

Board



Date: 6 February 2013

Item 6: Operational and Financial Performance Report and Investment Programme Report – Third Quarter, 2012/13

This paper will be considered in public

1 Summary

- 1.1 This paper gives details of TfL's Operational and Financial Performance (Appendix 1) and Investment Programme (Appendix 2) during the third quarter of 2012/13 (16 September – 8 December 2012).
- 1.2 As a result of timing constraints for the production of the reports, they were not available for consideration at the recent meetings of the Projects and Planning Panel or the Finance and Policy Committee.

2 Recommendation

- 2.1 That the Board note the reports.

List of appendices to this report:

- Appendix 1 – Operational and Financial Performance Report – Third Quarter, 2012/13
- Appendix 2 – Investment Programme Report – Third Quarter 2012/13

List of Background Papers:

None

Contact Officer: Steve Allen, Managing Director, Finance
Number: 020 7126 4918
E-mail: StephenAllen@tfl.gov.uk

Operational and Financial Performance Report – Third Quarter, 2012/13

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

Quarter 1 (Periods 1-3)	1 April 2012 – 23 June 2012
Quarter 2 (Periods 4-6)	24 June 2012 – 15 September 2012
Quarter 3 (Periods 7-9)	16 September 2012 – 8 December 2012
Quarter 4 (Periods 10-13)	9 December 2012 – 31 March 2013

TfL performance summary

Demand: Demand in London Underground, London Rail and Surface Transport was up year-on-year at Quarter 3, continuing this year's growth on all modes. This growth has been stronger on rail modes than bus. While it is expected that demand will continue to grow in the remainder of the year, this is expected to be at a slower rate than previously assumed, which is reflected in a reduced forecast.

Service: Service reliability in Quarter 3 was ahead of target for all modes of transport. Excess journey time in London Underground averaged 5.53 minutes over the Quarter, ahead of target by nearly three quarters of a minute. The introduction of more resilient schedules during major roadworks together with evidence of an improvement in general traffic conditions contributed to scheduled bus services operated during Quarter 3 being 0.5 per cent better than target and 0.3 per cent better compared to last year.

London Underground achieved an all time high customer satisfaction score this quarter, reflecting continued strong performance and maintaining the high levels achieved in Quarter 2.

Customer feedback: London Underground continued to receive just over one complaint per 100,000 journeys, better than any other rail operator has achieved in the last five years. The rate for London Buses also remained stable at 2.41 per 100,000 passenger journeys. London Overground has consistently had a lower rate of complaints than any of the other train operating companies in the Office of Rail Regulation rankings and in Quarter 3 received its best ever rating of 2.38 per 100,000 journeys, improving on the previous record set at Quarter 2. Tramlink recorded fewer than two complaints per 100,000 for the first time and the DLR's rate remained steady at 2.70 per 100,000 journeys. This quarter Dial-a-Ride has seen its complaints rate reduced by over half to 66.90 complaints per 100,000 passenger journeys when compared to the previous quarter.

Complaints data from across all TfL services can be found at: tfl.gov.uk/transparency/.

Financial Performance: Operating income in the year to date was £27m greater than budget, with London Underground and London Rail maintaining this year's stronger than expected demand trend. The revised projections in London Underground and London Rail have contributed to a reduction in the full year fares income forecast against Quarter 2. Strong performance by London Rail means that the year is expected to close slightly ahead of budget after allowing for the lower than anticipated increase in fares.

Operating expenditure (net of third-party contributions) was £89m higher than budget. This was driven by the one-off £107m upfront cost of bringing the London Underground Powerlink PFI contract in-house, which will result in significant savings in future years. It is expected that this will be partially offset in year by

savings in London Underground operations and head office expenditure, and the reprofiling of Corporate expenditure to future years, with the year closing within 0.1 per cent of budget.

Net capital expenditure (excluding Crossrail) was £321m below budget in the year to date, due to revised phasing of projects across all business areas. The majority of this has been taken into account in the new TfL Business Plan. Although the year is forecast to close £384m below budget, again due to rephasing, spend is expected to catch up in future years.

Crossrail expenditure was £85m less than budget in the year to date due to deferral of works and property commitments to later in the project.

Savings: In the year to date, £835m (net) savings have been delivered, £106m less than target. TfL is still on track to deliver the long-term savings target. The year-to-date variance is largely due to the reprofiling of two programmes within the Corporate Directorates into future years, and the inclusion of upfront costs associated with the termination of the for LU Powerlink PFI contract.

The full year savings are expected to improve on the year to date position by £92m to be £14m (net) below target. This is due to accelerated delivery of commercial contracts and staffing efficiencies within Rail and Underground and the reprofiling of implementation costs in the Corporate Directorates into future years.

Staff: At the end of Quarter 3, TfL employed 28,060 full time equivalent (FTE) staff (excluding those on maternity leave). This was 287 FTE more than budget including additional temporary staff required for project based work in Tube Lines and the Corporate Directorates, and the transfer of staff previously employed by Programme Delivery Partners to Crossrail. This was partially offset by slower than expected recruitment in London Underground and a number of vacancies across Surface.

London Underground

Operational Performance

London Underground Performance	Units	Quarter 3 2012/13			Full Year 2012/13		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
LU							
Passenger Journeys	m	293.0	6.3	7.0	1,215.0	38.0	44.5
% Scheduled Services Operated	%	98.2	1.2	1.0	97.2	0.2	0.2
Excess Journey Time (Weighted)	Mins	5.53	(0.73)	(0.49)	5.68	(0.17)	(0.14)
Overall CSS - London Underground Q3 2013	Score	84	4	4	81	1	-
LU and DLR: recorded crime per million passenger journeys Sep - Nov 2012	#	9.8	-	0.7	8.9	(0.7)	(0.7)

Green = better than or equal to target
CSS: Customer Satisfaction Survey

Amber = within 5% of target

Red = 5% or more worse than target

- 1.0 Underground demand, measured in passenger journeys, exceeded target by 2 per cent in Quarter 3, a 2 per cent improvement on the same period in 2011/12. Full-year demand is forecast to surpass full-year target by 3 per cent.
- 1.1 Over Quarter 3 as a whole, the percentage of scheduled services operated was 98.2 per cent, beating the target by 1.2 per cent and matching the previous quarterly result. There were 3.2 per cent more KMs operated this quarter than in the corresponding quarter of last year – equivalent to an extra 500,000 KMs.
- 1.2 Excess journey time averaged 5.53 minutes over the quarter, bettering target by nearly three quarters of a minute. This improvement was primarily due to a 40 per cent reduction in the impact of staff related disruption and a 25 per cent fall in the impact of asset based failures. Full-year forecasts show that both measures will better full-year targets.
- 1.3 The overall CSS score reflects continued strong performance, with individual scores maintaining the high levels achieved in Quarter 2. Train and Station Information scores saw particularly significant increases, including a two point improvement in the Helpfulness of PA at stations, and a three point improvement in Train Driver Announcements.
- 1.4 Crime rates remained at the same level as last quarter and are forecast to beat year end target.

Financial Performance

London Underground £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/2013		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
Fares Income	(1,470)	(8)	(2,123)	24	10
Other Operating Income	(117)	(5)	(171)	(3)	(9)
Total Operating Income	(1,587)	(13)	(2,294)	21	1
Operating Expenditure (net of third-party contributions)	1,319	125	1,880	(12)	52
Net Capital Expenditure	708	(85)	1,007	2	(141)
Net Service Expenditure	440	27	593	12	(88)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5 per cent

Amber = Overspend/ Lower income by 5 per cent or less

- 1.5 Underlying passenger demand and associated income remained higher than budget in Quarter 3, however recent months have seen a decline in year-on-year growth compared to earlier in the year. The rate of passenger growth is expected to continue to fall in the remainder of the year; as a result the full year revenue forecast has been reduced by £24m to £2,123m, £10m lower than budget.
- 1.6 Operating expenditure (net of third-party contributions) for the year to date was £125m higher than budget, largely due to the £107m upfront costs of bringing the Powerlink PFI contract in house, which will result in significant savings in future years. In addition, costs associated with the Games were £18m higher than originally budgeted, but this has been recovered from the ODA. Savings resulting from operational vacancies being filled slower than expected are offset by higher spend on Games related maintenance work. The full year forecast is £52m higher than budget resulting from the Powerlink PFI costs partly offset by savings, mainly in head office costs and Operations.
- 1.7 The capital expenditure programme was revised in Quarter 1, which involved the rephasing of track and power works (including delaying works until post Games), a revised delivery plan for the Sub Surface Railway trains (S stock) and a less aggressive forecast on the Victoria Station Upgrade and other congestion relief schemes. The lower expenditure in 2012/13 reverses in future years with key delivery milestones not impacted. Expenditure continues to be in line with this forecast and was £85m below budget for the year to date; consequentially the full year expenditure forecast has seen little change.
- 1.8 At the end of Quarter 3, London Underground employed 18,098 FTE, 49 FTE fewer than budget mainly as a result of vacancies being filled slower than expected in Operations (41 FTE) and Capital Programmes (14 FTE) partly offset by small increase in Asset Performance. Headcount is expected to increase by the year end as vacancies are filled in Operations, and Stations and Permanent Way project staff are recruited to support the investment programme. The year end forecast of 18,228 is 87 FTE less than at Quarter 2.

Tube Lines

Financial Performance

Tube Lines £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/2013		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
Operating Income	(8)	(0)	(12)	0	(0)
Operating Expenditure (net of internal income)	270	24	397	2	30
Net Capital Expenditure	142	(62)	215	(16)	(71)
Net Service Expenditure	405	(37)	600	(14)	(42)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5 per cent

Amber = Overspend/ Lower income by 5 per cent or less

- 2.0 Operating expenditure was £24m above budget in the year to date due to the reclassification of group income and capital expenditure. Additional maintenance costs of £2m in advance of the Olympic Games have been offset by support cost savings.
- 2.1 Capital expenditure was £62m below budget in the year to date due largely to rephasing of £53m of contractor costs for the Northern line Transmission Based Train Control (TBTC) upgrade. This cost rephasing will not impact the overall delivery of the TBTC upgrade. Additionally £6m of renewal works have also be rephased. These movements were largely reflected in the Quarter 2 forecast for the full year with the reduction to Quarter 3 being driven by a more prudent view of IT capital expenditure, lower than anticipated contract costs to date on TBTC and savings identified on completed power projects.
- 2.2 At the end of Quarter 3, Tube Lines employed 2,715 FTE staff, 159 FTE (6 per cent) more than budget, and the revised year-end forecast of 2,783 FTE is 242 FTEs higher than budget. This is mainly due to additional temporary project resource undertaking development work relating to capital expenditure in future years.

London Rail

Operational Performance

London Rail Performance	Units	Quarter 3 2012/13			Full Year 2012/13		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
DLR							
Passenger Journeys	m	23.3	1.1	1.5	100.4	7.1	14.3
% Scheduled Services Operated	%	99.0	1.0	1.3	98.0	-	0.4
On-time performance	%	99.0	1.8	1.9	97.2	-	(0.3)
Overall CSS - DLR Q3 2013	Score	88	6	6	82	-	(1)
London Overground							
Passenger Journeys	m	29.5	4.6	3.0	122.1	15.9	19.5
PPM London Overground (MAA)	%	96.7	0.9	0.4	95.8	-	(0.8)
Overall CSS - London Overground Q3 2013	Score	81	1	(1)	80	-	(2)
Trams							
Passenger Journeys	m	7.1	(0.2)	-	29.8	-	1.2
% Scheduled Services Operated	%	97.0	(1.0)	(2.4)	98.0	-	(1.0)
Overall CSS - Tramlink Q3 2013	Score	89	3	6	86	-	-

Green = better than or equal to target Amber = within 5% of target Red = 5% or more worse than target

CSS: Customer Satisfaction Survey PPM (MAA): Passenger Performance Measure (Moving Annual Average)

- 3.0 DLR passenger journeys for the third quarter totalled 23.3 million, a 7 per cent improvement on the same period in 2011/12. The DLR full-year forecast has been reassessed at 100.4 million passenger journeys.
- 3.1 DLR performance during the whole quarter resulted in on-time performance and scheduled services operated both scoring 99.0 per cent, beating target by 1.8 per cent and 1.0 per cent respectively.
- 3.2 The Public Performance Measure (PPM) MAA for London Overground (LO) was 96.7 per cent, which was 0.9 per cent above target. London Overground remains at the top of the industry PPM MAA league table.
- 3.3 Demand continues to increase, with 29.5 million passenger journeys in Quarter 3, representing growth of 11 per cent against last year. The LO forecast has been increased to 122.1 million passenger journeys for the full year.
- 3.4 Trams passenger journeys totalled 7.1 million for Quarter 3, which was the same as last year and 0.2 million lower than target. The percentage of scheduled services operated were 1 per cent below target. Both measures were impacted by 9 days of unbudgeted engineering closures during period 8, a service suspension in period 7 and fleet performance issues, for which a plan to recover is in place and some improvement is now evident.

Financial Performance

London Rail £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/2013		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
Fares Income	(188)	(23)	(270)	2	(23)
Other Operating Income	(7)	2	(10)	1	5
Total Operating Income	(195)	(21)	(280)	3	(18)
Operating Expenditure (net of third-party contributions)	241	1	347	1	4
Net Capital Expenditure	65	(70)	76	(6)	(73)
Net Service Expenditure	111	(89)	143	(2)	(87)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5 per cent

Amber = Overspend/ Lower income by 5 per cent or less

- 3.5 Operating income for the year to date is £23m ahead of budget mainly reflecting the increased patronage on the Docklands Light Railway (DLR) and London Overground (LO), in particular during the 2012 Games. This is partially offset by other operating income being £2m below budget due to the postponement of accessibility works (and associated third-party income) at West Hampstead whilst a revised scheme is prepared for this station. The forecast assumes continued increases in Overground growth but with DLR levelling off. As with London Underground the forecast includes a lower than budgeted January fare rise.
- 3.6 Operating expenditure net of third-party contributions remains close to budget both year to date and for the forecast with the small overspend due to performance related payments to both London Overground and DLR concession operators.
- 3.7 Capital expenditure in the year to date is £70m under budget mainly due to savings and rephasing of project spend which also impact the full year forecast.
- 3.8 Unbudgeted staff to support the early stages of LO Capital Improvement Programme (LOCIP) and Crossrail operations preparatory work account for London Rail being some 10 FTE higher than budget at 179 FTE. Following its successful opening, East London Line Phase 2 staff will reduce by year end however this will be more than offset by continued recruitment to support LOCIP and Crossrail work. Year end staff numbers are expected to be, at 185 FTE, 24 FTE higher than budget which is 1 FTE less than forecast at Quarter 2.

Crossrail

Crossrail £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/2013		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
Net Service Expenditure	934	(85)	1,424	(57)	(42)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5 per cent

Amber = Overspend/ Lower income by 5 per cent or less

- 4.0 In the year to date Crossrail spent £85m less than budget, of which £45m was due to the deferral of property commitments to Financial Year 2013/2014. A further £17m was due to an underspend on direct construction costs caused in part by the delayed start of tunnelling and a change in procurement strategy at the West portal together with savings following the implementation of the Network Rail Interim Funding arrangement. Indirect costs are £23m below budget due to slower than planned increases in headcount, savings on property legal fees and management, and deferrals of training and communications campaigns.
- 4.1 Since last quarter the full year forecast has reduced by £57m, to £42m lower than budget, principally because of revised phasing of land and property commitments to Financial Year 2013/2014. Compared to the year to date position of £85m lower than budget there is expected to be some catch-up in the balance of the year on property commitments and direct construction costs.
- 4.2 At the end of Quarter 3, Crossrail employed 718 FTE staff which was 140 FTE more than budget. A significant number of agency staff that were previously employed by the Programme Delivery Partner (PDP) have transferred to Crossrail as part of a cost reduction strategy (PDP FTEs were not included in the Crossrail FTE budget). Crossrail will continue to implement this strategy, although at Quarter 3, fewer roles had been filled than anticipated, as reflected by the full year forecast of 798 FTE. The cost reduction strategy also explains why the forecast for the end of the year exceeds the original budget by 209 FTE.

Surface Transport

Operational Performance

Surface Transport Performance	Units	Quarter 3 2012/13			Full Year 2012/13		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
London Buses							
Passenger Journeys	m	568.9	(5.0)	0.9	2,348.6	(7.4)	4.2
% Scheduled Services Operated	%	97.5	0.5	0.3	97.5	(0.1)	(0.1)
Excess Wait Time	Mins	1.1	(0.1)	-	1.1	-	0.1
Overall CSS - Buses Q3 2013	Score	81	1	1	81	1	1
London Buses: recorded crime per million passenger journeys Sep - Nov 2012	#	8.3	(0.8)	(0.6)	9.0	(0.3)	(0.3)
Performance - Other Areas							
Cycling levels on the TLRN*	Index	290	(9)	4	287	(1)	14
Number of trips - Dial a Ride	m	0.3	-	-	1.4	-	-
Overall CSS - Dial a Ride Q3 2013	Score	93	1	2	92	-	1
TLRN Journey Time Reliability (am peak)	%	89.2	0.3	1.1	89.2	-	0.3
Cumulative reduction in KSI Londonwide - % reduction (from 05-09 baseline) June - August 2012	%	(21.5)	14.1	5.3	(18.2)	14.6	7.2

Green = better than or equal to target

Amber = within 5 per cent of target

Red = 5 per cent or more worse than target

CSS: Customer Satisfaction Survey

KSI: Killed and seriously injured

TLRN: TfL Road Network

* Cycling levels on the TLRN - Indexed (March 2000 = 100) measures growth in cycle flows recorded at 60 locations on the TLRN. (NB: the sample count figures are not equal to the total amount of cycling taking place on the TLRN).

- 5.0 Bus passenger journeys in Quarter 3 were slightly lower than target by 0.9 per cent, primarily due to poor weather conditions. The industrial action in November also reduced journeys by circa 0.2 million.
- 5.1 The full year forecast for bus passenger journeys has been reduced to reflect a slight weakening in underlying demand growth in recent periods and new survey data showing fewer journeys than expected being made by the under 11s who do not need to use Oyster cards.
- 5.2 Scheduled services operated during Quarter 3 were 0.5 per cent better than target and 0.3 per cent better compared to last year. This was largely due to the reduced impact of traffic delays on scheduled kilometres operated; with contributory factors including the introduction of more resilient schedules during major roadworks together with evidence of an improvement in general traffic conditions compared with a year ago. Industrial action by drivers in June is the reason for the full-year forecast being 0.1 percentage points below target.
- 5.3 The index of cycle flows on the TLRN was 290 in Quarter 3, 1.5 per cent higher than Quarter 3 of last year, and demonstrating a growth of 4.6 per cent in the year to date. The full-year forecast indicates an increase of 5.2 per cent in cycling on the TLRN during 2012/13.

- 5.4 Minor corrections have been made to the TLRN cycling index methodology to ensure it accurately reflects recent cycle flows. This does not change the previous years' numbers; results for Quarter 1 and Quarter 2 show slight changes and have been updated accordingly. As such, revised cycle index flows on the TLRN in Quarter 1 2012/13 were 285 (replacing published figure of 269) and in Quarter 2 were 342 (replacing published figure of 305). TFL is reviewing its overall methodology for recording cycling trips and will be updating its approach over the coming year to more accurately reflect cycling trends and patterns.
- 5.5 Provisional data for June 2012 to August 2012 shows that the number of people killed or seriously injured (KSI) on London's roads was 5.3 per cent above the same period last year, nevertheless this was an improvement of 6.7 per cent on Quarter 2.
- 5.6 Full year 2012/13 forecast KSI performance remains below the target of 32.8 per cent reduction from the 2005-09 baseline, which was based on an unrepresentative period during winter 2010/11. This was the coldest winter since records began in 1910, resulting in a suppression of some journeys and casualties. KSIs fell to their lowest ever recorded number in 2011. However, while this year's target will be missed we believe the Mayor's longer term target established in the draft Road Safety Plan, of a 40 per cent decrease in KSIs by 2020 from the 2005-09 baseline will be achieved.

Financial Performance

Surface Transport £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/2013		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
London Buses					
Bus fares income	(981)	0	(1,417)	0	2
Bus contract costs & ticket commission	1,242	5	1,795	(1)	2
Direct Bus Subsidy	261	5	378	(1)	4
Other Bus Income	(18)	(1)	(25)	(0)	(1)
Bus operating Expenditure (net of third-party contributions)	62	(5)	94	(2)	(5)
Bus Capital Expenditure	9	(3)	17	(6)	(3)
Net Bus Service Expenditure	314	(4)	463	(9)	(4)
Other Surface Transport					
Other Operating Income	(231)	9	(332)	9	15
Other Operating Expenditure (net of third-party contributions)	533	(22)	793	(12)	(18)
Other Net Capital Expenditure	67	(42)	107	(9)	(69)
Net Service Expenditure	684	(58)	1,031	(22)	(76)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5 per cent

Amber = Overspend/ Lower income by 5 per cent or less

- 5.7 Bus fares income in the year to date was in line with budget. Despite this, journeys made by fare payers were 13.7 million below budget. The overall average fare per journey was slightly higher than budget as a smaller proportion of journeys were made using season tickets. Season tickets produce less revenue per journey than other tickets.
- 5.8 Bus contract costs in the year were higher than budget due to the Bus Workers' Games settlement, partially offset by deductions for mileage not operated as a result of industrial action in June and ticket commission savings. These variances have been reflected in the full-year forecast.
- 5.9 Other bus operating expenditure was £5m lower than budget in the year to date due to non-recurring savings, in areas such as Countdown 2 and iBus, in year timing differences and capitalisation of New Bus for London (NBfL) expenditure following the decision for TfL to purchase the buses rather than the Bus Operators. The full-year forecast is £5m lower than budget largely due to capitalisation of NBfL expenditure and rephasing to future years.
- 5.10 Bus capital expenditure was £3m below budget in the year to date, largely due to Countdown 2 savings and some rephasing into future years, which were partially offset by capitalisation of NBfL expenditure. These variances have been reflected in the full year forecast.
- 5.11 In the year to date, other operating income was £9m lower than budget, most notably due to the revised go-live for a number of highways advertising sites and lower Cycle Hire income because of a higher proportion of free trips, and lower volumes attributed to the record level of rainfall in 2012.

The full-year forecast for other operating income is £15m lower than budget, largely due to Highways advertising site income being transferred to Corporate and Cycle Hire income expectations. The full year forecast when compared to Quarter 2 has been reduced by £9m mainly to reflect lower expectations for Cycle Hire and Lane Rental income, although the reduced Lane Rental income is offset by lower expenditure.

- 5.12 Year to date other operating expenditure was £22m below budget largely due to £11m of Local Implementation Plan (LIP) Programme works which were rephased to later in the year and into 2013/14 due to the Games. Further underspends included savings, notably on Games advertising and Congestion Charging and Enforcement, and rephasing on Cycle Superhighways due to the Better Junctions review. The above were partially offset by additional Games expenditure for which the funding by LOCOG and the ODA is held at Group level.
- 5.13 The full-year operating expenditure forecast is £18m lower than budget mainly due to £7m of slippage on LIPs major schemes and non-recurring savings, including lower expenditure on the Olympic Route Network (which will be reflected in the final settlement with the ODA) and savings on Travel Demand Management (not part of the ODA agreement). These are partly offset by additional Games expenditure which is funded by LOCOG and the ODA.
- 5.14 Other net capital expenditure in the year to date was £42m below budget mainly due to rephasing, including Cycle Hire Phase 2, Signal Modernisation, London Safety Camera Partnership, Bridge safety, Tunnels safety and Cycle Superhighways. There were also some non-recurring savings; the largest of which was £3m on Bounds Green improvement project.
- 5.15 The full-year forecast is £69m below budget principally due to non-recurring savings and project rephasing, of which the most significant items are Cycle Superhighways (due to the Better Junctions review), Cycle Hire, Woolwich Ferry Life Expansion, Signal Modernisation and London Safety Camera Partnership. Non-recurring savings included those identified on the finalisation of the Bounds Green improvement project. The full year forecast reduction from Quarter 2 of £9m is mainly due to further rephasing, including Cycle Hire and Woolwich Ferry Life Expansion expenditure partially offset by acceleration of the Roads Better Junction Review programme
- 5.16 At the end of Quarter 3, Surface Transport employed 3,243 FTE which was 90 FTE fewer than budget. This was primarily due to reduced headcount in Dial a Ride and a high number of vacancies across Surface, including Community Safety & Enforcement Policing, Performance, Congestion Charging and Roads which are expected to be filled later in the year. Vacancies were partly offset by increases in contractors working in Traffic and Taxi & Private Hire.
- 5.17 The full-year forecast at 3,381 FTE is 52 FTE higher than budget primarily due to increases in the Traffic Directorate to manage the Lane Rental scheme introduced in Quarter 1 and extended operational shifts in the LSTCC and Fault Control to enable faster and better targeted response to faults and improved incident management and reporting. Taxi & Private Hire have increased night compliance team headcount.

Corporate Directorates

Corporate Directorates £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/2013		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
Operating Income	(30)	1	(39)	8	5
Operating Expenditure (net of third-party contributions)	313	(42)	468	(20)	(64)
Net Capital Expenditure	3	(60)	8	(73)	(26)
Net Service Expenditure	286	(101)	436	(85)	(85)

Green = (underspend/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5 per cent

Amber = Overspend/ Lower income by 5 per cent or less

- 6.0 Year to date operating income was £1m lower than budget. This was due to the reprofiling of Spend to Save income to future years. Full year operating income is forecast to be £5m lower than budget, a movement of £8m since last quarter to reflect an accounting adjustment to the reporting of secondary revenue which has already been recognised in London Underground
- 6.1 At Quarter 3, year to date operating expenditure (net of third-party contributions), was £42m lower than budget and is forecast to be £64m below budget for the full year. This was mainly due to the rephasing of projects in IM, Finance and Customer Experience Marketing and Communications (CEM&C). There were also savings in staff costs across the Corporate Directorates due to delayed recruitment and associated reductions in the demand for training and other related costs.
- 6.2 Net capital expenditure was £60m lower than budget in the year to date due to rephasing of Spend to Save activity and the Future Ticketing Project to future years and rephasing of property and IM projects to the last quarter of the year. Reprofiling of various property sales to future years was partly offset by higher than forecast sale proceeds from Lots Road Power station. Full-year net capital expenditure is forecast to be £26m lower than budget. This is mainly due to the reprofiling of project expenditure to future years which is partially offset by the deferral of property sales income, most of which is now expected in 2013/14.
- 6.3 At Quarter 3, there were 3,107 FTE in the Corporate Directorates, 117 higher than budget, mainly driven by temporary staff working on project based initiatives in IM and Planning. These factors, along with additional staff to deliver ticketing projects, are also reflected in the full-year forecast of 3,282 FTE which is 325 FTE more than budget.

Group Items and Other Companies

Group items and Other Companies £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/2013		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
Interest Income and Debt Service	185	(31)	274	(4)	(41)
Contingency and Other Group Items	(8)	(128)	(12)	(1)	(178)
Net Service Expenditure	178	(159)	262	(5)	(220)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5 per cent

Amber = Overspend/ Lower income by 5 per cent or less

- 7.0 In the first half of 2012/13, TfL deferred the budgeted issue of long-term debt in favour of short term debt. This resulted in a variance to budget for Interest Income and Debt Service of (£31m) in the year to date and (£41m) in the full year.
- 7.1 The year to date and full year variances to budget for Contingency and Other Group Items relate to removal of contingency provisions and identification of savings as part of the new Business Plan.

Savings and Efficiencies

Savings and Efficiencies	Year to date (Periods 1-9) 2012/13			Full Year 2012/13		
	Actual	Target	Vs Target	Forecast at Q3	Target	Vs Target
£m						
Corporate and Group Wide	325	404	(79)	490	538	(49)
Rail and Underground	421	391	30	618	565	53
Surface Transport	208	200	8	300	291	10
Gross	954	995	(41)	1,409	1,394	14
Implementation Costs	(120)	(55)	(65)	(129)	(101)	(28)
Net	835	941	(106)	1,279	1,293	(14)

Savings and Efficiencies are reported as positive numbers which means that a variance in brackets indicates lower achieved savings or higher implementation costs

- 8.0 Savings and Efficiencies reporting is based on the previous Business Plan and includes both secured and unsecured initiatives. To provide clear and challenging targets the new Business Plan, published in December 2012, does not include secured initiatives (those savings already achieved). This report will move to reporting on this basis from Quarter 1 2013/14.
- 8.1 In the year to date, the gross position is £41m less than target. Overall the Corporate Directorates remain on track to deliver their long-term savings target. The year-to date variance of £79m reflects the re-profiling of various initiatives within the Corporate savings portfolio into future years. These are mainly within the Spend to Save and the Property asset development and disposals programmes.
- 8.2 Whilst implementation costs within the year have increased due to the inclusion of upfront termination costs associated with the LU Powerlink PFI contract, the programme remains on course to achieve its savings target. The year-to-date adverse variance was partly offset by the over delivery of commercial contracts and staffing efficiencies within Rail and Underground.
- 8.3 In the full year, the savings programme is forecast to deliver £1.4bn of gross savings, efficiencies and additional secondary revenue, exceeding target by £14m. However the net forecast is £14m below target as implementation costs are expected to be £28m higher. This is an improvement on the net year to date position, due to the reprofiling of implementation costs in the Corporate Directorates. In addition, there is accelerated delivery of commercial contracts and staffing efficiencies within Rail and Underground.

Appendix One: Financial Summary

TfL Group £m	Year To Date (Periods 1-9) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q3	Vs Forecast at Q2	Vs Budget
Fares Income	(2,639)	(31)	(3,810)	25	(11)
Other Income	(415)	4	(596)	17	12
Total Operating Income	(3,055)	(27)	(4,406)	43	1
Operating Expenditure (net of third-party contributions)	3,985	89	5,780	(45)	5
Operating Margin	930	62	1,374	(2)	6
Interest Income & Debt Servicing	185	(31)	274	(4)	(41)
Contingency and Other Group Items	(8)	(128)	(12)	(1)	(178)
Total Group Items	178	(159)	262	(5)	(220)
Margin	1,108	(97)	1,636	(7)	(214)
Net Capital Expenditure (excl Crossrail)	994	(321)	1,429	(108)	(384)
Net Service Expenditure (excl Crossrail)	2,102	(418)	3,065	(115)	(598)
Capital Expenditure: Crossrail	934	(85)	1,424	(57)	(42)
Net Service Expenditure: TfL	3,036	(502)	4,489	(172)	(641)

Appendix 2: Balance Sheet

Transport for London Group Balance Sheet at Quarter 3 £m	Actual	Variance to Budget	Forecast at Q3	Variance to Budget
Non-current assets – (higher) / lower than budget	27,086	338	27,770	352
Current assets (exc. cash & investments) – (higher) / lower than budget	573	(100)	546	50
Cash & investments – (higher) / lower than budget	3,929	(843)	3,865	(693)
Creditors - higher / (lower) than budget	(2,912)	(81)	(2,989)	62
Derivative liabilities - higher / (lower) than budget	(118)	37	(117)	36
Borrowings – higher / (lower) than budget	(7,830)	473	(7,533)	(15)
Provisions – higher / (lower) than budget	(2,535)	33	(2,494)	19
Total Net Assets – (higher) / lower than budget	18,193	(143)	19,048	(189)

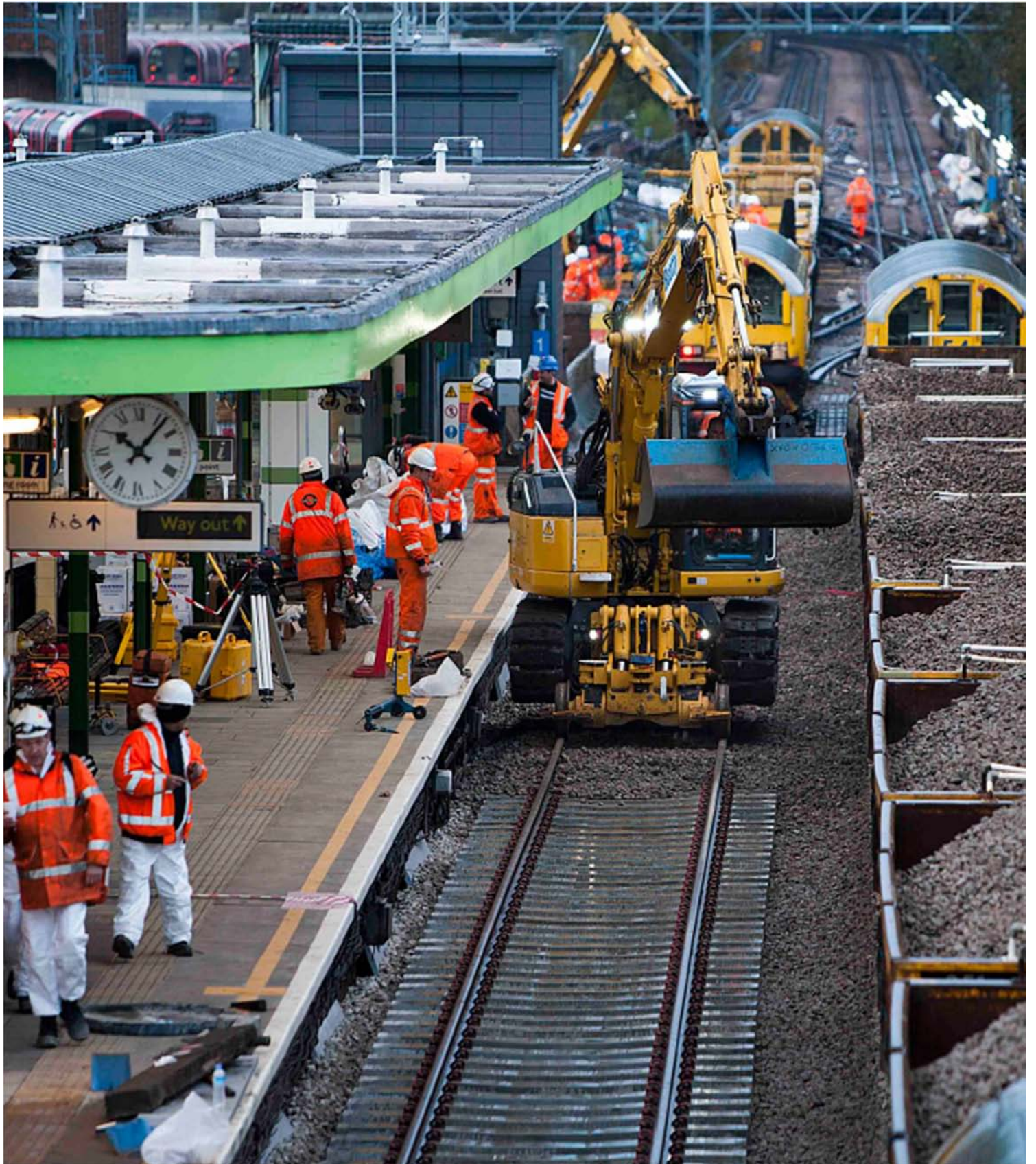
- 9.0 Non-current assets were £338m below budget at the end of Quarter 3, largely as a result of lower than planned gross capital expenditure activity of £405m. The Quarter 3 non-current asset forecast is £352m below budget. This includes lower capital spend activity of £474m offset by lower than planned disposals and changes in depreciation arising from the delays to capital works.
- 9.1 Current assets were £100m higher than budget at the end of Quarter 3. Of this, £63m was in respect of amounts owing from both the ODA and LOCOG for Olympics works which were assumed to have been paid by now in the budget. These amounts are expected to be received before year end. In addition, Rail and Underground held £36m of capital debtors over budget, in respect of the Lots Rd property contract, which includes deferred receipts which were not assumed at the time of the budget, and other contract amounts due for settlement. The forecast assumes current assets to be £50m lower than budget, arising from small variances in a number of subsidiaries.
- 9.2 A breakdown of the cash variances to date and forecast is shown in the table at Appendix 3.
- 9.3 Creditor balances for the year to date position are £81m below budget, mainly driven by the £74m reduction to lease creditors from the termination of the Power PFI. Creditor balances are forecast to be £62m higher than budget at year end. However, this variance is the net of a reduction in finance lease creditors of £73m, following the termination payment to the Power PFI provider, offset by higher trade and capital creditors, predominantly in Crossrail.
- 9.4 The derivatives position at Quarter 3 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. However, as TfL only enters into such contracts to fix interest rates on its future borrowings, hedge accounting applies and any movement in the fair value of the derivative liability is recognised directly in reserves. The fair value liability is expected to reverse by maturity.
- 9.5 External borrowings at Quarter 3 were £473m above budget, as a result of new borrowings being taken out earlier than planned to take advantage of favourable interest rates. The variance at the full year represents the repayment of the WARE (Woolwich Arsenal Railway Enterprises) debt to the EIB (European Investment Bank) which was not in the budget and the fact that TfL Bonds were issued at a discount in line with market convention.

9.6 Provisions at the end of Quarter 3 were £33m higher than budget, primarily due to timing changes for payments against the Crossrail property provision in TfL, offset by a reduction to the Tube Lines pension provision. Provisions are forecast to be £19m higher than budget, again mainly due to lower than budgeted payments in the year for Crossrail property compensation claims, offset by a lower insurance claims provision.

Balance Sheet	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast at Q3	Budget	Variance
£m						
Intangible assets	90	93	3	141	123	(18)
Property, plant & equipment	26,460	26,831	371	27,065	27,518	453
Investment properties	308	309	1	288	290	2
Long term derivatives	-	-	-	-	-	-
Long term debtors	228	191	(37)	276	191	(85)
Non Current Assets	27,086	27,424	338	27,770	28,122	352
Stocks	42	38	(4)	41	38	(3)
Short term debtors	531	435	(96)	505	558	53
Short term derivatives	-	1	1	-	1	1
Cash and Investments	3,929	3,086	(843)	3,865	3,172	(693)
Current Assets	4,502	3,560	(942)	4,411	3,769	(642)
Short term creditors	(1,936)	(1,961)	(25)	(1,997)	(1,899)	98
Short term derivatives	-	(8)	(8)	-	(8)	(8)
Short term borrowings	(1,422)	(2,176)	(754)	(2,176)	(2,176)	-
Short term lease liabilities	(56)	(68)	(12)	(101)	(68)	33
Short term provisions	(138)	(141)	(3)	(141)	(141)	-
Current Liabilities	(3,552)	(4,354)	(802)	(4,415)	(4,292)	123
Long term creditors	(64)	(52)	12	(77)	(52)	25
Long term borrowings	(6,408)	(5,181)	1,227	(5,357)	(5,372)	(15)
Long term lease liabilities	(856)	(912)	(56)	(814)	(908)	(94)
Long term derivatives	(118)	(74)	44	(117)	(74)	43
Other provisions	(114)	(68)	46	(75)	(52)	23
Pension provision	(2,283)	(2,293)	(10)	(2,278)	(2,282)	(4)
Long Term Liabilities	(9,843)	(8,580)	1,263	(8,718)	(8,740)	(22)
Total Net Assets	18,193	18,050	(143)	19,048	18,859	(189)
Capital and Reserves						
Usable reserves	3,519	2,697	822	3,648	2,829	(819)
Unusable reserves	14,674	15,353	(679)	15,400	16,030	630
Total Capital Employed	18,193	18,050	(143)	19,048	18,859	(189)
Cash and Investments:						
CRL Sponsor funding account	1,466	1,441	(25)	1,381	1,414	33
Other cash and investments	2,463	1,645	(818)	2,484	1,758	(726)
Total as above	3,929	3,086	(843)	3,865	3,172	(693)

Appendix Three: Cash summary

Cash Summary In / (Out) Flow £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast at Q3	Budget	Variance
Margin	(1,108)	(1,205)	(97)	(1,636)	(1,850)	(214)
Working Capital Movements	(35)	67	102	(97)	(146)	(49)
Cash Spend on Operating Activities	(1,143)	(1,138)	5	(1,733)	(1,996)	(263)
Net Capital Expenditure	(994)	(1,315)	(321)	(1,429)	(1,814)	(385)
Crossrail	(934)	(1,019)	(85)	(1,424)	(1,467)	(43)
Working Capital Movements	(124)	(66)	58	(59)	(44)	15
Cash Spend on Capital Activities	(2,052)	(2,400)	(348)	(2,912)	(3,325)	(413)
Funded by:						
Grants, Precept & other contributions	3,766	3,739	(27)	5,438	5,406	(32)
Borrowings Raised	728	252	(476)	432	445	13
Borrowings Repaid	(21)	(18)	3	(22)	(20)	2
Total Funding	4,462	3,962	(500)	5,848	5,831	(17)
Net Movement in Cash	1,267	424	(843)	1,203	510	(693)



Investment Programme Report

Third Quarter October – December 2012/13

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Cover picture; Re-ballasting and track levelling at Hainault Station as part of the Hainault blockade works

Transport for London

Investment Programme Report

Third Quarter, 2012/13 (16 September – 8 December 2012)

I. Programme Highlights and Key Concerns

Programme Highlights

The Investment Programme demonstrated good progress in the Quarter.

A key accomplishment for the Upgrade programme this quarter was the removal of the final A stock train from service on the Metropolitan line, which was run for the last time on 29 September 2012. Also, delivered on schedule, was the running of the new S7 trains in timetabled service on the Hammersmith and City line on 9 December 2012. A full compliment of S8 trains was provided to achieve Metropolitan line train availability targets for peak services during the quarter. The reliability of S stock took a dip in the early part of the quarter but the introduction of modifications to resolve some of the failure mechanisms has resulted in a strong recovery.

The Victoria line Upgrade commissioned the first area of bi-directional running on the network at Northumberland Park Depot providing a very significant improvement in flexibility for both the operational line and the depot. The integrated plan is on target for implementation in January 2013 of the new Victoria line timetable to deliver 33 trains per hour, for the first time on London Underground.

Good progress continues on the Northern line Upgrade with the systems proving week-end for the first migration section being carried out in the quarter. The project remains on schedule and within budget.

The Tottenham Court Road Station Upgrade project won the International Tunnelling Project of the Year award at the prestigious International Tunnelling Awards in Toronto while the Bond Street Station Upgrade project won Product/Equipment Innovation of the Year at the same event for their running tunnel monitoring system.

The 12 day closure of the Central line's Hainault loop delivered significant track improvements, efficiently and with far less disruption to our customers. The 'blockade' completed around 81,000 hours of intensive work between Hainault and Newbury Park (which would normally have been expected to take 19 days), making savings of nearly £5 million and it was achieved without a single safety incident.

The new substation at Embankment and the first 132kV connection from the National Grid to Edgware Road Bulk Supply Point have been commissioned.

All required works were completed as planned on East London Line Phase 2b, the "New South London Line", allowing the service to be opened to passengers on 9 December and the formal opening to take place on 10 December 2012. This provides the final link to make London Overground a fully orbital railway.

Post Quarter update: Victoria Escalator 6 was returned to passenger service in record time, under 12 weeks, following a 20 year life extension refurbishment. This was delivered 11 weeks ahead of target.

Key Concerns and Mitigations

LU's concerns regarding Bombardier resource shortage and slow progress over the summer period on the SSR Upgrade Automatic Train Control system are being addressed at the highest level within LU and Bombardier. As a consequence there has been a significant increase of resource at Pittsburgh, Madrid and Helsinki, and output has correspondingly improved.

Also on the SSR Upgrade programme, continued progress has been made this quarter to resolve the signalling immunisation required on the Wimbledon and Richmond branches and east end of the District line, where the Network Rail technical interface is a particular challenge. Technical solutions have been found for all these areas but implementation is now on the critical path for the completion of roll-out of new trains on the Circle and Hammersmith & City lines by 2014 and District line by 2016. Various mitigations against this delay include undertaking route clearance testing of infrastructure for S stock before the immunisation has been completed. Discussions are being held with Network Rail to secure their approval of this approach.

Significant milestones delivered in the quarter included;

- SSR Upgrade Roll out of new air-conditioned trains on the Metropolitan line complete (Annex B: 2013)
- SSR Upgrade All A Stock removed from service
- SSR Upgrade Stepney Green to Bromley-by-Bow Infrastructure complete
- Victoria Station Upgrade Northern Ticket Hall Piling of Box West completed
- Crossrail Liverpool Street enabling works bring into use Station Operations Room
- Track Renewal Completion of Central line Blockade
- Northern Line Upgrade 106 trains ready for revenue service

92 per cent of milestones delivered in the quarter were on or ahead of target.

Significant milestones delivered post quarter included;

- S Stock in timetabled Hammersmith & City service
- Victoria Station Upgrade Commence Wilton Road Piling
- East London Line Phase 2b Commence Passenger Services

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

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

This main body of this report covers discrete projects with a total cost greater than £50m and programmes spending over £10m per annum. For each project, key milestones are listed with a forecast date compared against the March 2012 baseline. If appropriate, milestones listed as deliverables for the year in the 2012/13 Budget document are included.

Committed schemes and milestones listed in Annex B of the 2010 Spending Review funding settlement letter are included in this report. The milestones contained in Annex B are identified in the project pages with the note '**(Annex B: date)**' listed after the description.

Key to RAG status:

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

This report focuses on the delivery of investment projects. For discussion on wider financial performance, see the Quarter 3 Operational and Financial Report.

The estimated final cost (EFC) of some of the projects is not included (marked as * or N/A) for reasons of either commercial confidentiality or annualised programmes.

Rail and Underground Capital Programmes

Sub-Surface Railway Upgrade

Spend to end Q3 2012/13 £m	EFC £m
2261.4	4199.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
S Stock Preview Service on Hammersmith and City	09-Jul-12	06-Jul-12	Complete
S Stock in Timetabled Hammersmith and City Service	09-Dec-12	09-Dec-12	Complete
Roll out of new air-conditioned trains on the Metropolitan Line complete (Annex B: 2013)	02-Mar-13	14-Oct-12	Complete
Rolling Stock	Current Plan Date	Actual/Forecast Date	RAG
S-Stock reliability equivalent to A stock Mean Distance Between Service Affecting Failures (MDBSAF)	21-Jul-12	17-Aug-12	Complete
57th S8 Stock available for delivery to London	13-Oct-12	11-Jul-12	Complete
All A-Stock removed from service	02-Mar-13	14-Oct-12	Complete
SUP Rolling Stock Sub-programme Completion	31-Mar-19	31-Mar-17	●
ATC	Current Plan Date	Actual/Forecast Date	RAG
Location Identified and Agreed for ATC Train Fit Bay	21-Jul-12	08-Jun-12	Complete
End State Track Layout delivery programme in place	15-Sep-12	14-Sep-12	Complete

Rail and Underground Capital Programmes

System Level Requirements Approved by ATC Supplier	05-Jan-13	05-Jan-13	●
Stable Design Data for End State Track Layout North of Baker St	05-Jan-13	19-Oct-12	Complete
Uxbridge Stabling Detail Design Complete	31-Mar-13	20-Mar-13	●
Approval of the Signal Equipment Rooms Premises Conceptual Design Statement	31-Mar-13	31-Mar-13	●
SUP signalling upgrade complete (Annex B: 2018)	31-Dec-18	31-Dec-18	●
Depots	Current Plan Date	Actual/Forecast Date	RAG
Neasden Depot - Rail access into New Lifting Maintenance Facility enabled	08-Dec-12	25-Jul-12	Complete
Ealing Common Depot - S7 test train permanent berthing enabled	05-Jan-13	05-Jan-13	●
Neasden Depot - Phase 2 Signalling Commissioned	31-Mar-13	09-Mar-13	●
Neasden Depot - Ability to lift S-Stock in New Lifting Maintenance Facility	31-Mar-13	16-Feb-13	●
SUP Depots Sub-programme Completion	31-Mar-15	31-Mar-15	●
Infrastructure Other	Current Plan Date	Actual/Forecast Date	RAG
Paddington (H&C) Infrastructure ready for integration testing	21-Jul-12	04-Jul-12	Complete
Paddington (H&C) Infrastructure complete	08-Dec-12	04-Jul-12	Complete
Stepney Gn to Bromley-by-Bow Infrastructure ready for integration testing	02-Feb-13	04-Oct-12	Complete
Tower Hill Infrastructure ready for integration testing	02-Feb-13	11-Mar-13	▲

Rail and Underground Capital Programmes

Stepney Gn to Bromley-by-Bow Infrastructure complete	31-Mar-13	31-Oct-12	Complete
SUP Enabling Other Sub-programme Completion	31-Dec-17	31-Dec-17	●
Conductor Rail	Current Plan Date	Actual/Forecast Date	RAG
SUP ELLCCR Sub-programme Completion	31-Dec-12	21-Dec-12	Complete
Extra Low Loss Conductor Rail (ELLCCR) - Installation complete	02-Feb-13	04-May-12	Complete
S7	Current Plan Date	Actual/Forecast Date	RAG
SUP S7 Sub-programme Completion	31-Dec-17	31-Mar-13	●
DC Power	Current Plan Date	Actual/Forecast Date	RAG
SUP Power Sub-programme Completion	30-Jun-16	31-Mar-13	●
Signal Immunisation	Current Plan Date	Actual/Forecast Date	RAG
Completion of the Signalling Immunisation works	10-Nov-12	01-Dec-13	■
SUP Signalling Immunisation Sub-programme Completion	30-Jun-14	30-Jun-14	●
Management	Current Plan Date	Actual/Forecast Date	RAG
SUP Programme Management Sub-programme Completion	31-Dec-17	31-Dec-17	●

The Sub-Surface Railway network (consisting of the Circle, District, Hammersmith & City and Metropolitan lines) upgrade will provide new air-conditioned rolling stock, new signalling, modified depots and stations to accommodate the new longer trains and a new control centre. The upgrade will increase capacity and reduce journey times. The programme benefits will be delivered by 2018. The programme is on budget and on schedule to achieve its planned delivery date.

Rail and Underground Capital Programmes

A key accomplishment for the programme this quarter was the removal of the last A stock train from service on the Metropolitan line, which was celebrated with a commemorative run of the last train on the 29 September 2012. This achieved the DfT Annexe B funding milestone of completing roll-out of the new S stock on the Metropolitan line, and was delivered ahead of schedule.

Also delivered on schedule, just after this quarter, was the milestone to run S7 trains in timetabled service on the Hammersmith and City line. This followed completion of preparations to the infrastructure and was delivered on schedule, on 9 December 2012.

The programme is organised around the following four delivery areas:

Rolling Stock

A total of nine S7 trains have now been delivered to London, all of which are available for service. A further six have been delivered to Old Dalby test track for commissioning, where they are undergoing a period of "Fault Free Running" to ensure acceptable levels of reliability before being delivered to London in support of the milestone for S stock to be in timetabled service on the Hammersmith & City line by 9 December 2012.

A full compliment of S8 trains was provided to achieve Metropolitan line train availability targets for peak services during the quarter.

The reliability of S stock is currently running at MDBSAF of 19,000 kilometres. Other modifications to drive further reliability improvements are being progressed.

Automatic Train Control (ATC)

LU's concerns regarding Bombardier resource shortage and slow progress over the summer period on the ATC system are being addressed at the highest level within LU and Bombardier. As a consequence there has been a significant increase of focus and resource at Pittsburgh, Madrid and Helsinki, and output has correspondingly improved.

Work in Pittsburgh to produce the first System Level Requirements and System Design Specification is complete, further iterations of these documents are planned over the next four months following LU stakeholder engagement. Early adaptation works are now progressing well with 8 out of 25 completed. The project is expecting to commence hardware testing at Old Dalby in the last week of December as planned; testing will continue at Old Dalby for a further 18 months. This is a significant progress for the project.

Bombardier and LU have undertaken extensive works to ensure that the required safety evidence is available to support the sub-system approval of the Citfyflo 650 products. Following six months of work this is now considered a low risk to the project.

LU continues to meet its obligations and enabling works for delivery of the ATC system. Construction work has now been completed on the Cable Route Management Systems (CRMS) between Ruislip and West Harrow and the Invitation To Tender (ITT) issued for CRMS construction work between Chorleywood, Amersham and Chesham. The Low Voltage Alternating Current (LVAC) project has completed lighting mains work at Monument and Tower Hill, and awarded the contract for these works in region five (Paddington to Hammersmith), all to schedule. A 99 hour closure on the western side of the Circle line will also be utilised over the Christmas period to install LVAC equipment at High Street Kensington, Gloucester Road and Paddington. The Signal Equipment Rooms contract has been placed and they are all on target to meet the schedule dates in Bombardier's delivery programme.

The End State Track Layout (ESTL) project delivers track modifications to the SSR network that are fundamental to achieving performance improvements associated with the ATC

Rail and Underground Capital Programmes

programme, including the ability to run 32 trains per hour. The project is working on a plan to deliver this with minimal disruption.

Depots

At Neasden, civil engineering works have been completed and the test train run into the new depot maintenance facility. This new state-of-the-art lifting facility will greatly improve speed and efficiency of train maintenance through its ability to lift an entire train rather than the current practice of separately lifting individual carriages. The installation of the lifting equipment is planned for completion next quarter.

At Upminster depot the North siding is substantially complete but some modifications to the walkways, required following consultation with the Unions, will delay bringing into use until mid January 2013.

At Ealing Common depot, modification to the access roads continued to schedule and road 12 enabling works were completed to facilitate access to five berths for S7 trains.

At both Ealing and Upminster there has been schedule slippage and, although this slippage is not critical to the overall SUP schedule, it has resulted in increased costs for the contractor which we are currently negotiating.

At Hammersmith, commissioning has been completed on extending one of the access roads (road 24) to facilitate depot access for the new, longer S7 trains, which completes upgrade works at Hammersmith station and depot.

Infrastructure

A key achievement this quarter has been the completion of preparations to the infrastructure on the Hammersmith & City line which has allowed S stock to run in timetabled service, on schedule, on the 9 December 2012. This followed the completion of technically demanding works and a weekend closure at Aldgate in October to make alterations to existing railway sub-systems including track, signalling, OPO (One Person Operation), stopping systems, platforms and signage. Subsequent testing established that each section of the infrastructure was performing correctly and was safe to bring into use.

Continued progress has been made this quarter to resolve the signalling immunisation required to ensure legacy track circuits are not susceptible to electrical interference from S Stock trains on the Wimbledon and Richmond branches and east end of the District line, where the technical interfaces to Network Rail are particularly challenging. Potential solutions for these branches have been tested, and the results analysed, with the preferred solution being progressed through to design stage. Delays to completion of commissioning in these areas will be incurred, with the current forecast completion in the second half of 2013 against the planned immunisation completion date of November 2012. The technical solution must be approved and implemented without further delay to avoid a potential impact to completing the roll-out of new trains on the Circle and Hammersmith & City lines by 2014 and District line by 2016. Various mitigations against this delay include undertaking route clearance testing of infrastructure for S stock before the immunisation has been completed. Discussions are being held with Network Rail to secure their approval of this approach.

Rail and Underground Capital Programmes

SSR Major Power Works (Signalling)

Spend to end Q3 2012/13 £m	EFC £m
4.7	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
SSR Signalling Power Package 1 - Contract Award (New transformer rooms on Metropolitan and Hammersmith & City line)	02-Feb-13	09-Nov-12	Complete

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

Early minor works have progressed well and the first main package was contracted ahead of schedule. Good liaison with the ATC Team has continued. There is still some remaining work left to resolve the detail of how signalling power will be dealt with on the Network Rail sections of track, but this is not a financial or time threat.

Rail and Underground Capital Programmes

SSR Major Power Works (Traction)

Spend to end Q3 2012/13 £m	EFC £m
299.3	499.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Package 6 Completion of Cable Pull	21-Jun-12	21-Jun-12	Complete
Power to Support 53 S8 & 48 S7C & 9 S7D Trains in service Available	24-Jul-12	27-Sep-12	Complete
SSR - Power available to support Metropolitan Line (x53 S8), Circle Line (x48 S7C) + District Line (x23 S7D) trains in service	13-Oct-12	01-Oct-12	Complete
SSR Power Upgrade - Package 3b Contract Award for 7 substations (5 upgrades + 2 new builds)	31-Mar-13	18-Feb-13	●
Power to Support 53 S8 & 48 S7C & 59 S7D Trains in service Available	25-Jan-14	12-Dec-13	●
Power to Support Full S8 & S7C & S7D Train Fleet in service Available	11-Feb-14	03-Jan-14	●
Programme Stage Gate Review (SSR PU Programme Close)	15-Jun-18	15-Jun-18	●

This programme will deliver the upgraded power supply capacity to support the entire SSR line upgrade. Capacity is in place to support the entire S8 fleet in pre-ATC mode. Work is now underway to support the introduction of the S7 fleet and the move to full performance under ATC.

Major construction and commissioning activity re-started after the Games, as planned, and has progressed well. The new substation at Embankment and the first 132kV connection from the National Grid to Edgware Road Bulk Supply Point have been commissioned. Preparatory work and equipment deliveries have started on the eastern part of the District line, and the contract award recommendation for Package 3b (post-ATC power capacity on the Circle) has been agreed. Work to deliver post-ATC power capacity north of Baker Street is entering its final phase, with National Grid capacity reserved at Hendon and the Invitation To Tender (ITT) for the cable routes from Neasden being prepared. There is currently sufficient "float" between power capacity dates and train and ATC delivery dates.

Rail and Underground Capital Programmes

Victoria Line Upgrade

Spend to end Q3 2012/13 £m	EFC £m
1001.6	1022.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Programme Ready for Introduction of WTT34 (30TPH)	22-Apr-12	22-Apr-12	Complete
Delivery of Victoria Line Upgrade Capability	21-Jul-12	02-Apr-12	Complete
Victoria Line Capacity Increase - Introduction of Working Time Table 35 (33TPH) (Annex B: 2013)	31-Mar-13	20-Jan-13	●

The Victoria line upgrade is a “total” line upgrade including new rolling stock, signalling, control equipment, depot and track works. The programme remains below authority and on target to complete ahead of the contractual completion date of August 2013. System reliability, including mitigating the effect of passenger interactions, remains the primary focus. The programme is driving towards completion of snagging, maintenance documentation, and handover to Asset Performance Directorate (APD) as well as commercial close out.

Bi-Directional Running

The first area of bi-directional running on the network has been commissioned. Both roads to Northumberland Park Depot now have Distance To Go Radio (Manned Automatic) routes in either direction, allowing two trains to leave at the same time or two trains to enter at the same time. This feature provides a very significant improvement in flexibility for both the operational line and the depot. It greatly increases capacity and flow of trains during periods of peak demand to either fill the line more quickly or empty it out closer to end of traffic, in support of the ever-increasing customer demand on the Victoria line. It also facilitates operational response to incidents or failures both on the main line and/or on the depot approach roads.

33 Trains Per Hour (TPH)

The integrated plan including operational readiness is on target for implementation of the new timetable (Working Timetable 35) to deliver 33TPH on 20 January 2013. This will be the most intense timetabled service on the network (in modern times) and exploits the capability delivered by the VLU.

Automatic Train Regulation (ATR)

The ATR trial was successfully completed. Final commissioning took place on Friday 14 December. Additional operational trials are planned for January once WTT35 is in use.

Rail and Underground Capital Programmes

The VLU enjoyed success at the Chartered Institute of Logistics and Transport annual excellence awards. The 'One Team' which delivered the VLU was awarded the trophy. The award acknowledged nine years of dedication by many to upgrade the Victoria line and provide the new assets and enhanced levels of performance.

Rail and Underground Capital Programmes

Underground General Renewals

Spend to end Q3 2012/13 £m	EFC £m
96.1	N/A

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Approval of Concept Submission - Tunnel Cleaning Train Motive Power Unit	13-Oct-12	16-Jul-12	Complete
Engineers Loco 3 - Life Extension	10-Nov-12	05-Jul-12	Complete
Completion of Victoria Line Automatic Track Monitoring System (unit 1)	08-Dec-12	05-Dec-12	Complete
Finish on Site - 218 Car body ends	31-Mar-14	29-Jan-14	●

This is a portfolio of projects to upgrade and improve rolling stock, signalling systems and other train system assets that are not covered by the line upgrades.

'92 Tube Stock Refresh

406 body ends have now been completed against a target of 400.

Battery Loco Life Extension

The fifth Battery Locomotive was completed on 17 December 2012 and seventh locomotive is due to commence, on target, on 2 January 2013.

New Tunnel Cleaning Train (TCT)

The project is on course to meet its next milestone. A number of environmental issues have emerged and the way forward regarding their resolution is being agreed with stakeholders along with action plans. The impact to schedule, if any, will become clearer next quarter. Work commenced on 10 December 2012, at Northfields Depot to enable isolation of traction current to allow unloading of TCT waste. The Motive Power Unit is on target.

Automatic Track Monitoring System – ATMS

This is an “invest to save” programme in that it will provide track defect and quality information from in-service passenger trains, thereby reducing the requirement for access and manual inspections. The TfL milestone, which was to have an 09TS train fitted with the ATMS kit and a test run completed, was achieved ahead of target on 5 December 2012. All subsystems worked satisfactorily; wheel/rail, track view, track geometry, noise/vibration recording and tag location system. Collected data can be transmitted via Wifi. However,

Rail and Underground Capital Programmes

design resource constraints are delaying the ATMS implementation on the S Stock, 92TS, & 72TS trains.

Central line bogie modifications

Root cause analysis on bearing failures is being concluded and a report is being prepared.

There have been 45 failed bearings identified since finding the first failure in April 2011 equal to 1.6 per cent of bearings installed.

Processes are in place to identify the “at risk” gearboxes. Siemens have successfully completed type tests of the new, replacement, MPAX bearing. Complete overhauls on the “at risk” gearboxes have commenced, and are using the new MPAX bearing for the rebuild.

Rail and Underground Capital Programmes

Victoria Station Upgrade

Spend to end Q3 2012/13 £m	EFC £m
213.6	589.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
'Bring into Use' Network Rail to LUL Ticket Hall stairs (Sussex Stairs)	23-Jun-12	31-May-12	Complete
Northern Ticket Hall Piling of Box West completed	13-Oct-12	12-Oct-12	Complete
Commence South Ticket Hall Main Works	10-Nov-12	15-Oct-12	Complete
Commence Wilton Road Piling	03-Jan-13	10-Dec-12	Complete
Commence North PAL Open Cut Excavation	14-Jan-13	13-Aug-12	Complete
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) – Deliver into service (Annex B: 2016)	23-Oct-16	10-Oct-16	●
South Ticket Hall and remainder of VSU works Sectional completion S2) – Deliver into service (Annex B: 2018)	04-Jun-18	29-Jun-17	●

The Victoria Station Upgrade project will deliver:

- a new underground north ticket hall at the junction of Bressenden Place and Victoria Street, with an entrance at street level
- a capacity increase in the existing Victoria line ticket hall (south ticket hall)
- nine new escalators
- a new interchange tunnel connecting the two ticket halls
- new lifts providing step-free access between street, ticket hall and Victoria line platform levels
- new lifts providing interchange between the Victoria line and District and Circle lines platforms
- improved access and new lifts between the National Rail and Underground stations

Rail and Underground Capital Programmes

The project remains on schedule and within authority.

The South Ticket Hall Main Works and Wilton Road Piling milestones have both been achieved ahead of plan.

The complex traffic management change-over in Wilton road, to establish the full South Ticket Hall worksite, has been successfully implemented and the King's Scholar's Pond sewer reconstruction, (which mitigates a significant technical risk), has been completed.

The first sections of the Northern Ticket Hall roof slab have been completed and 40 per cent of the 2,200 jet grouting columns have now been installed. Drainage installation has commenced at the South Ticket Hall, and sheet piling to the eastern flank is complete.

Paddington Station Upgrade

Spend to end Q3 2012/13 £m	EFC £m
41.2	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Lifts Manufacture Complete (At Factory)	15-Sep-12	14-Sep-12	Complete
Lifts Installed	02-Aug-13	09-May-13	●
Final Fit Out Bring into use (Practical Completion)	28-Jul-14	25-Jun-14	●
Acceptance of mandatory asset information documents by LU	08-Oct-14	29-Aug-14	●
LU Fit Out Work Complete (Annex B: 2014)	01-Nov-14	09-Jul-14	●

Paddington (Hammersmith & City line) station is one of LU's top priorities for congestion relief due to demand growth associated with local area redevelopment and the Sub-Surface Railway upgrade. The project will provide:

- new ticket hall
- significantly enlarged passenger concourse with three staircases to platform level
- provision of new step-free access from street to platform level (H & C platforms)

Completion of the main works package has been delayed. This has been largely mitigated through the delivery of the fit-out works directly through a construction management procurement route rather than utilising Crossrail's main works package contractor. Fit-out works have now commenced.

Rail and Underground Capital Programmes

Tottenham Court Road Station Upgrade

Spend to end Q3 2012/13 £m	EFC £m
270.0	486.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Central Line Overbridges Complete (possession works)	21-Jul-12	18-Jun-12	Complete
Start New Oxford Street Entrance Fit-Out	02-Feb-13	11-Jan-13	●
Commence Ticket Hall Fit Out	02-Feb-13	11-Jan-13	●
Section 1 Completion (Handover part Astoria site)	02-Sep-13	06-Jun-13	●
Section 3 Completion (Consolidated Piling)	19-Sep-14	18-Nov-13	●
Completion of Phase I (Partial Opening of the New Plaza Ticket Hall)	31-Mar-15	30-Jan-15	●
Completion of the Project (Annex B: 2016)	31-Dec-16	29-Dec-16	●

The project will provide:

- a new ticket hall (six times larger than the existing)
- three new escalators serving the Northern line
- improved access from street to ticket hall and from ticket hall to platform level (five new lifts)
- provision for a new public square at St. Giles Circus
- a significant portion of the structural works for the new Crossrail station (by LU)

The project remains on schedule and within authority.

The project won the International Tunnelling Project of the Year award at the prestigious International Tunnelling Awards in Toronto. This marked the completion of Spray Concrete Lined (SCL) tunnelling on the project where over 250 metres of SCL tunnels varying from 4.5 metres to 10.5 metres in diameter have been completed together with over 200 metres of Northern line platform tunnels where more traditional hand mining techniques were used.

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Following a number of safety incidents on the project a safety stand down for a period during a day has taken place. The stand down was designed to encourage all on site to reflect on their behaviour, and their own and others safety, whenever works are carried out. A safety improvement plan has also been implemented in partnership with the Main Contractor (TWBN), and more recently the project has seen a reduction in the number of incidents.

Rail and Underground Capital Programmes

Bond Street Station Upgrade

Spend to end Q3 2012/13 £m	EFC £m
144.2	290.1

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Demolition of sub-structure Complete	02-Feb-13	16-Apr-13	▲
Start of main tunnelling operations (Annex B: 2013)	15-Jul-13	09-Sep-13	▲
Close escalators 1 & 2 for tunnelling	28-Apr-14	11-Jan-14	●
Early hand back Jubilee line platforms. Escalators 6,7, and 8, 3,4,and 5, 4/092 into public use	02-May-15	03-Mar-15	●
Tunnelling Set Up Decommissioned	28-Sep-15	19-Nov-15	▲
Frame to be handover to Developer - Planned Date	06-May-16	22-Apr-16	●
Practical completion (Annex B: 2017)	28-Apr-17	03-Mar-17	●

Bond Street station is a key interchange between the Jubilee and Central lines. Long term demand and congestion are forecast to increase further as a result of growth in employment and leisure travel and the completion of Crossrail in 2018. The scheme provides:

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

The project won Product/Equipment Innovation of the Year at the International Tunnelling Awards in Toronto for their running tunnel monitoring system.

The piling platform has now been demolished and excavation of foam concrete down to basement level has been completed. At Stratford Place the plunge column installation is complete.

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Work continues to mitigate the delay to the completion of demolition and the start of tunnelling, which was a result of changes to ensure that the adjacent listed building at 2 Stratford Place would be fully supported during the demolition of the basements of 354-358 Oxford Street. The very complex nature of the below ground demolition sequence, and the confined and congested nature of the site means that it has been difficult to fully recover the programme, but the project team have reduced the delay from an initial 16 weeks to 9 weeks. Opportunities to reduce the delay further are being actively pursued.

Bank Waterloo & City

Spend to end Q3 2012/13 £m	EFC £m
14.5	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bring Into Use (Annex B: 2015)	31-Dec-15	23-Dec-15	●

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

The project remains on schedule and within authority. Bloomberg have now commenced basement excavation and are soon to commence construction of the station box for LU. The deed of variation to cover the design changes to the station box is now in final draft. This confirms key access dates and construction methodology for LU.

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Bank Congestion

Spend to end Q3 2012/13 £m	EFC £m
16.4	625.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Submit for Transport & Works Act Order (TWAO)	30-Apr-14	07-Apr-14	●
TWAO Grant of Powers	30-Sep-15	30-Sep-15	●
RIBA E-F Design Phase Completed	31-Dec-15	31-Dec-15	●
Start on Site	04-Jan-16	04-Jan-16	●
Ticket Hall Delivery into Service	14-Sep-21	25-Aug-21	●
Beneficial Use (Annex B: 2021)	31-Dec-21	31-Dec-21	●

The Bank Northern line congestion relief project will relieve current and expected congestion in Bank station, by having a new southbound running tunnel and platform with the existing platform utilised as a concourse area. By mitigating increasingly frequent congestion of the Northern line/DLR area, station closures will be reduced.

All four consortia have actively engaged with the Innovative Contractor Engagement (ICE) procurement process and 'Request to Proceed' documentation has captured ideas and innovation.

The process has progressed well and continues to gain recognition within Infrastructure UK (part of HM Treasury), who have adopted the project as a pilot scheme. The Contract award is scheduled for July 2013.

LU has established a target of at least 15 per cent additional value through the adoption of the ICE procurement process.

Rail and Underground Capital Programmes

Station Development

Spend to end Q3 2012/13 £m	EFC £m
1,265.6	1,397.5

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete Design Validation - Vauxhall Station Capacity & Step-Free Access	11-May-12	10-May-12	Complete
Highbury & Islington Event Mitigation Works available for Beneficial Use	21-Jul-12	22-Jun-12	Complete
Cannon Street Bring into use	27-Jul-12	26-Jul-12	Complete

This comprises projects primarily to keep stations fit for purpose. It also includes minor station upgrades, some of which are third party funded works and budgetary provisions for future station capacity schemes. Planned funding for Finsbury Park, Highbury & Islington and Vauxhall stations, along with a general provision for congestion relief schemes, are included in this programme.

At Heathrow T123 all front of house works were completed ahead of the Games. Work to back of house continues with completion estimated for early January. Cannon Street station was brought into use ahead of the Games, with completion of all works forecast for the end of December.

At Vauxhall the Invitation to Tender for the Design and build Contract has been issued and is due to be returned by the middle of January.

There has been a minor slippage to the completion of Bromley by bow Step free Access scheme. The project team are currently finalising the delivery schedule for the project, and this delay is expected to be recovered.

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Stations Third Party Schemes

Spend to end Q3 2012/13 £m	EFC £m
3.4	*

Croxley

The Public Inquiry in respect of the Transport and Works Act Order (TWAO) was held in October 2012. A total of 54 objections were originally received. Successful negotiations with the objectors resulted in a number of the objections being withdrawn. A decision from the Secretary of State is expected in Spring 2013.

Tender returns are due to Hertfordshire County Council (HCC) by the end of January, with technical evaluations taking place during February. HCC's contract award is expected in April 2013 following the TWAO decision.

Northern Line Battersea Extension

A consultation on the proposals to extend the Northern line to Nine Elms and Battersea has been launched with the distribution of leaflets to 40,000 residential and business addresses. The leaflet sets out the proposals for the route, including stations, temporary and permanent shafts and signposts where readers can find out more information and provide feedback. The consultation has commenced ahead of the proposed Transport and Works Act Order submission scheduled for 2013.

Please note that in future this will be reported separately and the financial figures above do not include this work.

Thameslink

Spend to end Q3 2012/13 £m	EFC £m
34.6	42.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
London Bridge Network Rail Station - Network Rail Complete Works	10-Jan-19	10-Dec-18	●

This project provides LU support and infrastructure protection to the Thameslink programme delivered by Network Rail (NR). All of the expenditure is reimbursed by NR.

At Blackfriars - snagging works continue towards a full hand back of all assets. Farringdon Station is now fully operational. The programme to clear all snags is expected to continue until the end of the year.

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LU Lifts & Escalators (BCV/SSR)

Spend to end Q3 2012/13 £m	EFC £m
162.1	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Charing Cross Escalators 1 and 3 return to service	28-Apr-12	23-Apr-12	Complete
Tottenham Hale Escalator 1 return to service	28-Apr-12	21-Feb-12	Complete
Baker St. Escalator 3 completion of works and return to service	23-Jun-12	18-May-12	Complete

Lift and Escalator refurbishment works are undertaken to ensure continued safe and reliable operation of the assets and to minimise failures which could result in unplanned station closures.

TfL and Crossrail have jointly awarded a major contract to Otis for one of the UK's largest station escalator orders (providing a new, standardised metro escalator with resultant efficiencies in unit costs), and to Kone for one of the UK's largest station lift orders.

Both contractors are now mobilising their teams ahead of the start of site work during the first half of 2013.

Post Quarter update: Victoria Escalator 6 was returned to passenger service in record time, under 12 weeks, following a 20 year life extension refurbishment. This was delivered 11 weeks ahead of target.

Rail and Underground Capital Programmes

Cooling the Tube Programme

Spend to end Q3 2012/13 £m	EFC £m
171.8	194.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Out of service fans - Phase 4 - All fans available for beneficial use	10-Nov-12	16-Jun-12	Complete
Out of service fans - Phase 4 - Handover to Maintenance (excluding Green Park and Oxford Circus transferred to Stations programme)	30-Jan-13	05-Nov-12	Complete

This is a long term programme to control ambient temperatures on the Underground to stop them increasing as the train service increases. Without intervention, temperatures will rise as more energy is dissipated within the tunnels due to increased train service capability delivered by the deep-tube line upgrades.

Designs for the next phase of restoration of long-term out of service fans progressed well, and these sites are now being sorted according to cost/benefit ratios and complexity of works, so that “easy” sites can be started early next year, while design for “difficult” ones continues.

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Crossrail

Spend to end Q3 2012/13 £m	EFC £m
166.8	283.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Work Package Plan Agreed for Moorgate Ticket Hall Sterilisation (Stage 1)	28-Apr-12	24-Apr-12	Complete
Agreement of Crossrail System Integration User Requirement Statement	28-Apr-12	25-Apr-12	Complete
Liverpool St Enabling Works Bring into Use Station Operations Room	08-Dec-12	28-Oct-12	Complete
LU Support Complete for Crossrail Trial Running Stations (Central Section)	28-Feb-19	31-Dec-18	●

This project provides LU support and infrastructure protection to the Crossrail Programme delivered by Crossrail Limited (CRL). The vast majority of the expenditure is reimbursed by CRL.

CRL/LU selected a single option for Paddington Bakerloo Line Link providing confirmation that the link can be delivered. Work to develop the work package plan and commercial arrangements is concluding with CRL.

LU successfully bought into use ahead of target the stations operations room at Liverpool Street Station for Crossrail, as part of their interface work programme.

LU gave approval for CRL to tunnel beneath the District, Circle and Central lines. All crossings were completed with no adverse effects to LU infrastructure.

The contractor was appointed by LU for phase I (design) on the Station Operation rooms Integration project.

Rail and Underground Capital Programmes

Track Renewal (BCV/SSR)

Spend to end Q3 2012/13 £m	EFC £m
63.3	95.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Points and Crossings - Achieve 2 units	12-Oct-12	17-Sep-12	Complete
Ballasted Track Replacement and Re-ballast Metres - Achieve 1,637m	12-Oct-12	17-Sep-12	Complete
Track Drainage - Replace 4,648m	12-Oct-12	02-Nov-12	Complete
Deep Tube Class 1 Renewal (Expected trackform life of 40 years) - Achieve 1,014m	12-Oct-12	18-Sep-12	Complete
Completion of Central Line Blockade (11 Points & Crossing renewed)	05-Jan-13	05-Nov-12	Complete
Ballasted Track Replacement and Re-ballast Metres - Achieve 6,908m	31-Mar-13	04-Mar-13	●

Track Programme

The Track programme remit is to deliver a five year programme of track, drainage and points and crossings renewals against an established schedule of work. By 2018 the target is that 25 per cent of new infrastructure will have been delivered.

The Track Programme was fully re-mobilised during the period following the Games embargo with high volumes of work successfully delivered.

Track renewal works re-started as planned and during Quarter three the Track Programme achieved three Programme Accountable Milestones and also the required TfL milestone for the successful completion of the Hainault Blockade.

There is the prospect of industrial action within Tube Lines. Should this occur, the year end milestone for ballasted track renewal metreage will be adversely affected. Mitigation plans are in place to recover any shortfall by re-programming work in 2013/14.

Track Partnership

The 12 day closure of the Central line's Hainault loop (24 October to 4 November) was a great success delivering significant track improvements, efficiently (approximately £4.8 million was

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saved by working in this 'blockade' compared to usual weekend closures) and with far less disruption to our customers. The 'blockade' completed around 81,000 hours of intensive work between Hainault and Newbury Park, integrating Track Partnership, Track Delivery Unit, Asset Performance Directorate, Capital Programmes Directorate (CPD) Civils, CPD signals and Power. A collaborative effort maximising as much as possible; ballasted track renewals, drainage renewals, replacement of points and crossings, embankment stabilisation, track condition works and additional maintenance, all achieved without a single safety incident.

In addition to the 'blockade' the Track Partnership undertook ballasted track renewals, between Notting Hill Gate and High Street Kensington on the District line and also between West Harrow and Harrow-on-the-Hill on the Metropolitan line. Drainage works were successfully completed on the District line between Dagenham East and Hornchurch also between Northwood Hills and Pinner on the Metropolitan line.

The challenging programme of works was not without complications, especially during the weekend closures of 24/26 November. The works had to be radically re-planned and re-scoped during the week before as a result of the Tube Lines strike action. This reduced the planned output. The Harrow ballasted track renewal encountered severe delays during the weekend which put the plan over nine hours behind. Planned mitigations were instigated, including mobilising over 100 additional staff during Sunday. Despite this, the possession overran by 58 minutes causing a delay to the start of Metropolitan line services and impacted on the Jubilee and Piccadilly lines. Detailed reviews are being undertaken and subsequent improvements to planning and site control will be implemented before works re-start after Christmas.

Overall during Quarter three, the Track Partnership delivered 2.7 kilometres of ballasted track renewal (170 metres below original plan due to complex and unexpected drainage issues discovered over the weekend of 6/7 October, reducing the planned BTR scope) and 3.3 kilometres of drainage works (145 metres more than initially planned).

Track Apprenticeships

The Track Renewal Apprentice Programme is up and running with 12 Apprentices having been recruited and now undertaking an 18 month training programme which will lead to a NVQ Level 2 for the successful candidates. The programme includes placements both within the TDU and the Track Partnership. Feedback from both the apprentices and Placement Managers is very positive, demonstrating a successful start to the programme. A review of the programme has been held with some minor changes to the Placement Plan being incorporated. It is currently planned that a further intake of apprentices will be recruited in the next financial year to bring the total to twenty.

Track Delivery Unit (TDU)

The in-house Track Delivery Unit (TDU) continues to exceed planned volumes and seek opportunities to reduce unit costs in their core track reconditioning work;

- Year end Class 1 Deep Tube Renewal (DTR) milestone (2640 metres) is currently expected to be delivered four weeks early. This acceleration has been achieved by focussing on production, quality and efficiency.
- The quarter saw the successful delivery of the first re-rail on the Victoria line (150 metres through Oxford Circus platform) since the new signalling was commissioned. This was achieved with close collaboration and support from CPD Deep Tube programme and the Asset Performance Directorate.

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- Current DTR unit rates remain in the range between £6.5k/m and £8.5k/m dependant on the complexity and location. A number of current initiatives are expected to further improve unit rates, including:
 - A temporary hoist will be commissioned at St Pauls in a disused vent shaft in March 2013. This will dramatically improve TDU's access to the railway and reduce reliance on passenger lifts and escalators. Other similar opportunities are being identified.
 - A concrete crusher will be delivered to the Central line in January 2013. Concrete broken out during reconditioning will be crushed and reused as aggregate in the new track form delivering safety, cost and environmental benefits.

TDU also continue to support other LU and London Rail programmes. Highlights during Quarter 3 included:

- Croydon Tramlink - Sandilands Re-rail. The re-rail of four tight radius curves in a 52 hour possession. The scope of work was complex and involved heat stressing techniques not used on LU for approximately 30 years. Works were delivered despite appalling weather.
- Neasden Depot. The successful installation of 12 turnouts and circa 1800 metres of plain line track. All work was delivered to programme and initial cost targets were met despite significant change.
- Wheel Rail Interface (WRI) rail grinding. Availability of pilotmen during the autumn has impacted progress with WRI grinding. Recovery plans are in place to ensure the April milestone is met.
- Victoria line rail grinding. Record breaking tube-track grinder production of nine kilometres was achieved over two consecutive 52 hour possession weekends on the Victoria line.

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Civils (BCV/SSR)

Spend to end Q3 2012/13 £m	EFC £m
16.4	27.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Practical Completion: Northwood – Northwood Hills	26-May-12	25-May-12	Complete
Practical Completion: Wimbledon Park to Southfields	26-May-12	25-May-12	Complete
Detailed Design Complete: Harrow-on-the-Hill to North Harrow	21-Jul-12	21-Jul-12	Complete
Start on Site: Northwood to Pinner	10-Nov-12	09-Nov-12	Complete
Practical Completion: Strengthening three Bridges in the Bayswater Area	02-Feb-13	01-Feb-13	●
Practical Completion: Bridge Impact Protection - Perivale Area	31-Mar-13	30-Mar-13	●

The 2012/13 Civils Programme delivery is on plan.

Bridges & Structures

- Site works at Islington and Croyley on parapet protection have been completed.
- Site work is on schedule at Bayswater to strengthen cast iron roof beams over the track, (on target for completion at the end of January 2013).
- Pre-demolition of abutments has been completed on bridges at Ravenscourt Park ahead of the replacement of the bridge superstructures in January 2013.
- Pinner subway decommissioning by filling with foamed concrete was completed as opportunity works during a Track Partnership possession.

Design completion, has advanced on planned projects to allow procurement pending award.

Projects started on site and are progressing to plan at;

- South Kensington - three cast iron girder strengthening sites,
- Bridge Impact Protection works at Perivale and Moor Park.

Earth Structures

- Fairlop embankment stabilisation was brought forward in the programme to take advantage of the Hainault blockade and will complete prior to Christmas.
- Practical Completion was achieved on three projects as planned including a cutting slope at Debden to Theydon Bois where reassessment reduced remediated length by approximately a third (100 metres).
- Remediation works commenced to a further four earth-structure projects on programme including Northwood Hills to Pinner (securing a TfL milestone), and our second Construction Management project located on the Chesham branch of the Metropolitan line.

Rail and Underground Capital Programmes

Deep Tube Programme

Spend to end Q3 2012/13 £m	EFC £m
6.9	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
DTP Strategic Objectives Defined (Outcome Definition)	26-May-12	22-May-12	Complete
Strategy and plan to meet our commitment to the DfT of life extension of the Piccadilly line signalling signed-off by the Rail & Underground Board	31-Oct-12	17-Jul-12	Complete
Deep Tube Programme Authority Expires	31-Dec-12	31-Dec-12	●
Delivery of prototype for a low energy, higher capacity train for Piccadilly and Bakerloo lines (Annex B: 2015)	31-Dec-15	31-Dec-15	●

Deep Tube Programme (DTP) will deliver new trains and railway control systems to the Bakerloo, Piccadilly, Waterloo & City and Central lines to replace life-expired assets to realise capacity and journey time benefits at the lowest possible whole-life cost. This will be achieved through the introduction of more efficient train system solutions which will allow line capacity enhancements to be delivered without a major increase in energy consumption and tunnel temperatures, thereby reducing the need for capital intensive tunnel and station cooling infrastructure.

A key message within the funding application was that the DTP will incorporate lessons learnt from Jubilee and Victoria line upgrades, specifically that many of the final cost and performance characteristics of an upgrade and subsequent operation and maintenance are determined by decisions / constraints made early in the programme lifecycle. Furthermore, understanding the interaction between different parts of the overall operation of the system is critical to achieving the high levels of performance and reliability required for automation. For these reasons, the DTP is adopting a more rigorous, structured and holistic approach to engineering management, derived from the aerospace industry, in the feasibility and delivery stages than has previously been the case. This investment will secure timely delivery of the required benefits and minimise rework.

The feasibility project is progressing to schedule, with several key achievements in the quarter, including the award of air cooling and obstacle detection contracts, and commencement of the tender process for the high bandwidth communication solution. Presentations were made to the DTP board including the 'EVO' versus conventional train report and an overview of the dwell time assessment trials, using the Pedestrian Accessibility

Rail and Underground Capital Programmes

and Movement Environment Laboratory (PAMELA) facility. Workshops to determine fleet and depot maintenance concepts commenced. A third workshop was held with rolling stock suppliers, with the focus on reliability issues; and the rail control systems functional breakdown was completed and signed off.

Rail and Underground Capital Programmes

Lifts and Escalators (JNP)

Spend to end Q3 2012/13 £m	EFC £m
10.4	17.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bermondsey Lift 1 - bring into use	16-Jul-12	15-Jun-12	Complete
West Ham Escalator 6 - bring into use	16-Jul-12	26-Jun-12	Complete
Highgate Escalator 1 - bring into use	04-Mar-13	15-Feb-13	●
Leicester Square Escalator 4 - bring into use	04-Mar-13	29-Jan-13	●
Canary Wharf Escalator 8 – bring into use	04-Mar-13	02-Feb-13	●
Clapham South Escalator 1 – bring into use	04-Mar-13	22-Feb-13	●
Waterloo Escalator 21 – bring into use	30-Mar-13	18-Mar-13	●

Lifts:

Passenger Lifts at Hampstead, Russell Square, Westminster and Green Park all started on site within the quarter. Snagging items were also completed at Canada Water.

There is an option to replace Waterloo Lift 2 instead of refurbishing. The 100 per cent design review has been completed with a recommendation that approval be sought to replace.

Escalators:

Escalators at Bermondsey, Canary Wharf, Westminster, Leicester Square, Clapham South, Waterloo, West Ham and Canning Town all started on site, with 'Bring in to Use' status achieved on escalators at Canning Town, Westminster, Bermondsey and West Ham.

Rail and Underground Capital Programmes

Station Condition Renewal (JNP)

Spend to end Q3 2012/13 £m	EFC £m
8.5	16.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Heathrow Terminal 1,2,3 - delivery into service	19-Dec-12	19-April-13	■
End of RVAR programme	30-Mar-14	30-Oct-13	●

RVAR (Rail Vehicle Accessibility Regulations):

Edgware platforms were completed to programme and designs reviews (100%) have been completed for Kennington, Stockwell and Morden. Opportunity works using future possessions are constantly being monitored to ensure the works are undertaken in the most cost effective manner. However, the planned Stockwell possession for January 2013 is no longer available and consequently the works have been rescheduled.

Northfields Train Crew Accommodation:

Contracts were awarded for modular building and external works. Pre-start meetings were held and site works have commenced. The site compound fencing was erected and ground radar surveys undertaken.

Heathrow Terminals 1, 2 & 3:

The GSM Suite remains on schedule to complete the main contracted works by end of December 2012; remaining works are fire stopping and fire detection related. Upon completion of fire related works "Bring into Use" status can be claimed which is a milestone deliverable.

Rail and Underground Capital Programmes

Track (JNP)

Spend to end Q3 2012/13 £m	EFC £m
19.5	33.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Completion of 1200m of Tube Reconditioning	31-Mar-13	07-Feb-13	●
Completion of 4000m of re-rail	31-Mar-13	31-Mar-13	●

Life Extension works have been completed at Colliers Wood to South Wimbledon, and Pit reconditioning is complete at Colliers Wood.

Two weekend closures were worked within the quarter, with one on Morden Branch consisting of three separate worksites. The second was at Hendon Tunnel where more than the planned work was delivered. Works at Hendon Central to Colindale and Baker Street to Bond Street are both running ahead of programme.

Sites between Dollis Hill to Neasden and Wembley Park to Kingsbury were completed and handed back to the maintainer along with the planned track replacement scope between Golders Green and Brent Cross. A number of new innovations were trialled in the closure and the site was handed back to Northern Line Operations on the day without any issues.

Key achievements in the quarter include 315 metres of track replacement, 408 metres of tube reconditioning, 230 metres of pit reconditioning, 230 metres of life extension and 4,220 metres of scrap rail removal.

Rail and Underground Capital Programmes

Civils (JNP)

Spend to end Q3 2012/13 £m	EFC £m
10.2	16.1

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Completion of 740m of Earth Structure Renewal	27-Mar-13	27-Mar-13	●
Completion of 4000m of Drainage intervention	31-Mar-13	31-Mar-13	●

Canons Park

Southbound safety critical re-grading excavations are complete in all key areas. Piling has been completed and a programme for demobilisation of the southbound compound is in place. The concept design received for the northbound embankment has been reviewed with agreed comments incorporated and the license for northbound compound extension agreed.

Bridges & Structures

Five structures were completed during the quarter at Kingsbury / Wembley Park, South Harrow, Golders Green and Brent Cross. The on-going poor weather conditions are still affecting painting productivity and as a result a decision has been taken to rephase three bridges until spring next year, as detailed in the quarter three forecast.

Drainage

689 metres of ultraviolet lining (UV) and drainage renewals have been completed in the quarter. A year to date total of 2,333 metres has been completed. The 2012/13 target of 4,000 metres is still planned to be achieved with a ramp up in Quarter 4.

Rail and Underground Capital Programmes

Jubilee Line Upgrade

Spend to end Q3 2012/13 £m	EFC £m
32.1	50.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Decommissioning and removal of assets	30-Jun-14	30-Jun-14	●

The good performance for transmission based train control (TBTC) continues, with few reliability issues. The 28 moving day average remains steady at two to three minutes of TBTC delay per day. The works to formally complete the TBTC handover to Operations continues to progress with final actions being agreed between both parties.

The next reliability improvement software build (2.44.20) has commenced rollout with the introduction of new station management centre software with site work due to be complete in January 2013. The build includes improvement to the system reaction to axle counter failures. Further improvements continue into autumn 2013, which include operability improvements, performance improvements and reliability improvements which will contribute to the Mayor's 30% reliability improvement target.

Rail and Underground Capital Programmes

Northern Line Upgrade

Spend to end Q3 2012/13 £m	EFC £m
143.4	392.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Installation Complete; NMA4 (Old Street/Euston to Oval)	23-Nov-12	9-Dec-12	Complete
106 Trains ready for Revenue ATO Service	03-Dec-12	29-Nov-12	Complete
Installation Complete; NMA3 (Archway/Chalk Farm to Angel/Euston)	04-Jan-13	04-Jan-13	●
Ready for Revenue NMA1 (High Barnet to West Finchley)	15-Oct-13	17-Feb-13	●
Ready for Revenue NMA3 (Archway/Chalk Farm to Angel/Euston)	30-Jun-14	11-Nov-13	●
Northern Line Upgrade complete, delivering 20% increase in capacity (Annex B: 2014)	31-Dec-14	31-Dec-14	●

The second system proving weekend on the first migration section took place between High Barnet and West Finchley during 17/18 November, with up to six trains being operated successfully. All 106 trains have successfully completed the transmission based train control (TBTC) readiness tests which was a milestone deliverable. Good progress continues to be made in closing out residual installation in NMA3-6 (Angel to Edgware) with NMA4 (Oval to Euston) and NMA 6 (Edgware to Belsize Park) being declared complete against the original scope. The next area to be completed is NMA3 (Angel to Archway) which is being worked on over the Christmas and New Year closures. The overall installation stands at 98 per cent complete, with a few critical items being progressed.

Upcoming activities next period include undertaking of the third system proving weekend in January 2013, which includes driver familiarisation and achieving revenue into service in NMA1 (High Barnet to West Finchley) with a target / milestone date of February 2013.

Rail and Underground Capital Programmes

Jubilee & Northern Line Mid Life Refurbishment

Spend to end Q3 2012/13 £m	EFC £m
0.7	67.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Northern Line Mid-life refurbishments complete	31-Dec-14	31-Dec-14	●
Jubilee Line Mid-life refurbishments complete	5-Feb-17	5-Feb-17	●

An instruction to proceed (ITP) was signed on 15 November 2012, for up to £4 million to cover critical path works on the Northern line. The Supplemental Agreement for the full scope of NL works was awarded to Alstom on 7 December, meeting the Roadmap Milestone.

Rail and Underground Capital Programmes

East London Line Phase 2b

Spend to end Q3 2012/13 £m	EFC £m
61.5	64.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete integration testing	31-Jul-12	24-Jun-12	Complete
Commencement of trial operations	30-Nov-12	25-Jun-12	Complete
Commence passenger services	09-Dec-12	09-Dec-12	Complete

East London Line (ELL) Phase 2b has provided an additional four trains per hour on the core East London line. These trains run to Clapham Junction via a new chord that leaves the ELL Phase 1 route to the south of Surrey Quays and joins the South London line to the north of Queens Road (Peckham). This new track has enabled a new route, between Highbury and Islington and Clapham Junction, and provided the final link to make London Overground a fully orbital railway.

All required works were completed as planned allowing the service to be opened to passengers on 9 December 2012 and the formal opening to take place on 10 December 2012.

The Mayor of London and the Transport Secretary marked the launch of the London Overground extension with a journey along the new link.

The new link has been completed with the construction of 1.3 kilometres of track south-west of Surrey Quays station, linking connecting stations at Clapham Junction, Wandsworth Road, Clapham High Street, Denmark Hill, Peckham Rye, Queens Road Peckham, Surrey Quays, and then all stations to Highbury and Islington on the East London line section of the London Overground network.

Surface Transport

Barclays Cycle Hire Scheme

Spend to end Q3 2012/13 £m	EFC £m
111.5	152.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Phase 2: Go Live - Expansion area launch	02-Mar-12	02-Mar-12	Complete
Phase 2: Construction complete	30-Apr-12	30-Apr-12	Complete
Phase 2: JCB/Amex card acceptance available	21-Sep-12	13-Jul-12	Complete
Phase 2: Start of Phase 2 Close (Gate 2)	28-Jan-13	20-Jan-14	■
CHEI: Start of planning consents submissions	12-Nov-12	01-Nov-12	Complete
CHEI: Contract variation signed	07-Mar-13	07-Mar-13	●
Phase 2: End of phase 2 close (Gate E)	30-Apr-13	30-Apr-14	■

The Barclays Cycle Hire scheme launched successfully to registered members on 30 July 2010 and was opened up to all users on 3 December 2010. The scheme costs annual members less than 25 pence per day, as the vast majority of their trips are less than 30 minutes. This is a low-cost and convenient alternative for many travellers.

Phase 1 was completed on 4 July 2012.

Phase 2 – Geographic expansion launched on time in March 2012, increasing the number of bicycles to 8,333. Major system improvements are being delivered in stages, with the final stage intended to be delivered by the end of 2012, improving customer usability and billing. This will now be delivered in 2013. As a result, the two project closure milestones have been reforecast for early 2014.

Cycle Hire Expansion and Intensification (CHEI) – takes Cycle Hire west and south-west into areas of high demand including parts of Wandsworth, Hammersmith and Fulham, and additional areas of Lambeth, and Kensington and Chelsea. This will increase the number of bicycles to around 11,000 across the whole scheme, supported by at least an additional 5,000 docking points. This scheme is due to launch in December 2013 with full completion by spring

Surface Transport

2014. The planning submission programme started ahead of schedule and the contract variation is on track for a March signature.

Surface Transport

10 Cycle Super Highways

Spend to end Q3 2012/13 £m	EFC £m
25.9	113.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
CS2 Extension – preliminary design complete	31-Jan-13	31-Jan-13	●
Route 5 Invitation to Tender issued	15-Feb-13	31-Jan-13	●
Phase 2 (routes 5 & 12) detailed design complete	28-Feb-13	*	●
CS2 Extension – detailed design complete	31-Mar-13	30-Apr-13	▲
Route 5 contract awarded	30-May-13	30-Apr-13	●
CS2 Extension – construction complete	30-Aug-13	03-Aug-13	●

The Ten Cycle Superhighways project will deliver ten radial cycle commuter routes from outer to central London by 2015. The first two routes of the programme (Route 2 and Route 8) were opened in July 2011, following completion of the Cycle Superhighways Pilot Routes project in July 2010.

The Cycle Superhighways programme remobilised in May 2012 following a pause for the pan-TLRN Junctions Review. In relation to Route 12 (Highgate to Angel), it is now proposed to deliver this route alongside the junction improvement works planned for Highbury Corner, with an extension to Route 2 (Bow to Stratford) being brought forward to August 2013. This will mean that cyclists on Route 12 will benefit from substantial improvements to one of the biggest barriers to cycling along the route.

Changes to the Route 2 extension milestones reflect the latest project schedule following the re-mobilisation of the programme, with the target to complete the extension by the confirmed date of the "RideLondon" event at the Olympic Park site, which celebrates the legacy for cycling created by London 2012.

*This milestone will now not be delivered in this form due to the changed sequence of delivering Routes 5 and 12.

Surface Transport

New Investment SCOOT

Spend to end Q3 2012/13 £m	EFC £m
14.2	17.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
240 Sites commissioned onto UTC (FY 11/12) 413 Cumulative	30-May-12	30-May-12	Complete
115 UTC Design Briefs complete (FY 12/13)	31-Dec-12	08-Dec-12	Complete
115 detailed designs completed	31-Dec-12	31-Dec-12	●
115 Sites civil engineering complete (FY 12/13)	01-Mar-13	01-Mar-13	●
115 Sites SCOOT Loops installed (FY 12/13)	18-Mar-13	18-Mar-13	●
115 sites commissioned onto UTC (FY 12/13) 528 cumulative	31-Mar-13	31-Mar-13	●
Final signal technology enabling completed (Annex B: 2015)	31-Jul-13	31-Jul-13	●

The SCOOT programme will upgrade traffic signal technology to help meet the Mayoral objective of smoothing traffic flow. Costs shown are for the New SCOOT Investment project, which will deliver 528 sites of a planned 1,000 sites. The remaining sites are funded and delivered by business-as-usual activities across Surface Transport.

Under the New SCOOT Investment project, 240 sites were planned to be installed in the 2011/12 financial year, bringing the total to 413 sites of the 528 the project will contribute towards the planned 1,000 total. These sites were delivered by the end of May 2012.

The remaining 115 sites are planned to be installed in the 2012/13 financial year, taking the total to the full 1,000 sites. At the end of the third quarter, 115 design briefs had been completed, 99 detailed designs completed, 26 civil engineering sites completed, 17 SCOOT loops installed and 12 sites commissioned.

Potential for further expansion of SCOOT over the next six years is under consideration, as reflected in the EFC figure shown above.

Surface Transport

Hammersmith Flyover Phase 2

Spend to end Q3 2012/13 £m	EFC £m
0.1	77.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Phase 2: Corporate Gate A project commencement approved	31-May-12	06-Jun-12	Complete
Installation of strengthening measures at critical piers	30-Jun-12	28-May-12	Complete
Designer appointed	31-Jul-12	25-Oct-12	Complete
Award of framework agreement or contract	31-Mar-13	31-Mar-13	●

The Hammersmith Flyover project is part of a portfolio investment in eight specific road tunnels and structures on the Transport for London Road Network (TLRN) that have been identified as requiring capital investment in order to improve road network safety, network resilience and stability, and reduce the whole-life costs.

Due to the poor condition of Hammersmith Flyover, and immediate risks to the safety of the structure, measures to support load-bearing capacity prior to the Games commenced in January 2012. The first phase of works, treating the parts of the structure that have suffered the worst deterioration, has been completed, with the flyover re-opening to full traffic loading on 28 May 2012.

The second phase of works, the development and implementation of a long-term strengthening solution, is now underway with a designer appointed. The procurement date was re-phased to align with the schedule for appointing the contractor, avoiding a prolonged initial design period and optimising the contractor's input.

Surface Transport

TLRN Capital Renewal Programme

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

Spend to end Q3 2012/13 £m	EFC £m
36.4	49.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Delivery of the 2012/13 programme of works	31-Mar-13	31-Mar-13	●

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

Schemes are identified, prioritised and programmed (assigned to an appropriate year) using a risk-based approach. Typically, an additional 10 per cent of schemes are identified to act as reserves. The reserves create flexibility that caters for unplanned scheme deferrals, caused by factors such as severe winter weather, refusal of permits on congestion grounds, and utility works.

Carriageway resurfacing

By the end of the quarter, 471,562 square metres of carriageway was resurfaced against a forecast output of 450,000 square metres for the year (105% of annual target achieved to date).

Footways resurfacing

By the end of the quarter, 33,237 square metres of footway was resurfaced against a forecast output of 44,000 square metres for the year (76% of annual target achieved to date).

Lighting column replacements

By the end of the quarter, 904 lighting columns were replaced against a forecast output of 1,100 for the year (82% of annual target achieved to date).

Corporate

ITSO

Spend to end Q3 2012/13 £m	EFC £m
54.7	65.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Head office processing system operational	06-Sep-12	18-Dec-12	■
ITSO on Prestige (IoP+) Stage 2 certification	18-Dec-12	28-Jan-13	▲
Rail hardware roll-out complete	30-Apr-13	30-Aug-13	■
ITSO on Prestige (IoP+) Stage 3 certification	30-Sep-13	29-Nov-13	▲
Completion of project	24-Dec-13	28-Jun-14	■

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

The deployment of hardware to support the new software remains on schedule to be delivered in August 2013, with the communication upgrade for buses now being completed. The integration activities with Southern to connect their Head Office Processing System (HOPS) to the TfL HOPS have been delayed due to an upgrade being required to the Southern HOPS. Resolution of these issues is being progressed with the DfT to ensure that any changes are consistent across the rail industry. Work is being completed to align the delivery of the ITSO software with other programmes and ensure that the ITSO capability is provided in line with the planned live schemes.

Corporate

Future Ticketing Project

Spend to end Q3 2012/13 £m	EFC £m
30.8	68.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Phase 1 – initial bus launch to be implemented, payment of the bus single fare by contactless bank card	31-May-12	13-Dec-12	Complete
Phase 2 - start of integration of TfL and 3rd party back office systems	14-Jun-13	14-Jun-13	●
Phase 2 - introduction of contactless bank card acceptance for multi-modal daily travel, with daily and 7 day capping (Annex B: 2014)	31-Jan-14	15-Nov-13	●

The Future Ticketing Programme introduces the acceptance of contactless bank cards and compatible devices as payment for travel, improving customer convenience and enabling cost savings for TfL through reduced card issuance and commission costs.

Phase 1, acceptance of contactless payment cards for single journeys on TfL bus services, was successfully launched on 13 December 2012.

Phase 2 - The first cycle of joint integration testing with TfL's contractor is underway. TfL's software development programme for launch capability is on schedule to complete in early 2013.