courses re-scheduled into FY15/16 due to demand on staff time).

Information Communication Technology Transformation

Overview

This programme will ensure that information and communication technology capabilities are in place to underpin delivery of LU and LR strategic priorities. The focus of this programme is on operationally-critical and safety-related systems, as opposed to enterprise management systems. In addition, it acts as a key enabler for several other programmes, as well as delivering upgraded capability and/or reducing the cost of ownership for particular information technology systems.



Deployment of mobile devices to staff is progressing as planned. 2,984 devices have been delivered to enable Fit for the Future Stations and roll-out to the asset maintenance teams. Strategy for data networks and storage is well advanced and due to be ratified at the Rail and Underground Board in September 2015. Authority to proceed with the next phase of the remote viewing facility for CCTV has been delayed as the pre-authorization reviews identified concerns about the robustness of the commercial proposition. An alternative solution is being developed with the impacts to schedule and EFC being assessed. However, Four Lines Modernisation is being given priority to deliver the required improvements needed to the customer information systems.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
38.4	57.5	43.9	-13.6 ▲-23.7%	The EFC exceeds authority due to the inclusion of unapproved future expenditure within the EFC. Approval for this future authority will be sought as and when projects are raised.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Project authority for implementation	30-Apr-15	30-Apr-15	-	Complete	
Publish initial findings and recommendations from review	30-Apr-15	30-Apr-15	-	Complete	
Selection of technical option jointly by Home Office and TfL	30-Apr-15	30-Apr-15	-	Complete	
Application Build complete	30-Jun-15	30-Jun-15	-	Complete	
Publish report and recommendations for review	25-Jul-15	25-Jul-15	-	●	Achieved post quarter one.
Approval of strategy by RUB	19-Sep-15	19-Sep-15	-	●	
Stage Gate 5 – Business Go-Live (stations)	07-Feb-16	07-Feb-16	-	●	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
ICTT Programme Board decision on next Phase of implementation of remotely-viewable station CCTV	30-Jun-14	-304	The pre-authorisation reviews brought to the surface some questions about the robustness of the commercial proposition. An alternative solution is currently being developed, with impacts to schedule and/or EFC to be determined.
Publish draft standard for Station LANs and recommendations for remainder of re-base-lining	30-May-15	-232	

Significant changes in EFC this quarter (more than two per cent)

Project Name	Project EFC (£m at Q1)	% change since Q4 2014/15	Variance Commentary
Information Communication Technology Transformation	57	-16	The EFC has increased due to the inclusion of a number of projects that are in the early stages of development. Authority for these projects will be sought over the life of the project.

Customer Experience – FTP Phase 3, 4 and 5

Overview

The Future Ticketing Programme (FTP) identifies opportunities for TfL to make life more convenient for our customer while reducing the costs associated with collecting fare revenue. FTP is made up of the following phases:

Phases 1 and 2 developed card readers and back-office systems to enable Pay As You Go (PAYG) travel on all services using contactless credit and debit cards (CPCs).

Phases 3, 4 and 5 will introduce a range of further benefits for Oyster and contactless customers, including a new mobile ticketing app and improved online sales and refund processes. The programme will also implement Monday to Sunday capping for Oyster customers, as an alternative to purchasing a weekly Travelcard or Bus and Tram pass, to provide the same convenience benefits as are currently available to CPC users.



The programme now has full authority and is proceeding through the necessary steps to instruct contractors. A large proportion of the development work is being carried out by our own in-house team and work on the business requirements and system design is on schedule. Customer research is underway to inform the design of the mobile ticketing app.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.6	44.3	10.7	34.4	Full authority was approved at the Rail and Underground Board (RUB) on 28 July.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Programme Authority granted at RUB	28-Jul-15	28-Jul-15		Complete	
Launch of phase 1 of the Ticketing App	22-Dec-16	22-Dec-16		●	
Availability of Weekly Capping for Oyster customers	22-Dec-17	22-Dec-17		●	

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Surface Transport

Assets Portfolio

The coordinated activities we use to select, inspect, maintain, renew and improve our assets to maximise customer satisfaction, minimise whole life costs and enable our ten Principal Outcomes to be delivered.



London Bridge footway repaving scheme

Transport for London Road Network (TLRN) Capital Renewal Programme

Delivery included 82,238m² of carriageway resurfacing at locations including A1 Barnet bypass Rowley Slip, A10 Stoke Newington high street, A100 Tower Bridge road and A23 Streatham High Road. In addition, 4,554m² of footway resurfacing was delivered at three sites: A24 Stonecott Hill road, A406 North Circular road and London Bridge. Structural repairs were completed at A232 Glebe Way south retaining wall, Chiswick Bridge, Huguenot Bridge and Airman Footbridge. Other repairs included 2.1 km of vehicle restraint barriers renewed at A406 Angel Road and 163 lighting columns and 1,002 luminaires replaced at numerous locations. Overall, delivery is on or ahead of forecast and the continued focus on data, processes and forward planning is improving delivery and delivery confidence.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
587.7	685.0	628.4	-56.6 ▲ -8.3%	EFC is higher than authority as authority is sought annually.

Programme volume delivery

Output	Unit	Annual Target	YTD Actual	YTD Forecast	Commentary
Carriageway resurfacing	m ²	475,000	82,238	47,980	17% of annual target achieved.
Footway resurfacing	m ²	55,000	4,554	4,562	8% of annual target achieved.
Lighting columns	No.	550	163	170	30% of annual target achieved.
Luminaires renewed	No.	6,000	1,002	1,040	17% of annual target achieved.
Vehicle restraint barriers	km	17	2.1	0	12% of annual target achieved.
Structure renewals	No.	15	4	4	27% of annual target achieved.
Tunnel renewals	No.	10	0	0	



Tensioning of the internal long tendons

Hammersmith Flyover Strengthening

All night-time jacking closures have been completed and all bearings replaced, achieving the milestone on 4 June 2015. The milestone for commencing the post tensioning tendon stressing was achieved on 5 May 2015 and all internal and external tendons are fully stressed.

Only two of the three planned weekend closures of the flyover were required in April 2015 to complete the waterproofing and resurfacing works. The final four weekend closures to install the expansion joints and remove the temporary ramps have commenced and will be complete in early August 2015.

The works are now drawing to a close with the main benefit, to add additional strength to the flyover to ensure its continued use without the need for emergency closures, being delivered by the end of August 2015. Minimal finishing works remain but no further closures of the flyover are anticipated.

The project has won two major industry awards; the Institute of Civil Engineering London Special Award for Re-engineering London and the Chartered Institute of Highways and Transportation Innovation Award.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
79.9	96.6	101.1	4.5 – 4.7%	Release of risk provision relating to stressing and jacking at Q1.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Post-tensioning tendon stressing commenced	26-Jun-15	05-May-15	11	Complete	
Bearing installation completed	21-Oct15	04-Jun-15	139	Complete	Completed, achieved ahead of forecast due to the amount of concrete repair being less than expected.

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Finish on site	31-Mar-16	18-Feb-16	-64	●	Schedule risks relating to the stressing and jacking works have not materialised, allowing the finish on site to be brought forward.
Project close completed	31-Mar-17	31-Dec-16	75	●	An early finish on site will allow the project to close sooner.
Stage 6 Certificate Issued (Project Close Stage)	30-Mar-17	30-Mar-17	-	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	EFC (£m)	% change	Variance Commentary
Hammersmith Flyover Strengthening	97	4	Cost risks relating to the stressing and jacking works have not materialised.



New digital safety camera

Safety Camera Replacement Programme

The main objective of this programme is to maintain the existing road safety benefits currently realised by wet film cameras. Research shows that cameras can help to reduce the number of people killed or seriously injured (KSI) by as much as 58 per cent. These new cameras can also enforce against vehicles breaking the speed limit while going through green traffic lights, helping to further improve safety at junctions.

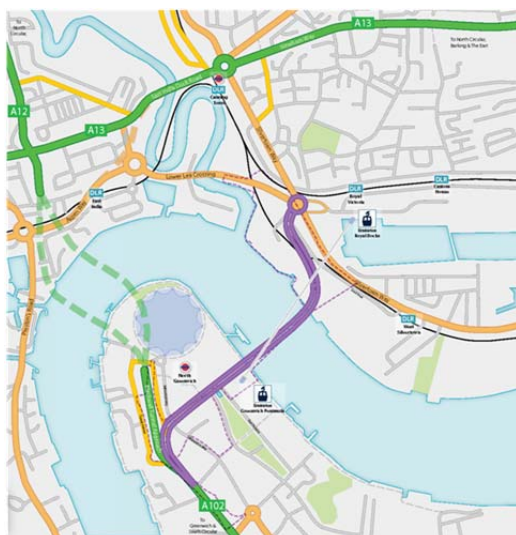
By the end of quarter one, 166 of 349 spot speed and 169 of 248 red light wet film cameras were replaced with digital cameras with the plan still on target to replace the remaining cameras by October 2016. These new digital cameras can monitor speed in both directions when located on the central reservation, providing a wider enforcement area. In addition, the first of four trial average speed corridors is being installed on the A40. The A406, A316 and A2 will follow over the next eighteen months, helping to further reduce the number of KSIs on these roads.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
17.8	36.6	36.6	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
62% in scope wet film red light cameras replaced	30-Sep-15	30-Sep-15	-	●	
38% of in scope wet film spot speed cameras replaced	30-Sep-15	30-Sep-15	-	●	
Project close approved at Surface Board	31-Mar-17	31-Mar-17	-	●	



Silvertown Tunnel

Silvertown Tunnel Project

The Silvertown Tunnel project is a proposal to deliver a full length twin-bored road tunnel, alongside the Blackwall Tunnel, with connections to Silvertown in the north and the Greenwich Peninsula in the south. The tunnel generally follows the route of the Emirates Air Line cable car.

The tunnel will provide additional capacity and resilience to the road network in this area and relieve congestion through the Blackwall Tunnel. The tunnel will provide new connectivity to the east of London and assist the growth expected in east and south east London.

Preparation is underway for the start of the statutory consultation in October 2015.

Traffic and environmental modelling for this, which shows the effect of the 'assessed' user charge, is ongoing.

Work is being undertaken to refine cost estimates, including a detailed review of technical and strategic risks and possible opportunities for cost reduction.

An Integrated Assurance Review has been completed and the external experts were satisfied with the degree of readiness for consultation.

Preparations are underway for early engagement with the market in autumn 2015 for the procurement of a Public-Private Partnership contractor for the design, build, finance and maintenance of the tunnel.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.5	83.4	46.0	-37.4 ▲ -44.8%	The construction will be privately financed, therefore these costs cover only expenditure TfL will directly incur. The cost review has identified increases to TfL costs previously estimated in the outline business case (e.g. planning, procurement, project management and land) and some TfL costs not previously identified (e.g. lane rental, traffic and signals, accommodation, travel demand management and communications).

Major Highways Enhancements Portfolio

Unlocking developments creating homes and jobs, improving urban realm, protecting vulnerable road users, tackling congestion, and delivering the Mayor’s Cycling Vision of getting more people cycling, more safely, more often.

Transforming Streets and Places

As part of the Road Modernisation Plan, substantial investment will continue for transformational projects designed to radically improve living and travelling conditions through safer, greener and more attractive streets and town centres, as well as safer conditions for cyclists and pedestrians.



Time lapse captured on 28 May 2015 for the northern roundabout works

Elephant & Castle Northern Roundabout

Since work started on 9 April, strong progress has been made on the transformation of the Elephant and Castle Northern Roundabout, to make the area safer and more welcoming for local residents and vulnerable road users. Work to close the old subway network are on schedule to reach the half-way mark in July. Work to create new direct street-level pedestrian crossings will begin in August, to make it easier for people to access the area. The urban realm design for the London College of Communication, Skipton House, Perronet House and Central Metro Height is completed and has been issued for review.

When complete, the £25m overhaul will significantly upgrade facilities for pedestrians, cyclists and drivers by converting the existing roundabout into a peninsular, creating a new, more open and accessible public space, with the road around it converted to two-way traffic from December 2015. New segregated cycle routes will be created through and around the junction to improve safety for cyclists. The project forms part of a wider £150m package of works which will also see improvements made to the Northern line Tube station at Elephant and Castle. The main highway works remain on course to be fully completed by summer 2016, with the new peninsula public space created after the upgrade to the Northern line station is completed after 2020.

Programme financial forecast

Project	Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
Elephant & Castle Northern Roundabout	3.1	24.4	24.4	0.0 ▲ 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Completion of Urban Realm Consultation	05-Jun-15	09-May-15	-1	Complete	
Main Highway works Construction	11-May-15	09-May-15	-26	Complete	
Stage 6 Certificate Issued (Project Close Stage)	31-Mar-21	31-Mar-21	-	●	

Better Junctions

We are committed to making London's busiest junctions safer and more attractive for cyclists and other vulnerable road users. This programme is focused on making substantial improvements at 33 locations, including some of the most intimidating and high profile junctions and gyratories in London. Of the 33 Better junctions sites 13 are 'stand alone' schemes, 10 are larger capacity and reliability upgrade schemes and 10 will be delivered through the Cycle Superhighways programme.



Artist's impression of changes at Archway Gyratory

Better Junctions core programme

Oval is one of a number of innovative junctions planned to improve cyclist safety across the capital, with live-testing of the new junction layout on schedule for July. In addition to their own road space, separated from other traffic, cyclists will have their own set of traffic signals. These signals give cyclists heading north along Cycle Superhighway 7 a green light, while left turning motorists are held at a red light. Cyclists are then stopped going ahead by a red light, while left turning cyclists and motorists are given a green light - removing the conflicting movement between cyclists travelling straight ahead and motorists turning left.

The Stockwell Cross project is planned for construction from September 2015, and detailed design is underway. The improvements will make cycling safer through the introduction of segregated cycle lanes, including separate cycle signals, as well as improving the local urban realm for residents and visitors. This includes the closure of South Lambeth Road to traffic allowing us to open up the Stockwell Memorial Garden, with high quality street design and tree planting planned throughout the area. Construction is due to complete by May 2016.

Following publication of the consultation report in March 2015, the detailed designs for Archway are also on schedule with the scope and specification for the urban realm area being developed in partnership with local stakeholders ahead of anticipated construction start in March 2016. Concept design work continues for Westminster Bridge South ahead of consultation in November 2015, and feasibility designs for the North and South roundabouts at Lambeth Bridge are well advanced.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
18.4	61.1	30.4	-30.7 ▲ -50.2%	The authority covers the feasibility, concept design and detailed design costs of all projects up to the end of 2016, along with the delivery of Oval. Further authority will be sought in stages as project designs are completed.

Programme milestones forecast

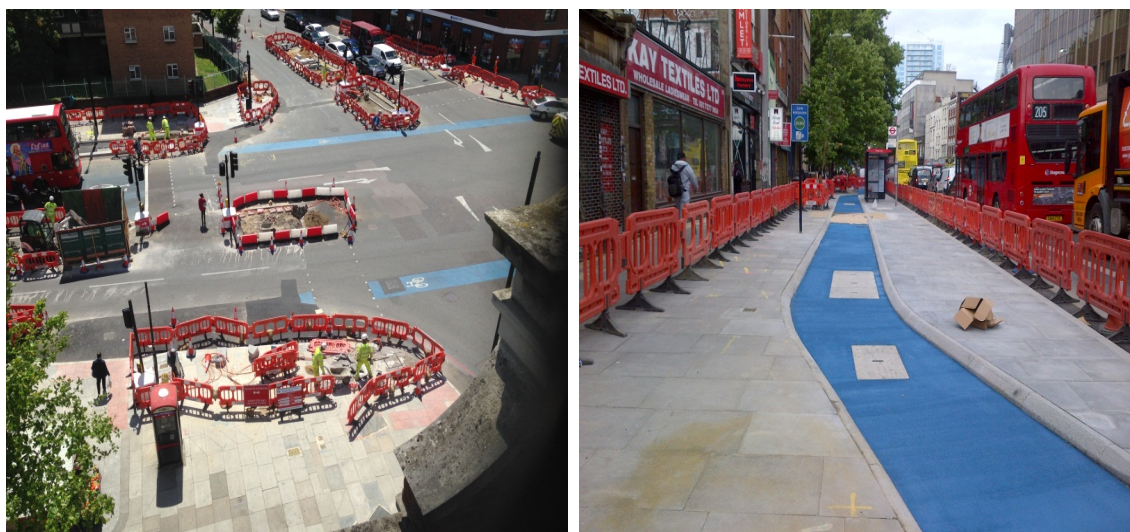
Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Stockwell Gyratory: Start of Main Works Construction	15-Dec-15	17-Nov-15	-	●	
Archway Gyratory: Start of works on site	15-Mar-16	15-Feb-16	-76	●	Opportunity for an early start lost as Holloway Bridge closure is no longer taking place.
Oval Triangle: Construction Complete	31-Mar-16	03-Mar-16	-	●	

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Better Jct Core Prog	14	20	6	30	Reprioritisation across the programme led to some spend being deferred to later years.

Cycle Superhighways

Cycle Superhighways (CS) provide safer, fast and continuous bike routes running into, and across, central London along recognised commuter routes. Four have launched, with a number of new routes to be opened by 2016.



The junction of Cambridge Heath Road with A11 Mile End Road / New bus stop bypass on the A11 Mile End Road

Cycle Superhighways programme

- Cycle Superhighway 5 (Oval to Pimlico): Work is on schedule to finish in October 2015, and is well advanced. A new southbound segregated track for cyclists across Vauxhall Bridge opened in June and work to create a new bidirectional segregated cycle track through Vauxhall Cross gyratory is well underway.
- Cycle Superhighway Route 2 Upgrade (Bow to Aldgate): Work is on schedule to finish by April 2016. The first sections of new segregated cycle track, featuring bus stop bypasses for cyclists, have opened in Mile End and Whitechapel. An innovative junction at Cambridge Heath Road, that includes innovative solutions to separate cyclists from turning traffic, is on schedule to complete in August.
- Cycle Superhighway 1 (Tottenham to the City): Work started on 6 July and is progressing well ahead of anticipated completion in April 2016. Work at the major Apex junction in Shoreditch has started. When this route is delivered it is expected that cyclists' journeys will be 12 minutes faster than using the adjacent busy A10 route.
- CS3 Upgrade construction works started with the Horseferry Road safety upgrade, with the Cable Street improvements to follow in August 2015.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
53.7	151.2	102.9	-48.3 ▲ -31.9%	Future routes not yet authorised (Route 2, Route 4, Route 5 extension).

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
CSI Start of construction	11-Jan-16	06-Jul-15	-	Complete	
CS11 Start of public consultation	10-Aug-15	10-Aug-15	-	●	
CSH Route 2 Upgrades: Completion of construction at Cambridge Heath Junction	04-Sep-15	21-Aug-15	-	●	
CS5 (Inner) Completion of construction	08-Jan-16	30-Oct-15	-14	●	
CS4 Start of detailed design	23-Feb-16	01-Dec-15	-	●	
CSH routes 3,7 & 8 Upgrades Completion of Concept Design	18-Dec-15	18-Dec-15	-84	●	Variance due to revised scope for CS7 Upgrades instructed.
CS5 (Ext.) Start of detailed design	01-Mar-17	01-Mar-17	-	●	
Stage 6 Certificate Issued (Project Close Stage)	18-Dec-18	25-Sep-18	-	●	
Stage 6 Close: CSH R4 Phase 3 (London Bridge to Tower Bridge)	22-Jun-19	30-Mar-19	-	●	



Victoria Embankment (East West route)

Cycle Superhighways North-South and East-West

- North South Cycle Superhighway (Elephant and Castle to Blackfriars): Work remains on schedule for March 2016, following construction start at St George's Circus. The new junction layout at St George's Circus in Southwark incorporating a new, separated bidirectional cycle track is on schedule to be opened in October.
- East West Cycle Superhighway (Tower Hill to Lancaster Gate): Construction is on schedule to finish by July 2016. The first section of new segregated track between Horse Guards and Derby Gate will open in August. A final design solution for Parliament Square has been agreed with local stakeholders, with works in this area planned to start in late 2015. Productive discussions continue with The Royal Parks to develop final designs for the Spur Road area, near Buckingham Palace. A further public consultation is expected to take place later this year.

Programme financial forecast

Project	Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
CSH North/South	4.7	17.5	17.5	0.0 ▲ 0.0%	
CSH East/West	7.6	47.6	41.3	-6.3 ▲ -13.2%	EFC includes Phase 2 Westway costs, which are still to be approved.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
EW Start of construction	21-Jul-15	27-Apr-15	1	Complete	
Stage 6 Close: East West Cycle Superhighways Phase 2 (Westway to White City)	30-Sep-17	30-Sep-17	-	●	

Borough Cycling Infrastructure

Key cycling programmes, carried out with support of London Boroughs, which will directly contribute towards the objectives set out in the Mayor's Cycling Vision.



Ruckholt Road scheme in Waltham Forest



Walthamstow Village – West Bridge

Cycling Mini Hollands

Sponsor's Approval has been given for 25 of the 95 Mini-Holland schemes, consultations are either continuing or complete for eight schemes. The programme level business case and project authority request to fund the 2015/16 programme of works in the three boroughs was approved in December 2014.

The Walthamstow Village and Ruckholt Road schemes in Waltham Forest are on site and due to complete by September 2015. Enfield continues to deliver the Enfield Town to Meridian Water 'Quietway' and started consultation post quarter on their first major corridor scheme, the A105/Green Lanes on 17 July 2015. Kingston is progressing detailed designs for their Portsmouth Road scheme, which was approved by Committee on 25 June 2015.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
6.0	100.0	29.3	-70.7 ▲ -70.7%	£25.17m was approved at the December 2014 Surface Board for the value of the programme in 2015/16. Further authority for the 2016/17 financial year will be sought from Surface Board in December 2015.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Construction complete of first Mini Holland scheme in Waltham Forest	31-Oct-15	31-Oct-15	-	●	
Project authority for future scheme design and delivery approved at Surface Board	31-Mar-16	03-Mar-16	-	●	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Quick win schemes in Enfield, Kingston and Waltham Forest have commenced	26-Jul-15	-189	Enfield & Waltham Forest has commenced. Kingston yet to commence due to cost increase which has led to Plans revision for Portsmouth Road and costs produced for the different options for review and approval. This has now been approved by the committee on June 25 and design work has started. Forecast date changed and approved by the programme Board.



Grid Completed scheme at City Road / Colebrook Row (Islington)



Webber St and Great Suffolk St in Southwark under construction



Central London Cycling Grid

Sponsor's Approval has been given for 87 of the 127 schemes, consultations are either continuing or complete for 37 of these schemes. The quality of designs being produced by Delivery Partners has been good and consultation responses positive. Six schemes have been completed and construction is underway on a further eight schemes including the two sections of the grid in Camden and Southwark which will form part of the first two Quietways Q1 and Q2. By the end of summer 2015 a further 17 schemes will be under construction.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
5.1	54.5	16.7	-37.8▲ -69.4%	It is planned to return to Surface Board in February 2016 to request increase in Project Authority. This aligns with current spend forecast against existing authority.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Phase 3 approval to commence construction	30-May-15	30-May-15	-	●	
Stage 5 – TLRN schemes for Phase One routes completed	26-Jun-15	26-Jun-15	-	Complete	
Phase 3 design completion	15-Jun-15	31-Aug-15	-	●	
Stage 3 - Concept design complete for TLRN schemes on Phase Two	26-Oct-15	28-Sep-15	-	●	
Phase 3 delivery commencement	28-Oct-15	30-Sep-15	-	●	
Phase 2 delivery completion	27-Feb-16	30-Jan-16	-	●	
Phase 3 delivery completion	31-Dec-16	31-Dec-16	-	●	

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Stage D Certificate Issued (Programme Close Stage)	30-Sep-17	30-Sep-17	-	●	

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Central London Cycling Grid	6	26	21	78	Expenditure has been reprofiled as a result of ongoing stakeholder consultation and now reflects the latest delivery programme.



Quietway 1 - Southwark

Cycling Quietways

The first two Quietways currently under construction are Waterloo to Greenwich (Q1) and Bloomsbury to Walthamstow (Q2). Q1 and the inner section of Q2 are due to be substantially complete in autumn 2015. The outer section of Q2 and the next five routes are due to be delivered by 2016 with the construction of Regents Park to Gladstone Park (Q3) to start summer 2015.

Phase 2 of the Quietways programme has been announced with 30 additional routes and links across London. Sustrans, the Delivery Agent for Quietways, has started work to define the scope of interventions required on the Phase 2 routes and links with Delivery Partners.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
2.6	121.7	14.6	-107.1 ▲-88.0%	It is planned to return to Surface Board in September 2015 to request increase in Project Authority. This aligns with current spend forecast against existing authority (this authority is for construction of Q3 to Q7).

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Completion of first two routes	28-Oct-15	30-Sep-15	-	●	
Stage D Certificate Issued (Programme Close Stage)	31-Mar-19	31-Mar-19	-	●	

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Cycling Quietways	14	33	19	58	Reprofiling of the next tranche of Quietway routes into later years, and some redesigning of current schemes, as a result of ongoing stakeholder consultation.

Network Performance and Safety Portfolio

Maximising the performance of the existing network for all users: improving safety, journey time reliability, bus reliability and supporting freight.

Bus Network Performance

These schemes will improve bus journey time and reliability across London.



Bus Priority Delivery Portfolio

On 8 July 2015 approval was granted for the 2015/16 Programme, which includes implementation of 72 bus priority schemes on both the TLRN and borough roads. This programme prioritises the delivery (subject to consultation and feasibility issues) of 66 Road Modernisation Plan Bus Mitigation Schemes to mitigate, as far as possible, the permanent impacts along the bus corridors most affected by the Road Modernisation Plan (RMP) schemes. This includes delivery of six bus priority schemes and development of future schemes for the 2016/17 Programme. Two schemes have been implemented to date, and over 15 schemes have been tested for feasibility.

The current focus is to push the progression of schemes with the London Boroughs of Hackney, Waltham Forest, Lambeth and Southwark with the feasibility studies for RMP schemes. Other Reliability and Growth Schemes are progressing well; two pilot schemes at Loampit Vale and Brentfield Road are scheduled to be complete this financial year.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.6	28.1	0.7	-27.4 ▼ -97.5%	Surface Board approval of further £3.61m of project authority given in November 2014, to add to the existing £700k project authority. Approved project authority is £4.31m Surface Board approval paper submitted for additional £8.08m to deliver 15/16 Programme.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Stage 2 – Feasibility complete for 20 Road Modernisation Plan (RMP) Bus Reliability Schemes on TLRN	30-Aug-15	30-Aug-15	-	●	
Stage 3 – Concept Design complete for Pilot Reliability schemes on TLRN	25-Jan-16	02-Nov-15	-	●	
Stage 5 - Reliability pilot schemes on TLRN completed	31-Mar-16	29-Feb-16	-	●	
16/17 Programme approved	31-Mar-16	31-Mar-16	-	●	
Stage D Certificate Issued (Programme Close Stage)	31-Mar-21	31-Mar-21	-	●	

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Bus Priority Programme	4	18	14	77	Expenditure has been reprofiled as a result of ongoing stakeholder consultation and now reflects the latest delivery programme.

Road Network Performance

By investing in equipment to help us monitor and respond to traffic, we can improve the capacity of the road network.



Road Space Management SCOOT

The programme to deliver SCOOT technology to 1,500 traffic signal sites is on track. The milestone to commission 600 SCOOT sites was achieved on 3 June 2015. Enabling 600 sites is the next major milestone to be achieved and is forecast for 30 September 2015. In order to achieve this target 236 sites need to be enabled. This requires delivery to enable more than they have been able to previously in a similar time-frame. To manage this risk to programme team is closely monitoring progress to ensure the programme is on track and identify and resolve issues and obstacles.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC (£m)	Authority (£m)	Variance to Authority	Commentary
13.4	37.6	21.1	-16.5 ▲ -43.8%	Authority is less than EFC as the authority is being released in tranches. Full authority will be sought in October 2015 ready for the next tranche of work.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
600 sites commissioned (cumulative)	30-Jun-15	03-Jun-15	25	Complete	
600 Sites enabled (cumulative)	28-Oct-15	30-Sep-15	-	●	
900 sites available for enabling (cumulative)	30-Jun-16	05-May-16	-	●	
900 sites enabled (cumulative)	30-Sep-16	05-Aug-16	-	●	
1200 sites available for enabling (cumulative)	30-Jun-17	05-May-17	-	●	
1200 sites enabled (cumulative)	29-Sep-17	04-Aug-17	-	●	
1500 available for enabling (cumulative)	29-Jun-18	29-Mar-18	-	●	
Enabling completed for 1500 sites (cumulative) (Annex B: 2018)	30-Sep-18	31-Aug-18	-	●	
Stage 3D Certificate Issued (Portfolio Close Stage)	31-Dec-18	30-Nov-18	-	●	

Significant changes in EFC this quarter (more than two per cent)

Project Name	EFC (£m)	% change	Variance Commentary
Road Space Management SCOOT	38	6.7	As the programme has progressed, it has become clearer that fewer sites will be in need of modernisation through the Signals Modernisation Annualised Programme. The risk provision has been reduced by £2.7m accordingly, following the outcome of a Q1 QRA exercise. EFC as at Q1 is now £37.6m.

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
Road Space Management SCOOT	■	-10	16	Authority is less than EFC as the authority is being released in tranches. Full authority will be sought in October 2015 ready for the next tranche of work.



Traffic light image

Surface Intelligent Transport System (SITS)

SITS will release capacity on the road network and reduce delay by gathering an increased level of live data on road use and feeding it to a new predictive signalling system. This will enable signal timing strategies to be more intelligently applied thus facilitating the passage of people on the road network.

The feasibility study started in 2014 and concluded with a preferred option and approach, recommending the programme proceed to the next stage and prepare for procurement. The preferred option is to replace the existing Urban Traffic Control (UTC) system, whilst also introducing a predictive signalling system. This will predict likely congestion and take proactive steps to prevent it from occurring or mitigate the impacts. The preferred option will also provide a moderate enhancement of data on road use, along with more travel information for road users through existing channels.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
2.0	133.6	2.26	-131.5 ▲ -98.4%	Project Authority (PA) of £2.26m exists. Approval for £3.54m granted at Surface Board ahead of Finance & Policy Committee and TfL Board, which would take total PA to £5.80m.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Detailed business case approved	19-Nov-15	24-Sep-15	-	●	

Operations and Environment Portfolio

Directly supporting Surface Transport service delivery through contract re-let and business transformation, and delivering improvements to air quality and the natural environment and reducing CO2 and the impacts of noise.

Congestion Charging Operations

Renewing and enhancing the infrastructure behind our Congestion Charging scheme, including data systems and bailiff contract renewal.



Congestion Charging signage

London Road User Charging (LRUC) and Traffic Enforcement Notice Processing (TENP) Contract re-let Project

Capita successfully launched the Traffic Enforcement Notice Processing (TENP) service on 22 June 2015. Call volumes to the TENP contact centre were initially higher than expected however, staff dealt with call volumes without any significant issues and service performance has been on par with that of the previous incumbent. The TENP web service was launched on 25 June 2015, once some initial system performance issues were resolved, and Penalty Charge Notice Payments can now be made both via the TENP contact centre and the website.

Capita is now focussed on the delivery of all functionality required for the LRUC go-live, scheduled for the end of January 2016. Planning sessions to deliver the LRUC service recommenced on 1 July 2015, and lessons learned from TENP are being documented so that they can be applied to the LRUC delivery going forward.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
49.4	72.3	77.0	4.7 ▼ 6.5%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Traffic Enforcement Notice Processing system development complete	30-Mar-15	12-Jun-15	-49	Complete	
Traffic Enforcement Service Processing complete	28-Jun-15	28-Jun-15	-30	Complete	

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
CC/LEZ System development and configuration complete	28-Aug-15	29-Oct-15	-90	■	Date moved to accommodate delivery of service-critical changes.

Environment

This covers activities to reduce the impact of transport operations on the environment.



The ULEZ will deliver required emissions standards by 2020

Ultra Low Emission Zone

On 26 March 2015, the Mayor confirmed his intention to introduce the Ultra Low Emission Zone, using road user charging and regulation to achieve the required emissions standards by September 2020.

Work is progressing on scoping out a number of projects in advance of a project authority submission to TfL Board in December 2015.

We have met with respondents to the prior information notice (PIN) for the Rapid Charging Network, exploring market capabilities for delivering the scheme.

A consultation on the Taxi and Private Hire Vehicle proposals was published on 1 July 2015 and will run for eight weeks, with a decision expected in late September 2015.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.3	448	0	-448 ▲ -100%	The ULEZ programme will be seeking initial authority from TfL Board in December.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Submit application to TfL Board for project authority	17-Dec-15	17-Dec-15	-	●	
Scheme live	07-Sep-20	07-Sep-20	-	●	

Bus Operations

Although much of the on-going renewal of the bus fleet is carried out as part of the bus contract and tendering process, there are cases where we look to deliver additional enhancements, for example investment in the New Routemaster and making the existing fleet cleaner and greener.



New Routemaster at Big Ben

New Routemaster

By the end of quarter one a total of 507 New Routemaster buses had been delivered in to service. Route 12 and Route 73 were successfully converted bring the total number of routes using NRM buses to 14 increasing the total number of Euro VI engine vehicles in service to 201.

Programme financial forecast

Spend to end Quarter 1, 2015/16 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
188.2	302.5	302.5	-	EFC includes cost of the prototypes. There is no variance between EFC and authority.

Year end forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
New Routemaster	96	110	14	13	

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Delivery of 600 buses into service	31-Oct-15	31-Oct-15	-31	●	Revised to take account of increase from 600 to 800 buses by keeping both production lines open throughout 2015 and the current route tender programme.

Significant quarterly milestones movement

Milestone Description	Target Date	Q1 Forecast Date	Movement since last Qtr (Days)	RAG	Movement Commentary
Delivery of 800 buses into service	30-Apr-16	31-Jul-16	-92	■	New delivery programme agreed with Wrightbus to spread deliveries more evenly into London giving TfL more ability to absorb the new buses into the fleet.



Financial Performance

Financial performance

1.1 In the year to date, investment expenditure was £71m lower than Budget, a variance of just over seven per cent, and full year forecast is in line with the Budget.

Table 1: Investment programme financials as of Quarter 1, 2015/16

TfL group (£m)	Year to date			Full year, 2015/16	
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Variance to Budget
London Underground	(255)	(322)	67 ▲	(1,348)	27 ▲
London Rail	(59)	(55)	(5) ▼	(300)	2 ▲
Surface Transport	(135)	(130)	(5) ▼	(699)	24 ▲
Corporate	(438)	(451)	13 ▲	(595)	(45) ▼
TfL gross investment programme	(887)	(958)	71 ▲	(2,942)	7 ▲

1.2 In the year to date, TfL is £71m under Budget primarily due to £133m of project rephasing, including the Four Lines Modernisation, Northern Line Extension, New Routemaster and Cycle Superhighways. This was partly offset by the release of a £68m overprogramming provision.

Table 2: Investment programme causal analysis, Year to date variance to Budget, 2015/16

TfL group (£m)	Year to date variance to Budget
Acceleration	(5) ▼
Cost increases	0 ►
Cost decreases	7 ▲
Rephasing	133 ▲
Savings and efficiencies	0 ►
Release of overprogramming and contingency	(68) ▼
Reclassification	2 ▲
Other	2 ▲
Total	71 ▲

- 1.3** London Underground investment expenditure was £67m lower than Budget in the year to date. This was due to £100m of rephased expenditure (the majority of which is still expected to be spent this year). Rephasing includes: £43m for Four Lines Modernisation (formerly known as SSR Upgrade), mainly comprising £27m for delays in identifying sufficient storage capacity for rolling stock spares and a mutually beneficial agreement to slow down train production, and £11m due to the impact of ATC contract negotiations on related engineering programmes; £31m within Northern Line Extension due to developer design changes impacting the start of construction, delays in procurement of the tunnel boring machine contract and negotiating the construction insurance agreement for the programme. Project rephasing was offset by the release of the £38m overprogramming provision.
- 1.4** London Rail capital expenditure was £5m higher than Budget for the year. This mainly relates to accelerated expenditure of £2m for the West Anglia stations programme and £2m for the LO capacity improvement programme.
- 1.5** Surface Transport expenditure is £5m higher than Budget in the year to date. Slippages, which include £5m on New Routemaster, £3m on Borough Schemes, £3m on Cycle Superhighways, £3m delays in Highbury Corner Bridge and Upper Holloways Bridge and £2m on Hammersmith Flyover phase 2. A further £2m cost reductions including Credit received from LoHAC, TCMSI rebate and saving on highways infrastructure projects including Malden Rushett and Chiswick Bridge. This was offset by release of £25m overprogramming.
- 1.6** Capital expenditure across the Corporate directorates is £13m lower than Budget in the year to date. This was predominantly due to £8m of rephasing, including £3m due to Finance transformation changes, £2m for IM projects, £1m for the Future Ticketing Project and a further £1m for Commercial Development initiatives to later in the year. This was partly offset by the release of a £3m overprogramming provision and £2m reclassification of IM capital costs to operating costs.
- 1.7** Over the full-year, TfL's total investment expenditure is forecast to be £7m lower than Budget.

Table 3: Investment programme causal analysis, Quarter 1 full-year forecast variance to Budget, 2015/16

TfL group (£m)	Full-year Quarter 1 forecast variance to Budget
Acceleration	(11) ▼
Cost increases	(125) ▼
Cost decreases	17 ▲
Rephasing	165 ▲
Savings and efficiencies	11 ▲
Release of overprogramming and contingency	(37) ▼
Reclassification	(27) ▼
Other	14 ▲
Total	7 ▲

- 1.8** Over the full year, LU investment expenditure is now forecast to be £27m lower than Budget. £149m is due to rephasing of costs into future years, including: £60m on the Northern Line Extension due to the impact of design changes; £29m rephasing on the Four Lines Modernisation programme driven by prolongation of the ATC programme and alignment of the forecast with the new contractor's programme; and £11m rephasing on the Metropolitan Line Extension. There was also minor rephasing across a number of other projects totalling £49m, e.g. within Infrastructure renewals, there has been alignment of costs with a number of revised contractor programmes. Project rephasing was partly offset by the release of £37m of overprogramming. There were cost increases of £102m, including: £55m from the transfer of the Metropolitan Line Extension, which is now being delivered by TfL rather than Hertfordshire County Council; and £38m for the Northern Line Upgrade programme due to a re-estimate of the scope required contractor to deliver the benefits. Additionally, other smaller movements accounted for the remaining £17m reduction.
- 1.9** LR capital expenditure for the full-year is forecast to be £2m lower than Budget; driven by an increase of £6m due to the Barking Riverside project being transferred from TfL Planning. This is offset by rephasing into future years of £8m of costs predominantly driven by the Gospel Oak to Barking electrification project together with changes in various funded station works.
- 1.10** Surface Transport is forecast to be £24m lower than Budget. This was largely due to £35m of investment rephasing mainly from Borough works due to resource constraints, partially offset by £12m of cost increases including ULEZ, the River Action Plan due to change in design and modifications of Bankside and Westminster Piers, and Silvertown mainly to cover Surface Transport Project management and Sponsor staff costs.
- 1.11** Over the full-year, capital expenditure across the Corporate directorates is £45m higher than Budget. This was largely due to the net reclassification of £27m of operating to capital costs for the Retail and Arches project, Earls Court and Go to Market Strategy. In addition, £11m of Commercial Development projects delayed from 2014/15 and in Customer Experience where some projects have been brought forward. The full-year forecast also includes an additional £5m of costs in Commercial Development which is expected to generate higher rental income in future years.

Variance Definitions and Key

Programme financial forecast

This report shows variance the between authority and Estimated Final Cost (EFC). A negative value indicates that the EFC is greater than authority while a positive value that the authority is greater than EFC. The direction of the triangle indicates whether the EFC is greater or lower than authority value. Where there is commercial confidentiality variances are removed and marked *.

RAG	Description
▲	Variance is understood and does not impact delivery
▲	Variance is understood and mitigation plans are in place to reduce the impact to delivery
▲	Variance is understood and decisions need to be made regarding delivery

Programme Milestones

This report details the level of movement against the milestone in days since the previous quarterly report. A negative value indicates slippage while a positive value indicates acceleration to the programme. The RAG indicates delivery forecast against the planned date in accordance with the below key.

Discrete projects	Status
On time or early	●
-90 days late	▲
>90 days late	■

Significant late milestones

This report details milestones that are forecast to deliver more than 90 days late against their planned completion date. Where there is commercial confidentiality variances are removed and marked *. A negative value indicates slippage while a positive acceleration to the programme.

Significant quarterly milestone movements

This report shows where milestones have moved by more than 2 periods within the quarter. Where there is commercial confidentiality variances are removed and marked *. A negative value indicates slippage while a positive acceleration to the programme.

Overall milestone variance RAG

These indicators (shown under the scope description for each programme) summarises the overall performance of the project or programme. It is not an average of all milestone RAGs but rather an indication of in year performance, particularly for Budget milestones as well as based on the information contained in the tables within this report.

EFC exceeds authority (more than 2.5 per cent)

This is where projects are fully authorised but the EFC exceeds authority by more than 2.5 per cent. Projects that are only partially authorised are not classified as being in excess of authority and will not be shown. For example, those only in the feasibility stage, or where EFC has increased with authorised additional scope.

Significant changes in EFC this quarter (more than two per cent)

This report indicates where the project EFC has changed by more than two per cent in the quarter. A negative per cent indicates an increase in EFC.

Year end Spend Forecast v Budget

This report identifies projects where the variance between Budget and the annual forecast is greater than £5m (+/-). Budget is the agreed level of annual expenditure for specified works. This forms part of the TfL Group budget, which is established around period 9 of the previous financial year.