

Board

Date: 10 December 2014

Item 6: Operational and Financial Performance and Investment Programme Reports – Second Quarter, 2014/15

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Board of TfL's Operational and Financial Performance (OFR) and presents the Investment Programme Report (IPR) for the second quarter of 2014/15 (22 June – 13 September 2014). An executive summary is also provided.
- 1.2 At its meeting on 25 November 2014, the Finance and Policy Committee noted the reports. A couple of minor corrections have been made to the OFR since it was considered by the Committee. The version published with the Committee papers has been updated on tfl.gov.uk.

2 Recommendation

- 2.1 The Board is asked to note the reports.**

List of appendices to this report:

- Appendix 1: Executive Summary for TfL's quarterly finance, investment and operational performance reports
- Appendix 2: Operational and Financial Performance Report – Second Quarter 2014/15
- Appendix 3: Investment Programme Report – Second Quarter 2014/15

List of Background Papers:

None

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TfL's quarterly finance, investment and operational performance reports

Quarter 2, 2014/15

MAYOR OF LONDON



**TRANSPORT
FOR LONDON**
EVERY JOURNEY MATTERS

Executive Summary

Quarter 2 (Periods 4-6), 22 June 2014 – 13 September 2014

- In Quarter 2, customer satisfaction was extremely high across most of our services. Both buses and the Docklands Light Railway (DLR) achieved the highest levels on record, while London Underground (LU) equalled its previous record from 2012/13
- Reliability levels remain high in Quarter 2. Underlying LU reliability was better than target, showing a 12 per cent improvement from the same quarter last year. TfL remains on track to reduce LU delays by 30 per cent¹ by 2015, further to the almost 40 per cent reduction achieved between 2007/08 and 2011/12
- Journey time reliability on London's roads continues to show signs of deterioration as economic growth, and resulting increases in traffic, returns to the capital. Traffic volumes have risen by almost three per cent over the past year. Despite this deterioration bus excess wait time has been maintained at our historically high target throughout the quarter
- TfL is investing £4bn on road improvements over 10 years to maintain roads reliability levels in the face of continuing economic and population growth. In the short term, reliability is also affected by improvement works undertaken by TfL - including the Hammersmith and Hogarth flyovers – although we expect to see benefits in future years
- Crime rates and total number of incidents on the LU, DLR and bus network show further reductions; since 2010/11 the crime rate has fallen by almost 29 per cent on buses and by 30 per cent on the LU and DLR network. Year-on-year crime levels in Quarter 2 are down by almost 17 per cent on the LU and DLR network and by over 16 per cent on London's buses
- The number of people killed and seriously injured (KSI) on London's roads has dropped by 3.5 index points since the same quarter last year and are at the lowest level recorded this quarter. TfL is on track to reduce KSIs by 40 per cent by 2020
- Cycling levels are the highest ever recorded for the quarter, eight per cent higher than target and 16 per cent higher than the same quarter last year; this is now the fourth consecutive quarter of record cycle flows
- Year-to-date fares income remains lower than Budget, largely due to lower than expected passenger demand in LU and the effects of industrial action in April and August 2014
- In January 2015, fares will once again be frozen in real terms
- TfL's total cash balances (including funds ring fenced for the Crossrail project) are forecast to be £380m higher than Budget by the end of the year, driven by:
 - Timing differences from: a £250m working capital upside due to higher than expected creditors, which is expected to reverse in the following quarter
 - Rephasing of £72m of Crossrail risk expenditure to future years
 - A group items upside of £52m, largely from the release of contingency, which is not required
 - Partly offset by a £34m reduction in fares income, largely from lower than expected passenger demand and industrial action on the Underground
- TfL's cash balance (beyond a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan to 2020/21 which will be updated in December 2014.

¹ From the 2011 calendar year baseline

Delivery

Reliability

Reliability	Quarter 2	Variance to Target
LU: lost customer hours ²	5.1	0.3 ▲
LU: lost customer hours (excl. Industrial Action)	4.5	-0.3 ▼
LU: excess journey time ³	4.54	-0.13 ▼
LU: excess journey time (excl. industrial action)	4.45	-0.22 ▼
Buses: excess wait time ⁴	0.9	- ►
DLR departures ⁵	99.6	0.8 ▲
London Overground PPM ⁶	96.1	0.1 ▲
TLRN reliability ⁷	89.4	-0.7 ▼

Reliability continues to be high for most of our services. Last year saw improvements across most of the network, with underlying LU reliability showing a five per cent year-on-year improvement. Reliability remains strong in Quarter 2, with LU excess journey time, the Docklands Light Railway (DLR) and London Overground all better than target. LU reliability has been affected by industrial action on the Central Line in August 2014, adding approximately 0.6 million lost customer hours in the Quarter. Underlying reliability - which excludes the effect of industrial action - was significantly better than target and the same quarter last year. Reliability on London's roads remains lower than target and the same quarter last year, due to increases in traffic volumes from renewed economic growth and the effects of planned and unplanned serious and severe disruption. Planned disruption is expected to worsen, a short-term downside of our £4bn investment on roads over the next decade. To mitigate disruption, we are launching a roads modernisation campaign in November 2014, providing advance warning of closures and to provide alternative routes. Despite the drop in roads reliability, bus excess wait time has been maintained at its recent high levels, and bus customer satisfaction reached a historic high in Quarter 2.

Safety and security

Recorded crime ⁸	Quarter 2	Variance to Target
LU and DLR	7.1	-0.4 ▼
London Buses	6.8	-0.8 ▼

Crime has continued to fall on both the LU and DLR, and the bus network. Between 2010/11 and 2013/14, the crime rate has dropped by 29 per cent on buses and by 30 per cent on the LU and DLR network. This has continued into the first two quarters of this year, which show significant improvement on last year and against target. This is the result of additional measures put in place by the British Transport Police (BTP) to tackle crime on London Underground and DLR, and partnership working with TfL's

² Total additional journey time, measured in million hours, experienced by all customers as a result of delays that lasted two minutes or longer

³ The average extra time that it took to complete a journey, compared to the time it would have taken if there were no delays, measured in minutes

⁴ The number of minutes that a passenger has had to wait in excess of the time that they should expect to wait if buses ran as scheduled

⁵ Docklands Light Railway (DLR) departures: the percentage of actual train departures of the base service departures

⁶ The percentage of trains which arrive at their destination on time

⁷ Transport for London Road Network (TLRN) journey time reliability: the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak

⁸ Recorded crime per million passenger journeys

policing partners to further reduce crime on London Buses.

Safety	Quarter 2	Variance to Target
Cumulative reduction in killed and seriously injured ⁹	40.9	8.0 ▲

The number of people killed and seriously injured (KSI) on London’s roads has been further reduced, with provisional results for Quarter 2 showing a fall of 40.9 per cent from the baseline, the lowest level on record in any quarter. Over the full year, we now expect to reduce KSIs by almost 38.7 per cent, progressing to our long-term goal of reducing KSIs by 40 per cent by 2020.

Project and milestone progress

As part of TfL’s multi-billion investment programme, a number of projects were completed and significant milestones met in Quarter 2, including:

- Ground treatment works were completed at Victoria station enabling the start of tunnelling works. The completed project will alleviate congestion, make entry and exit quicker, reduce delays and provide step-free access
- Block closure of the Uxbridge branch of the Metropolitan and Piccadilly lines were completed ahead of schedule
- The station fit-out contract for Bank was awarded to Hochtief UK Ltd. By 2017 the new Waterloo & City line entrance will be complete, providing step-free access and enhanced capacity
- The main design and build contract for the Northern Line Extension (NLE) was awarded to Ferrovial Agroman Laing O’Rourke, with the project generating 25,000 jobs and 16,000 new homes

Budget milestone completion ¹⁰	Quarter 2 2014/15
Completed on time or early	91%
Late by less than 90 days	3%
Late by 90 days or more	6%

The investment programme is now forecast to achieve 91 per cent of its significant milestones early or on time.

Milestones that are expected to be completed late include:

- Bearing installation on the Hammersmith Flyover strengthening project is delayed due to asset condition. The programme has been rescheduled to mitigate delays to the finish on site milestone, which remains on target but will be challenging
- Mid-life refurbishment of the Jubilee line rolling stock is

⁹ Cumulative percentage reduction from a baseline of the 2005-2009 average. Full year refers to the 12 months from December 2013 – November 2014, due to lead times in obtaining KSI data from third parties

¹⁰ Automatic Train Control (ATC) milestones have been excluded from this following the cancellation of the ATC contract in December 2013

delayed due to a later than planned start on the Northern line refurbishment, with the work to be completed by the same team. No impact to the revenue service is anticipated at this time

- Automatic Train Monitoring System installation on S-stock trains is delayed due to rephased works on the Sub-Surface Rail upgrade programme

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Capital expenditure	(906)	47 ▲	(46) ▼
Revenue investment	(166)	28 ▲	43 ▲
Total investment	(1,072)	75 ▲	(3) ▼

Investment expenditure¹¹ – including all capital expenditure and over £500m of operating expenditure allocated to investment projects in 2014/15 - is £75m under Budget in the year to date. Over the full year, investment expenditure is now forecast to be almost exactly in-line with Budget, with a variance of £3m, after the release of £147m of overprogramming and contingency.

¹¹ A reconciliation between the investment programme financials and the OFR is provided in Appendix B, page 35

Value

Financial summary

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Fares income	1,902	(15) ▼	(34) ▼
Other income	310	2 ▲	(6) ▼
Operating expenditure	(2,725)	101 ▲	68 ▲
Group Items	(135)	20 ▲	52 ▲
Margin	(648)	108 ▲	81 ▲
Net capital expenditure	(880)	54 ▲	(37) ▼
Crossrail expenditure	(660)	121 ▲	72 ▲
Net service expenditure	(2,188)	284 ▲	116 ▲
DfT grants	818	5 ▲	12 ▲
GLA precept	2	0 ►	0 ►
Business rates retention	414	0 ►	0 ►
Other grants	70	(6) ▼	(24) ▼
Crossrail funding sources	834	8 ▲	8 ▲
Working capital	(48)	159 ▲	250 ▲
Net borrowing	633	(17) ▼	18 ▲
Cash movements	537	433 ▲	380 ▲

TfL fares income is £15m below Budget in the year to date, a variance of less than one per cent. This is due to a combination of lower passenger demand in LU and the impact of industrial action – in April 2014 and on the Central and Waterloo & City lines in August 2014. This fares downside has been partly offset by higher than expected bus fares income, which was £3m higher than Budget due to higher numbers of fare-paying journeys.

Operating expenditure is £101m – almost four per cent – under Budget in the year to date. This is driven primarily by £81m of rephasing to later this year and future years, including: £12m on Fit for the Future – Stations; £12m for LU infrastructure renewals; £7m of concession payments, capacity improvement and stations work in London Rail; and £16m across the Corporate directorates, including £10m for IM initiatives. In addition, we have made cost decreases of £38m, including £6m of lower staff costs in LU, £13m from lower than expected bus contract costs – due to lower than anticipated performance payments, lower average weekly earnings and lower diesel price indices, and £6m across the Corporate directorates including further staff savings. Rephasing and savings have been partly offset by accelerated expenditure and additional work, the latter including £9m of new expenditure on borough roads, which is funded by the Department for Transport (DfT).

Group items are £20m under Budget in the year to date, due to lower debt service charges of £9m – from the issuing of bonds at better rates than assumed in the Budget – and £10m for group contingency which has not been required.

Net capital expenditure (excluding Crossrail) is £54m lower than Budget in the year to date. This is mainly due to rephasing, including £24m on the SSR upgrade, pending the ATC contract re-let, £19m on infrastructure renewals, £14m of accelerated spend on the Northern Line Extension (NLE), £12m accelerated spend on SSR rolling stock – with trains delivered earlier than expected in March 2014 – and £20m for Crossrail rolling stock, which will now be paid later this year. Rephasing has been offset by the release of £79m of overprogramming.

Crossrail spend is £121m under Budget in the year to date.

Direct project costs are £102m under Budget, due to delayed access to Tottenham Court Road, unplanned tunnel boring stoppages at Whitechapel, unspent project risk on the Thames Tunnel project and lower than anticipated drawdown of programme risk. Indirect costs are £16m lower than Budget, due to delayed recruitment of Systemwide staff and later than expected consultancy costs in Land & Property. These variances have no material impact Crossrail's overall project costs, with the project delivered on time and to Budget.

The Quarter 2 full-year forecast shows a £116m net expenditure upside to the Budget, with the key changes including:

- A fares income reduction of £34m, from the combined effects of lower LU demand, the effects of industrial action in April and August 2014, lower inflation forecasts than previously assumed, and the real terms fares freeze to be introduced in January 2015
- A reduction in costs and rephasing totalling £48m in LU, the former from lower than expected inflation and staff vacancies
- £28m from lower bus contract costs – from lower than expected inflation, diesel and weekly earning indices, which determine the annual contract price adjustments – and performance incentive payments
- £62m of capital expenditure for the Earl's Court joint venture which has been brought forward from later years of the business plan. The Earl's Court joint venture was approved by the Board in February 2014 with £120m committed to the project
- Rephasing of capital projects, including £54m for the SSR upgrade pending contract re-let, £50m on the Northern Line Extension (NLE), £21m for the London Underground Capacity Improvement Programme (LOCIP) and £17m for Fit for the Future - Stations
- Rephasing of £72m of Crossrail risk expenditure into future years
- The release of £38m of contingency in group items, which is no longer required
- The release of £129m of overprogramming and contingency in London Underground to offset rephasing of capital programmes.

Cash balances

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Crossrail SFA	2,210	126 ▲	145 ▲
Other TfL	3,099	308 ▲	234 ▲
Closing cash	5,309	433 ▲	380 ▲

Cash movements

£m	Year to date actual variance to Budget
Investment rephasing	241 ▲
Acceleration	(34) ▼
Crossrail	121 ▲
Overprogramming	(100) ▼
Working capital	159 ▲
Net savings	41 ▲
Other	5 ▲
Cash movements	433 ▲

Cash balances excluding Crossrail are almost £3.1bn at the end of Quarter 2, £308m more than Budget. Cash balances including Crossrail now stand at just over £5.3bn, £433m higher than Budget, driven by:

- Timing differences in expenditure, funding, and in payments and receipts totalling £345m including a £159m working capital upside
- Other timing differences include £241m of investment rephasing (partly offset by the release of £100m overprogramming), Crossrail project costs of £121m and acceleration of £34m of works into late 2013/14 and earlier this year
- Additional net savings of £41m, partly due to the rephasing of implementation costs to later this year and future years

Over the course of the year, TfL's total cash balances are expected to reduce to just over £4.3bn, as improvements projects are completed. This is £380m more than expected, largely driven by:

- Timing differences from a £250m working capital upside, which is expected to reverse in the following year
- Rephasing of £72m of Crossrail risk expenditure to future years
- A group items upside of £52m, largely from the release of contingency, which is not required
- Partly offset by a £34m reduction in fares income

TfL's cash balances (beyond a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan - which will be updated later this year - including:

- Over £1bn for the Sub-Surface Rail upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
- Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
- £800m for key cycling programmes, as part of the Mayor's overall £913m Cycling Vision commitment
- £175m for a further 500 New Routemasters by the end of April 2016, bringing the total to 800

Efficiencies

£m	Year to date	Year to date actual variance to Budget	Full-year forecast variance to Budget
Efficiencies	51	41 ▲	66 ▲

TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to further invest in infrastructure improvements while holding down fares and managing with lower levels of government funding. We have secured £12bn of savings to date, with a further £4bn still to be secured over the business plan period. The savings programme will be achieved by reducing back-office expenditure and driving out inefficient activity to protect front-line services and our long-term investment programme, providing tangible benefits to our customers.

In 2014/15 we have already secured almost £1.4bn of savings. To meet our long-term savings target, our target is to secure a further £29m of savings this year. In the year to date, we have saved £41m more than target, largely due to lower than planned implementation costs for the Fit for the Future - Stations programme. These costs have now been rephased to later years and there is no net effect on our long-term efficiency programme.

Customer

Passenger journeys

Million	Quarter 2	Variance to Target
London Underground	292.9	-2.5 ▼
London Buses	536	-7 ▼
DLR	24.5	0.1 ▲
London Overground	32.3	-0.2 ▼
Tramlink	6.7	0.8 ▲
Emirates Air Line	0.5	-0.1 ▼

Passenger numbers show improvement from the previous quarter, although some services remain below target. LU passenger journeys are 2.5 million, less than one per cent, lower than target, but up seven million on the same quarter last year. Passenger demand is also lower than target on London's buses; this was mainly due to lower than expected numbers of 11-15 year old and 16+ journeys than previously expected and has, therefore, had no impact on bus fares income. Over the full year we expect all services except London Tramlink to show year-on-year increases, with LU journeys up by almost 4 per cent.

Cycling

Cycling index	Quarter 2	Variance to Target
Cycling levels on TLRN ¹²	369	28 ▲

Cycling levels continue to increase. In Quarter 2, levels were at the highest ever recorded for the quarter; eight per cent higher than target and 16 per cent higher than the same quarter last year. This is now the fourth consecutive quarter of record cycle flows.

£913m will be spent on cycling schemes up to 2021/22, to boost cycling levels, delivering a step-change in cycling provision to support the growing numbers of cyclists in the capital.

Customer satisfaction and complaints

CSS score	Quarter 2	Variance to Target
London Underground	84	1 ▲
London Buses	86	3 ▲
DLR	90	4 ▲
London Overground	84	3 ▲
Tramlink	90	1 ▲
Emirates Air Line	93	- ►

Customer satisfaction levels are higher or equal to target across all of services in Quarter 2. Customer satisfaction with buses is now at the highest recorded level, up four index points from the same quarter last year, with crowding and wait time showing improvements. DLR also recorded its highest ever score, four index points better than target and two points better than the same quarter last year. LU equalled its previous high – achieved in Quarters 2 and 3, 2012/13 – with a score of 84, one index point better than target and two index points higher than the same period last year.

¹² Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

Complaints per 100,000 journeys	Quarter 2	Variance to last year
London Underground	1.01	-0.05 ▼
London Buses	2.61	0.25 ▲
DLR	2.25	-1.12 ▼
London Overground	2.53	0.09 ▲
Congestion Charge	7.52	-7.53 ▼
Barclays Cycle Hire	6.31	0.60 ▲
Dial-a-Ride ¹³	159.87	40.98 ▲

In parallel with the very high level of customer satisfaction, customer complaints are down across many TfL services, with the DLR, Emirates Air Line, and Congestion Charge all seeing significant reductions. Complaints on the DLR are down by a third from the same quarter last year and 20 per cent lower than the previous quarter. Emirates Air Line had 10 complaints across the whole quarter. Complaints for Dial-a-Ride remain high, with booking refusals the main source. Following focus groups with customers, we are reviewing customers' expectations of the service and how best we can respond to them.

¹³ Per 100,000 journey requests

People

Headcount

FTE	Quarter 2	Variance to Budget
London Underground	21,169	167 ▼
London Rail	253	(20) ▲
Surface Transport	3,415	27 ▼
Corporate	3,861	(258) ▲
Crossrail	911	75 ▼
Total TfL	29,609	8 ▲

TfL (including Crossrail) employed 29,609 FTE at the end of Quarter 2, eight more than Budget.

Staff numbers in LU are 167 below Budget, largely due to slower than planned recruitment and the holding of vacancies pending organisational review. Surface Transport are 27 FTE under Budget, mainly due to the transfer of Traffic Systems to IM – which is offset by an increase in Corporate directorates' headcount - and staff leaving at a higher rate than anticipated. The Corporate directorates are 258 FTE higher than Budget, due to 249 temporary project staff to work on IM, Finance, HR and Customer Experience and Marketing projects. Crossrail is 75 FTE under Budget, largely due to later than expected recruitment of staff across the project.

Operational and Financial Performance Report

Quarter 2, 2014/15

MAYOR OF LONDON



Operational and Financial Performance Report

Quarter 2 (Periods 4-6), 22 June 2014 – 13 September 2014

Contents

Delivery	3
Value	8
Customer	24
People	31
Appendix A: Business Unit financial tables	33
Appendix B: Reconciliation to the investment programme	35
Appendix C: Balance sheet	36
Appendix D: Cash summary	39
Appendix E: Financial comparison with 2013/14	40
Glossary: Operational performance	42

Delivery

Reliability

Table 1: Reliability performance

Performance indicator	Unit	Quarter 2, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▼ lower is better								
London Underground: total lost customer hours	Millions of hours	5.1	0.3 ▲	0.12	22.7	2.0 ▲	-1.5	
London Underground: total lost customer hours (excl. industrial action)	Millions of hours	4.5	-0.3 ▼	-0.46	18.9	-1.8 ▼	-1.8	
London Underground: excess journey time	Minutes	4.54	-0.13 ▼	-0.28	4.79	-0.11 ▼	-0.42	
London Underground: excess journey time (excl. industrial action)	Minutes	4.45	-0.22 ▼	-0.37	4.70	-0.20 ▼	-0.51	TBC
London Buses: excess wait time	Minutes	0.9	0.0 ►	0	1.0	0.0 ►	0.0	
TLRN: serious and severe disruption	Hours	796	-	373	3,660	1,665 ▲	1,397	
▲ higher is better								
DLR: Departures	%	99.6	0.8 ▲	NA	98.8	- ►	NA	NA
London Overground: public performance measure	%	96.1	0.1 ▲	-0.7	96.0	- ►	-0.1	
Emirates Air Line: availability	%	98.5	3.7 ▲	-1.0	94.8	- ►	-4.7	
TLRN: journey time reliability (AM peak)	%	89.4	-0.7 ▼	-1.0	88.0	-0.8 ▼	-1.0	
TLRN: carriageway in state of good repair	%	Annual measure			93.0	- ►	(1)	
Dial-a-Ride: trip requests scheduled	%	90	- ►	-1	90	- ►	-1	NA

1.1 Between 2007/08 and 2011/12, LU delays were reduced by 40 per cent. TfL is further targeting to reduce LU delays by 30 per cent by 2015, compared to the 2011 baseline. In 2013/14, underlying LU delays (i.e. excluding the impact of industrial action) were down five per cent from the previous year. Quarter 1 and 2 of 2014/15 have seen further improvements in underlying LU reliability: Quarter 2 Lost Customer Hours (LCH) – TfL’s measure for LU reliability – are down 0.3 million hours compared

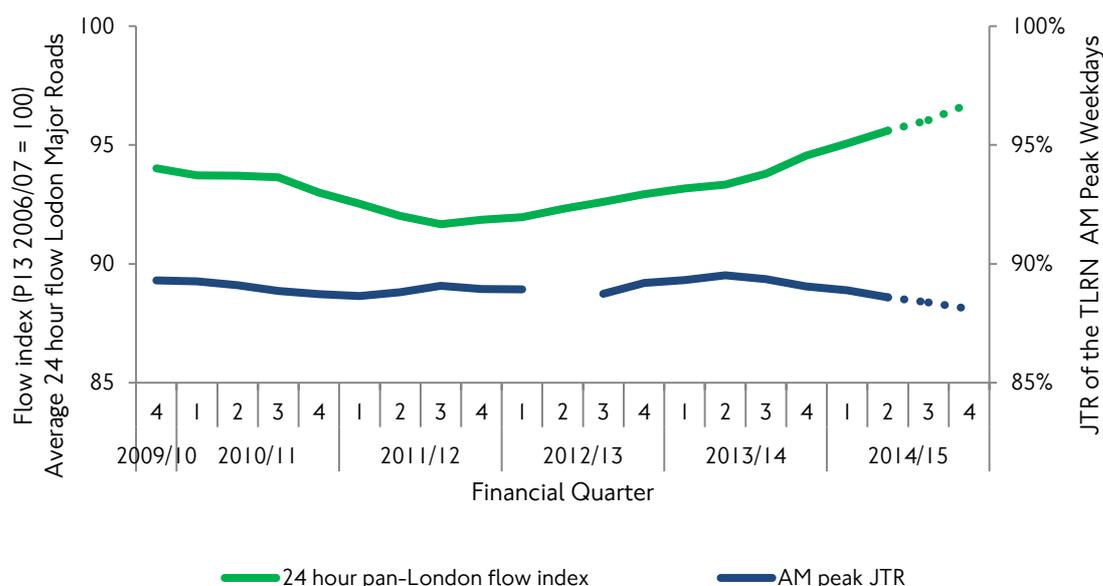
to target, 12 per cent better than the same quarter last year. After taking into account industrial action on the Central line in August 2014, reliability was 0.3 million hours over target.

- 1.2** Underlying excess journey time (EJT) was better than target and the same quarter last year, primarily due to a reduction in the impact of weekend engineering. Total EJT – including the affects of industrial action - was also affected by action on the Central line in August 2014. Nonetheless, EJT was 0.13 minutes better than the Quarter 2 target and 0.28 minutes better than the same quarter last year.
- 1.3** London Overground's Public Performance Measure remained above target in the quarter, although was down 0.7 index points from the same quarter last year, due to a number of significant infrastructure and third party events including possession overruns by other rail operators which particularly affected the East London Line. DLR has continued to perform exceptionally well in the quarter, with departures at 99.6 per cent, 0.8 index points better than target.

Journey times and disruption on London's roads

- 1.4** Reliability on London's roads has suffered from the impacts of renewed economic growth – and the consequential rise in traffic volumes – combined with increases in unplanned and planned disruption, the latter including highways improvements undertaken by TfL. Journey time reliability (JTR) in the morning peak on the Transport for London Road Network (TLRN) is worse than target and the same quarter last year; serious and severe disruption on the TLRN is also worse than the same quarter last year. TfL does not now expect to meet the Serious and Severe Disruption or journey time reliability full-year target in 2014/15. Despite the drop in reliability on London's roads, bus customer satisfaction is at the highest level on record, and bus excess wait time has been maintained at its historically high levels.
- 1.5** The journey time reliability (JTR) on the TLRN in the AM peak in all directions for Quarter 2 was 89.4 per cent; this is 1.0 percentage point lower than the same quarter in 2013/14. Traffic flows have increased since Quarter 3 2013/14, driven by economic growth and population increases: the Capital's Population is now expected to overtake its previous peak of 8.6 million in early 2015 (its highest since 1939). Quarter 2 average 24-hour weekday traffic flows across London were up 1.9 per cent compared to the same quarter last year.
- 1.6** Traffic accounts for nearly 80 per cent of journey time reliability; therefore, a significant increase in traffic volumes is expected to result in a worsening of JTR. TfL modelling indicates that for every 2 per cent annual increase in traffic flows, JTR will fall by approximately 0.5 index points. Increased traffic volumes on the road network translate to a more than proportional increase in the amount of unplanned serious and severe disruption we expect to see on the TLRN as more traffic overall is squeezed into the same road space across 24 hours.

Chart 1: Traffic flows and journey time reliability on the TLRN, 13-period rolling average¹



- 1.7** Across most of Quarter 2 there was a repeat pattern of disruption, mainly at pinch points close to key bridges (Hammersmith, Chiswick and Kew), from the knock on effects from the planned closures of Hogarth flyover and Putney Bridge. There was also significant disruption on the A11 and A13 due to a combination of significant numbers of breakdowns and other incidents that led to delays of between 15 to 20 minutes on many days during periods 5 and 6.
- 1.8** Overall in Quarter 2 there were 796 hours of TLRN serious and severe (S&S) disruption from unplanned and planned events spread across 322 separate incidents. This difference of 373 hours compared to Quarter 2 2013/14 is made up of an increase of 238 planned S&S disruption hours and an increase of 135 unplanned S&S disruption hours. This compares to 423 hours spread across 207 incidents in Quarter 2 of the previous year.
- 1.9** Planned disruption was up 238 hours compared to the same quarter last year which included works on the Hammersmith flyover, A406 North Circular, A3211 Lower Thames Street, the Hogarth Flyover. Unplanned S&S disruption was 135 hours worse than the same quarter last year. The main drivers include increased traffic collisions, breakdowns, hazards and traffic volumes.
- 1.10** Quarter 2 saw a number of collisions and breakdowns contributing to the total S&S hours including an overturned HGV on the A406 Lea Valley viaduct at Hall Lane on 9 September and a collision between a HGV and two cars on the A406 North Circular Road on the 28 August. Numerous hazards including a number of flooding incidents also contributed to the hours across Quarter 2. The amount of S&S disruption per event, a measure of effectiveness of the resolution of unplanned incidents, was at 1.9 hours, the same as Quarter 2 last year.
- 1.11** Because of the significant contribution of planned events in Quarter 2 it remains difficult to estimate the full year forecast for unplanned and planned events. Our best forecast at the moment is that unplanned S&S hours will be 2,660 hours and planned S&S hours will be 1,000 hours. Both of these

¹ Journey time reliability was not recorded during Quarter 2, 2012/13. During the 2012 Games, roads reliability was measured using specific Games period metrics

forecasts take into account the fact that significant new construction activities will occur through the remainder of the year.

1.12 Based on current trends to the end of Quarter 2, the full-year journey time reliability position has been re-forecast to 88.0 per cent, 0.8 index points lower than the original target.

Safety and security

Table 2: Safety and security

Performance indicator	Unit	Quarter 2, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▼ lower is better								
LU and DLR recorded crime *	Million passenger journeys	7.1	-0.4 ▼	-1.7	7.4	0.0 ►	-0.6	
London Buses: recorded crime *	Million passenger journeys	6.8	-0.8 ▼	-1.3	7.4	0.0 ►	-0.1	
Rail & Underground significant injuries per million hours	Rate	0.45	-0.10 ▼	NA	0.55	- ►	NA	NA
▲ higher is better								
Cumulative reduction in KSI Londonwide ²	%	40.9	8.0 ▲	3.5	38.7	3.6 ▲	4.4	

1.13 Both the rate and levels of crime have significantly improved on the LU and DLR networks and on buses in recent years; from 2010/11 to the end of 2013/14, the crime rate fell by 29 per cent on buses and by 30 per cent on the LU and DLR network.

1.14 The level of crime on the LU and DLR network was 16.8 per cent lower in Quarter 2 than the same quarter last year, with 499 fewer offences. Notable reductions were seen in robbery (45.5 per cent, 10 fewer offences) and theft and handling (15.6 per cent, 202 fewer offences). These results build on the significant reductions in crime over recent years and reflect the work done by TfL with our policing partners. Sexual offences have seen a rise of 55.4 per cent - 67 additional reported offences - which is in line with the expectations of Project Guardian, which encourages victims to report sexual offences (see Section 1.16).

1.15 The level of crime on the bus network was 16.1 per cent lower in Quarter 2 than the same quarter last year, with 770 fewer offences. Notable reductions were seen in robbery (52.7 per cent, 238 fewer offences) and theft and handling (18.9 per cent, 452 fewer offences). These results build on the

* Quarter 2 refers to snapshot crime figures for June 2014 – August 2014. The information reported here may be different to other Quarter 2 crime information published by TfL

² Cumulative reduction from a baseline of the 2005–2009 average. Quarter 2 refers to March 2014 – May 2014; full-year 12 months from December 2013 to November 2014

significant reductions in bus-related crime over recent years and reflect the work done by TfL. Reported sexual offences have increased by 18.3% - 22 additional reported offences - which is line with the expectations of Project Guardian.

- 1.16** Project Guardian focuses on encouraging victims to report sexual offences – where these types of crimes have been historically significantly underreported - alongside more proactive police enforcement and engagement. Our approach has been widely supported by stakeholders such as Everyday Sexism, End Violence Against Women Coalition and HollaBack UK, and resulted in a 16 per cent increase in the reports of unwanted sexual behaviour on the transport network in 2013/14, and a 25 per cent increase in the detection of crimes of this nature. Project Guardian is set to continue throughout 2014 and beyond and is expected to report on its effectiveness by the end of 2014.
- 1.17** Rail & Underground significant injuries per million hours is a new measure for 2014/15. This measure includes death (excluding suicide) and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable injuries to all customers, staff and contractors and is aligned with the revised Office of the Rail Regulator (ORR) standard. During Quarter 1, the rate was 0.48 injuries per million hours, and during Quarter 2 it further reduced to 0.45 injuries per million hours, 18% better than target.
- 1.18** The numbers of killed and seriously injured (KSI) casualties on London's roads continues its long-term trend of improvement, with provisional results for Quarter 2 at their lowest level on record. 2013 saw casualties on London's roads at the lowest level, with total KSIs reduced by 23 per cent and 36 per cent down from the 2005-09 baseline. Provisional data for Quarter 2 of 2014/15 shows that there were 527 KSIs on London's roads, a reduction of 41 per cent from the 2005-09 baseline and the lowest level of KSIs on record for Quarter 2.
- 1.19** Despite these positive trends, future increases in traffic on London's roads, the number of journeys cycled and walked, and increases in London's population mean that sustainable reductions in KSIs remain, but achievable, challenge. TfL will continue to deliver its road safety strategy - set out in Safe Streets for London - and the vulnerable road user action plans. This, in addition to increases in expenditure, will help to ensure that the promising reductions in KSI casualties are sustained over the longer term.

Value

The operating budget table below shows financial variances for actuals as of the end of Quarter 2 2014/15 against the TfL 2014/15 Budget, as well as the latest full-year forecast as of Quarter 2. The table highlights TfL's operating contribution to fund investment, after revenue grants, including DfT General Grant, Business Rates Retention and the Greater London Authority (GLA) precept. The operating contribution is used to help fund investment and is allocated to projects through the annual business planning process.

Table 3: TfL group finances – operating income, expenditure and funding

TfL group (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Fares income	1,902	(15) ▼	4,297	(13)	(34) ▼ 1%
Other operating income	310	2 ▲	680	1	(6) ▼ 1%
Total income	2,212	(12) ▼	4,977	(12)	(40) ▼ 1%
Operating expenditure (net of third-party contributions)	(2,725)	101 ▲	(6,276)	10	68 ▲ 1%
Operating margin	(513)	89 ▲	(1,299)	(3)	28 ▲ 2%
Interest income ³	12	1 ▲	25	5	(0) ▼ 1%
Debt interest	(160)	9 ▲	(358)	(2)	14 ▲ 4%
Contingency and group items	12	10 ▲	27	38	39 ▲ 342%
Margin	(648)	108 ▲	(1,605)	38	81 ▲ 5%
Finance sources					
General grant	386	4 ▲	846	11	11 ▲ 1%
Overground grant	13	0 ►	28	0	0 ► 0%
GLA precept	2	(0) ▼	6	(0)	(0) ▼ 0%
Business Rates Retention	414	(0) ▼	828	(0)	(0) ▼ 0%
Other revenue grants	2	(4) ▼	3	(0)	(3) ▼ 48%
Total revenue grants	817	1 ▲	1,712	11	8 ▲ 0%
Operating contribution to fund investment	168	109 ▲	107	49	89 ▲ 515%

³ Includes interest on the Crossrail Sponsors' Fund Account

Table 4: TfL group finances – capital expenditure, income and funding

TfL group (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Capital expenditure	(906)	47 ▲	(2,102)	5	(46) ▼ 2%
Third-party contributions – capital	15	(3) ▼	44	(0)	8 ▲ 21%
Sales of property and other assets	12	10 ▲	43	2	2 ▲ 4%
Net capital expenditure excl. Crossrail	(880)	54 ▲	(2,014)	7	(37) ▼ 2%
Crossrail capital expenditure	(660)	121 ▲	(1,617)	37	72 ▲ 4%
Net capital expenditure incl. Crossrail	(1,540)	175 ▲	(3,631)	43	35 ▲ 1%
Finance sources					
Surplus/ -deficit to fund investment	168	109 ▲	107	49	89 ▲ 515%
Investment grant	420	0 ▲	909	(0)	0 ▲ 0%
Crossrail funding sources	834	8 ▲	1,696	(7)	8 ▲ 0%
Other capital grants	68	(2) ▼	119	46	(22) ▼ 15%
Working capital	(48)	159 ▲	(303)	34	250 ▲ 45%
Net borrowing and reserve movements	97	(451) ▼	1,104	(166)	(362) ▼ 25%
Total	1,540	(175) ▼	3,631	(43)	(35) ▼ 1%

Fares income

- 2.1** TfL fares income continues to track close to Budget, with a small variance of less than one per cent in the year to date. The latest full-year forecast has been updated for the real terms fares freeze, which will be introduced in January 2015. This is now the second consecutive year fares levels have been frozen in real terms.
- 2.2** Over the full year, we expect fares income to be £34m lower than Budget, driven by a combination of lower than expected passenger demand in LU – six million fewer journeys than Budget, but almost 50 million up on last year - lower than previously assumed inflation (which in part determines the level of fares increases in January 2015), the real terms fares freeze, and industrial action in LU. Passenger journeys are also expected to be lower than Budget on buses, showing a slight downside of five million. Bus fares income is expected to benefit from a higher numbers of fare paying passengers as well as travelcard apportionment income.

Table 5: Fares income

Fares income (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	1,057	(18) ▼	2,413	(7)	(35) ▼
London Rail	147	0 ▲	326	(6)	(8) ▼
London Buses	697	3 ▲	1,558	(1)	8 ▲
Total fares income	1,902	(15) ▼	4,297	(13)	(34) ▼

- 2.3** London Underground fares income was £18m - 1.7 per cent - lower than Budget year to date, with industrial action (April and August) of £6m, travelcard apportionment of £5m and lower than budgeted passenger demand of £14m partly offset by increases from yield and other factors of £7m.
- 2.4** Over the full year fares income in LU is expected to be £35m – or 1.4 per cent – lower than Budget. The main drivers were the January 2015 real terms fares freeze and lower than previously assumed RPI forecasts, reducing the forecast by £14m, £9m from lower than expected demand, travelcard apportionment of £6m, and £6m industrial action in April 2014 and August 2014, the latter on the Central and Waterloo & City lines only.
- 2.5** London Rail fares income (excluding EAL) has been reduced by £7m – or two per cent - for the full-year forecast due to travelcard apportionment, engineering closures and RPI changes.
- 2.6** EAL fares income was £1m lower than budget in the year to date and full year due to lower passenger demand. Nonetheless, we expect the EAL to make an operating profit over the full financial year.
- 2.7** Bus fares income in the year to date was £3m higher than budget primarily due to a more favourable Travelcard retrospective apportionment than anticipated, 1.0 million higher fare paying passenger journeys and a favourable ticket yield mix. The LU industrial action on 29 and 30 April accounted for 0.7 million of the increased passenger journeys, approximately £0.8m.

2.8 The full-year bus fares income is forecast to be £8m higher than budget reflecting economic and population growth assumptions which have offset by a lower fares increase in January 2015 based on lower RPI forecasts.

Other operating income

Table 6: Other operating income

Other operating income (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	95	(1) ▼	211	(0)	0 ▲
London Rail	5	0 ▲	14	(3)	(5) ▼
Congestion Charge and LEZ and Road Network Compliance	136	(3) ▼	298	0	(9) ▼
Barclays Cycle Hire	9	1 ▲	16	0	2 ▲
Other Surface Transport	42	1 ▲	89	2	1 ▲
Corporate	20	4 ▲	45	1	4 ▲
Total other income	310	2 ▲	680	0	(6) ▼

2.9 London Underground other operating income is very close to Budget in both the year to date and over the full year. Over the full year, London Rail other operating income is now expected to be £5m below Budget, primarily due to rephasing of Network Rail funded works into future years.

2.10 Road User Charging, which includes Congestion Charge (CC), Low Emission Zone (LEZ) and Road Network Compliance (RNC), income in the year to date was £3m lower than Budget, mainly due to lower RNC Penalty Charge Notice (PCN) volumes. The full-year forecast has been reduced by £9m from the Budget to reflect the current trend in PCN volumes.

2.11 Barclays Cycle Hire income in the year to date was £1m higher than Budget, with daily access fee income from non-members substantially higher than included in the Budget, caused by sustained spells of excellent weather and targeted spring and summer marketing campaigns. The variance also includes additional sponsorship income that has been agreed with Barclays for the intensification of sites and an extension of the pre-existing zone to South West. The latest full-year forecast has been increased by £2m to reflect expected higher access fee income as well as the additional sponsorship income.

2.12 Across the Corporate directorates, operating income is £4m higher than Budget in the year to date. This is due to almost £1m of higher income from Oyster card schemes, £0.5m for work undertaken by TfL on behalf of the Greater London Authority, Network Rail and the London Legacy Development Corporation (LLDC), and a combination of other minor movements.

2.13 Over the full-year, operating income is forecast to be £4m higher than Budget across the Corporate directorates. This reflects £3m of work undertaken by TfL on behalf of the Greater London Authority, Network Rail and the LLDC; this income is fully offset by corresponding higher expenditure and has no net effect on TfL's finances. The latest full-year forecast also includes a £2m land remediation relief rebate for the cost of removing asbestos from TfL's stations and tunnels.

Operating expenditure

Table 7: Operating expenditure

Operating expenditure (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	(1,027)	60 ▲	(2,331)	22	83 ▲
London Rail	(169)	14 ▲	(405)	2	5 ▲
Surface Transport	(1,246)	12 ▲	(2,826)	25	34 ▲
Corporate	(283)	14 ▲	(714)	(39)	(53) ▼
Total operating expenditure	(2,725)	101 ▲	(6,276)	10	69 ▲

2.14 TfL's operating expenditure is £101m under Budget in the year to date, a variance of less than four per cent. Over the full year, the variance is expected to reduce to £69m lower than Budget, a variance of just over one per cent.

2.15 London Underground operating expenditure was £60m lower than Budget in the year to date. The main drivers include: rephasing of £44m, including £12m for Fit for the Future-Stations (FftF-S) work which has been deferred to future years, a further £12m on the Infrastructure Renewals rail grinding project and £5m for Legacy Train Systems - which have both been rephased to later this year – and other minor movements; and cost decreases totalling £19m, with lower staff costs of £6m due to vacancies, higher employee attrition rates and industrial action, and other smaller movements.

2.16 London Underground operating expenditure for the full year is now forecast to be £83m – or 3.4 per cent – lower than Budget. The main variances are: £11m reduced costs due to lower than previously expected inflation assumptions; £15m of costs rephased to future years, including £9m on Legacy Train Systems and £6m on Stations; £12m cost decreases primarily due to staff vacancies; and £35m of operating costs that have been reclassified as capital expenditure following greater clarity on the nature of the works.

2.17 London Rail operating expenditure is £14m lower than Budget year to date. This is due to rephasing, with £7m for concession payments, capacity improvement and stations work on London Overground rephased to next year, and £7m of costs rephased to later this year, including station gateline and devolution works.

2.18 London Rail operating expenditure for the full year has been reduced by £5m predominantly due to cost decreases and net impact of rephasing into future years.

2.19 Surface Transport operating expenditure in the year to date was £12m below Budget primarily due to a £13m reduction in bus contract costs, a result of lower than anticipated incentive payments, and lower average weekly earnings and diesel price indices that determine the annual contract price adjustments. Other variances include £9m of additional work on borough roads and bridges - which was funded by a DfT grant in 2013/14 – offset by £4m of slippage on cycle Quietways detailed design as a result of delays in achieving stakeholder agreement, and £3m of favourable bad debt movement

largely due to improvements in Congestion Charge outstanding payments over the last nine months, where customers are settling PCNs earlier than expected.

- 2.20** The full-year Surface Transport operating expenditure is now forecast to be £34m lower than Budget, primarily due to expected £28m lower bus contract costs, and continuing favourable Congestion Charge bad debt movements. The variance against the Quarter 1 forecast of £25m is mainly due to bus contract cost reductions (see Section 2.19).
- 2.21** Across the Corporate directorates, operating expenditure is £14m lower than Budget in the year to date, mainly due to the rephasing of expenditure to later this year. In-year rephasing includes £10m on IM initiatives and almost £3m on Planning projects, including Tottenham Hale, Silvertown Tunnel and support for Garden Bridge. In addition, a further £3m of project costs - including work for the Future Ticketing project - have been rephased into next year. We have also made savings of almost £6m, driven by staff vacancies and lower than expected legal expenditure. Rephasing and savings have been partly offset by £4m of higher costs due to new project activity - including aviation and the Building a Better Finance (BBF) transformation project - and an increasing volume of HR activity. A further £4m of capital project expenditure was reclassified as operating expenditure.
- 2.22** In the full year, operating expenditure is forecast to be £53m higher than Budget across the Corporate directorates, an increase of £39m since the previous forecast. Almost £34m of expenditure has been brought forward from future years, including £26m for the Commercial Development Investment Programme (CDIP) and £8m on Customer Experience & Marketing and Communications (CE&MC) - including the Future Ticketing project - IM, Planning and commercial projects. The latest forecast also includes £10m for new activity, including Crossrail 2, the extension of London Overground, cyber security work and BBF. In addition, the Traffic System team has been transferred from Surface Transport to Corporate IM, along with the £4m costs; this has no net effect on TfL's financial position. As above (see Section 2.21), TfL has also completed work to the value of £3m on behalf of the GLA, Network Rail and the LLDC. These increases are partly offset by an insurance refund of almost £3m, which was originally expected to be received in 2013/14 and savings of £6m.

Interest income, debt service and other group items

2.23 Interest income is broadly in line with the Budget in the year to date and is now forecast to hit Budget over the full year.

2.24 In the year to date, debt service is £9m under Budget, due to TfL issuing a total of £500m of borrowing in two separate bond transactions at rates significantly below those expected when completing the Budget. The savings created from these bonds are reflected in the full-year forecast which is now expected to be £14m lower than Budget.

2.25 Contingency and other group items are £10m under Budget in the year to date. This is primarily due to contingency that has not been used. Over the full year, we are forecasting to be £39m under Budget, due to the release of contingency that is not expected to be used.

Table 8: Interest income, debt service and other group items

Interest income, debt service and other group items (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Interest income	12	1 ▲	25	5	(0) ▼
Debt service	(160)	9 ▲	(358)	(2)	14 ▲
Contingency and other group items	12	10 ▲	27	38	39 ▲
Total interest, debt service and other group items	(136)	20 ▲	(306)	41	52 ▲

Capital expenditure

Table 9: Capital expenditure

Gross Capital expenditure (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	(599)	13 ▲	(1,288)	45	25 ▲
London Rail	(87)	31 ▲	(232)	0	21 ▲
Surface Transport	(165)	1 ▲	(416)	(29)	(36) ▼
Corporate	(55)	2 ▲	(165)	(11)	(56) ▼
Gross capital expenditure	(906)	47 ▲	(2,102)	5	(46) ▼

2.26 In the year to date, capital expenditure is £47m lower than Budget, a variance of just under five per cent, with most business areas tracking close to Budget. This is expected to reverse over the subsequent two quarters; over the full-year we expect expenditure to £46m higher than Budget. This is due to acceleration of Fore Street Tunnel and Hogarth Flyover works accelerated into this year, higher than expected costs on the Hammersmith Flyover, and the Earl's Court joint venture payment of £62m, where payments have been brought forward from later years of our business plan.

2.27 London Underground capital expenditure is £13m – 2.2 per cent – lower than Budget in the year to date. This is predominantly due to project rephasing. Projects rephased in the year to date include: £14m on the Sub-Surface Rail (SSR) upgrade, with £12m from the earlier than expected delivery of new trains in March 2014; net rephasing of £19m on Infrastructure Renewals; £11m Information Communication Technology delays; partly offset by £14m accelerated expenditure on the Northern Line Extension, driven by earlier than expected recognition of property purchases. Expenditure reprofiled to future years includes: £24m on the SSR upgrade pending the ATC contract re-let; £11m of stations upgrades, primarily at Bank and Vauxhall Station; £15m on World Class Capacity largely due to reprofiled risk on the Northern Line Upgrade and delivery and scoping options for 36tph on the Jubilee Line. Rephased expenditure has been partly offset by the release of £66m overprogramming and contingency.

2.28 Over the full year, London Underground capital expenditure is now expected to be £25m lower than Budget, a variance of less than two per cent. This is due to £16m of rephased expenditure, including: £54m for the SSR upgrade, mainly due to the SSR ATC contract re-let and accelerated train delivery to 2013/14; £50m of Northern Line Extension costs, due to rescheduling of property acquisitions; the Stations and Infrastructure contract and risk; £17m of Fit for the Future – Stations costs are deferred to next year; offset by the release of £129m overprogramming and contingency. In addition, cost decreases totalling £47m are expected over the full year, primarily due to £26m of risk reduction within Capacity Optimisation and £18m from Infrastructure Renewals across a number of works, and the reclassification of £35m of operating expenditure as capital expenditure.

2.29 London Rail capital expenditure is £31m lower than Budget in the year to date. This is mainly due to rephasing of £20m of Crossrail rolling stock expenditure to later this year, £8m from rephasing of

London Overground Capacity Improvement Programme (LOCIP), £5m on the Wimbledon trams purchase, construction costs and power upgrades and other minor movements. This rephasing has been partly offset by the release of £13m of overprogramming.

- 2.30** London Rail capital expenditure is now forecast to be £21m lower than Budget over the full year, mainly due to rephasing of LOCIP works to next year.
- 2.31** Year-to-date Surface Transport capital expenditure was £1m lower than Budget. This was largely due to rephasing including £5m on capital renewals and £4m for SCOOT traffic signals, which was partly offset by £6m of accelerated spend on the Fore Street Tunnel and Hogarth Flyover works.
- 2.32** Surface Transport capital expenditure is now forecast to be £36m higher than Budget over the full year. This includes £12m of accelerated expenditure on the Fore Street Tunnel and Hogarth Flyover works where main works started early, and £3m of accelerated expenditure on Cycle Hire Transformation following a change in scope. In addition, Hammersmith Flyover works are £9m higher than Budget - due to the poor state of concrete in bearing pits – and traffic infrastructure signal enhancements, funded by third parties, are £4m higher than Budget due to revised project scope.
- 2.33** Capital expenditure across the Corporate directorates is almost in line with Budget in the year to date. Over the full year, this is now expected to be £56m higher than Budget. This is due to the acceleration of £62m for the Earl's Court joint venture which has been brought forward from later years of the Business Plan. The Earl's Court joint venture was approved by the Board in February 2014 and is progressing in line with approval. A further £24m has been accelerated into this year, including property purchases for Camden, along with projects including Payment Card Industry Data Security Standards, Future Ticketing and the Operating Support System in CE&MC. This has been offset by £12m of property development and IM project costs rephased into future years along with £19m of project contingency and other minor movements.

Capital third-party contributions

Table 10: Capital third-party contributions

Third-party contributions (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	5	(6) ▼	19	(2)	(0) ▼
London Rail	3	2 ▲	4	(3)	(1) ▼
Surface Transport	6	3 ▲	20	4	12 ▲
Corporate	(0)	(2) ▼	1	(0)	(3) ▼
Capital third-party contributions	15	(3) ▼	44	(0)	8 ▲

- 2.34** London Underground third party contributions is £6m lower than budget year to date reflecting rephasing on Stations funded works.

2.35 Surface Transport capital third-party contributions in the full year were £12m higher than Budget, with £4m due to revised scope on traffic infrastructure signal enhancements (see Section 2.32) funded by third parties and £2m across various regional improvement programmes.

Sales of property and other assets

Table 11: Sales of property and other assets

Sales of property and other assets (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Total sales of property and other assets	12	10 ▲	43	2	2 ▲

2.36 Property sales and other asset income was £10m higher than Budget in the year to date. This was due to timings of receipts, including £9m from the ground rent buy-out - previously expected in Quarter 3 this year - at Hammersmith Met and £2m from the sale of property at Inglis Road, which was originally planned for Quarter 4 2013/14. Property sales income is now expected to be £2m higher than Budget over the full year, which reflects the reprofiling of income following the strategic review of TfL assets as part of Project Skyline.

Crossrail

Table 12: Crossrail

Crossrail (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Crossrail	(660)	121 ▲	(1,617)	37	72 ▲

2.37 In the year to date, Crossrail costs are £121m lower than Budget. Direct project costs are £102m lower than Budget, due to delayed access to Tottenham Court Road, unplanned tunnel boring stoppages at Whitechapel, unspent project risk on the Thames Tunnel project and lower than anticipated drawdown of programme risk. These were partly offset by costs increases including additional staff costs on the Western running tunnels and at Whitechapel from additional shifts, the expansion of utility works at Farringdon and additional costs at Paddington New Yard following the discovery of items of archaeological interest. Indirect costs are £16m lower than Budget, due to delayed recruitment whilst the Systemwide strategy and delivery organisation structure is considered by the Executive and Investment Committee, and later than expected consultancy costs for land and property. Crossrail is forecast to be £72m under Budget for the full year, due to a rephasing of risk profiles over the remaining years following completion of the latest quarterly QRA.

Working capital

2.38 At the end of Quarter 2, working capital was £159m higher than Budget. This was mainly driven by higher trade and capital creditors than assumed in the Budget, with later settlement of balances than expected. Additionally there have been lower than expected payments for Crossrail property, which is expected to catch up by year end. Finally, cash advances to Network Rail for works associated with the Crossrail project are £15m lower than Budget.

2.39 At the end of 2014/15, working capital is now forecast to be £250m higher than Budget. This is due to higher than expected net creditors of £228m, a £65m reduction in the loan to Network Rail for Crossrail works, which is partly offset by prepayments and other minor creditor movements across the Group.

Table 13: Working capital

Working capital (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Working capital	(48)	159 ▲	(303)	34	250 ▲

Government grants and other funding

Table 14: Government grants and other funding

Government grants and funding (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
DfT General grant	386	4 ▲	846	11	11 ▲
DfT Investment grant	420	0 ►	909	(0)	0 ►
DfT Overground grant	13	0 ►	28	0	0 ►
GLA precept	2	(0) ▼	6	(0)	(0) ▼
Business Rates Retention (BRR)	414	(0) ▼	828	(0)	(0) ▼
Crossrail funding sources	834	8 ▲	1,696	(7)	8 ▲
Other capital grants	68	(2) ▼	119	6	(22) ▼
Other revenue grants	2	(4) ▼	3	141	(3) ▼
Total grants and funding	2,139	7 ▲	4,436	50	(4) ▼

2.40 In the year to date, grants are largely in line with Budget, with a total variance of less than one per cent. This is largely due to timing differences from Crossrail funding sources of £8m, which are slightly offset by minor changes from other revenue and capital grants.

2.41 Over the full year, grants and funding are forecast to be £4m – or 0.1 per cent - less than Budget. This is from a combination of: £22m of deferred funding from the GLA for the NLE, which is now forecast to be received in future years in line with the revised expenditure profile; offset by £8m from earlier than expected funding for Crossrail and an assumed £11m of additional grant from the DfT, as compensation for maintaining fares at RPI only in January 2015.

Borrowing and reserve movements

Table 15: Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Borrowings Raised	633	(17) ▼	668	22	18 ▲
Borrowings Repaid	0	0 ►	(22)	0	0 ►
Net borrowing	633	(17) ▼	646	22	18 ▲
Reserve movements	(537)	(433) ▲	457	(188)	(380) ▲
Net borrowing and reserve movements	97	(451) ▼	1,104	(166)	(362) ▼

2.42 In the year to date, TfL has borrowed £633m, £17m less than expected at the time of the Budget.

This is a timing difference; TfL expects that the full level of borrowing will be completed by the end of the financial year.

Cash movements

2.43 TfL's closing cash (including Crossrail's cash balances) at the end of Quarter 2 is just over £5.3bn, £433m higher than expected, driven by:

- Timing differences in expenditure, funding, and in payments and receipts totalling £345m including a £159m working capital upside
- Other timing differences include £241m of investment rephasing (partly offset by the release of £100m overprogramming), Crossrail project costs of £121m and acceleration of £34m of works into late 2013/14 and earlier this year
- Additional net savings of £41m, partly due to the rephasing of implementation costs to later this year and future years

Table 16: Cash movements ⁴

Cash summary (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Crossrail Sponsors' Funding Account	2,210	126 ▲	2,085	(13) ▼	145 ▲
Other TfL cash balances	3,099	308 ▲	2,230	201 ▲	234 ▲
Closing cash	5,309	433 ▲	4,315	188 ▲	380 ▲

⁴ The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well as fair value adjustments for long-term investments.

2.44 TfL's cash balance (beyond a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan to 2020/21 which will be updated in December 2014, including:

- Over £1bn for the Sub-Surface Rail upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
- Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
- £800m for key cycling programmes, as part of the Mayor's overall £913m Cycling Vision commitment
- £175m for a further 500 New Routemasters by the end of April 2016, bringing the total to 800

TfL's efficiency programme

Table 17: Efficiencies

Efficiencies Programme ⁵ (£m)	Year to date			Full year 2014/15		
	Actual	Target	Variance to target	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Progress towards TfL's total efficiency programme	51	10	41 ▲	95	43	66 ▲

2.45 TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to further invest in infrastructure improvements while holding down fares and managing with lower levels of government funding. We have already secured £12bn, with a further £4bn still to be secured. The savings programme will be achieved by reducing back-office expenditure and driving out inefficient activity, while protecting front-line services and our long-term investment programme, providing tangible benefits to our customers.

2.46 For 2014/15, TfL has already secured almost £1.4bn of savings. To meet its long-term savings target, a further £29m is targeted to be secured this year. At the end of Quarter 2 we have secured £51m of efficiencies, £41m higher than target. This mainly relates to the rephasing of implementation costs for the Fit for the Future - Stations programme, which is now forecast for next year.

2.47 We have so far saved £27m from the re-let of our ticketing contract. In addition, cash free buses went live on 6 July 2014, securing 17 per cent of our long-term cash free savings targets. Further savings will be secured through the on-going competitive tendering programme for bus routes.

2.48 Over the full year, we expect net savings to be £66m higher than target. This is mainly due to rephasing of Fit for the Future – Stations implementation costs to future years and the removal of efficiency risk at Quarter 2. This has no impact on our long-term efficiencies up to 2020/21.

⁵ Efficiencies are quoted net of implementation costs

Customer

Passenger journeys

Table 18: Passenger journeys

Millions	Quarter 2, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▲ higher is better							
London Underground	292.9	(2.5) ▼	7	1,306	(6) ►	47	
London Buses	536	(7) ▼	6	2,420	(5) ▼	38	
DLR	24.5	0.1 ▲	1.8	107.0	- ►	5.3	
London Overground	32.3	(0.2) ▼	0	138.6	- ►	2.9	
London Tramlink	6.7	0.8 ▲	(0.1)	30.3	- ►	(0.9)	
Emirates Air Line	0.5	(0.1) ▼	0	1.5	- ►	0	
London River Services	3.5	0.9 ▲	0.7	8.5	- ►	0.1	-

- 3.1** In Quarter 2 passenger numbers are down against target in LU, buses, London Overground and EAL. LU passenger numbers remain up on the same quarter last year. Over the course of the year, passenger numbers are expected to pick up, with all services showing year-on-year improvement except Tramlink.
- 3.2** LU passenger journeys in the Quarter were 2.5 million lower than target, but 7 million higher than the same quarter last year. Industrial action on the Central line in August 2014 resulted in 0.3 million fewer journeys, which was compounded by a very wet Bank Holiday Monday, where journeys were down by a further 0.3 million.
- 3.3** In Quarter 2 bus passenger journeys were 7.4 million – 1.4 per cent – lower than target, with non-fare passenger journeys 5.9 million – or 3.3 per cent – below target. This was mainly due to lower numbers of 11-15 year old and 16+ passenger journeys than previously expected⁶. TfL's forecasts for these passenger groups were re-modelled and incorporated into the full-year forecast at Quarter 2. Fare paying passenger journeys were 1.5 million – or 0.4 per cent – lower than target. Underlying total passenger journey year to date growth (after adjusting for 11-15 year old and 16+ validation and seasonality) is 1.8 per cent comprised of fare paying and non-fare paying passenger journey growth of 2.0 per cent and 1.6 per cent respectively.

⁶ Prior years bus passenger journeys have been adjusted for consistency with TfL's new methodology for measuring journeys. The change in methodology in the Greater London Bus Passengers Survey (GLBPS) to oyster clicks for child journeys 11-15 year olds has been applied to prior year's data

- 3.4** DLR passenger journeys were 24.5 million in Quarter 2, almost eight per cent higher than the same quarter last year, and slightly above target.
- 3.5** London Overground passenger numbers in Quarter 2 were 0.2 million below target and at the same level as Quarter 2 of 2013/14. The number of journeys has been affected by a change to the way passengers are measured on one route, and by a large number of weekend engineering closures to undertake upgrade work, primarily for the London Overground Capacity Improvement Programme (LOCIP). This investment, introducing five-car trains by 2015/16, will increase Overground train capacity by 25 per cent.
- 3.6** Tramlink passenger numbers were above target in Quarter 2, but slightly down on the same quarter last year, due to engineering closures.
- 3.7** EAL passenger numbers were 0.5 million in Quarter 2, 0.1 million below target, but in line with the same quarter last year. Over the full year, EAL passenger numbers are expected to be in line with 2013/14.
- 3.8** Overall London River Service passenger journeys were 36 per cent higher than target in Quarter 2, which benefited from favourable weather and increased tourist activity during the Tall Ships Festival.

Cycling

- 3.9** More than 580,000 cycle journeys are made every day in London and cycling has more than doubled in the last decade. Cycling levels⁷ in Quarter 2 were 16 per cent - 52 index points - higher than the same quarter last year. This is the highest level of cycling seen in Quarter 2 since the index began and just over eight per cent - 28 index points - above target. This is now the fourth consecutive quarter we have seen the highest cycling levels.

Table 19: Cycling journeys on the Transport for London Road Network (TLRN)

Millions	Quarter 2, 2014/15			Full year 2014/15			2010/11 – 2014/15
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	
▲ higher is better							
Cycling levels on the TLRN ⁸	369	28 ▲	52	353	55 ▲	57	

- 3.10** The full-year index of cycle flows forecast on the TLRN for 2014/15 is 353, an increase of over 19 per cent - 57 index points - from last year and over 18 per cent - 55 index points - above this year's cycling target.
- 3.11** With the future growth of cycling expected to take place not only on the TLRN, but on all the capital's roads, TfL has developed a new methodology for recording cycling journeys that will currently run in parallel with the existing cycling index. Monitoring using this metric currently covers the central

⁷ Levels of cycling on the Transport for London Road Network (TLRN) are presented as an index of flow relative to a baseline of March 2000, which represents 100 on the index

London congestion area and shows that a daily average of 512,315 kilometres – or about 167,000 journeys - were cycled during Quarter 2, just over 27 per cent higher than the first quarter.

3.12 The Mayor published his Vision for Cycling in March 2013, outlining plans to spend £913m on cycling improvements over 10 years. We are now forecasting to spend £71m on cycling improvements this year, delivering a step-change in cycling provision to support the growing numbers of cyclists in London. As part of the current wave of investment, three London boroughs have been identified as part of the Mini Hollands programme, public consultations were launched for two substantially segregated Cycle Superhighways in September 2014, and work has commenced on the Quietways network of cycle routes.

Table 20: Mayor’s Vision for Cycling: expenditure, 2012/13 to 2021/22

Cycling vision £m	Year to date		Full year, 2014/15		2012/13 – 2021/22	
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Budget	Original budget	Variance to original budget
Gross Cycling Vision expenditure	(25)	19 ▲	(82)	25 ▲	(913)	- ►
Overprogramming adjustment ⁹	0	(10) ▼	12	(14) ▼	-	- ►
Net Cycling Vision expenditure	(25)	9 ▲	(71)	11 ▲	(913)	- ►

3.13 To date, £122m has been invested in cycling improvements, with £97m in earlier years and £25m so far this year. In the year to date, net Cycling Vision investment is £9m lower than Budget. £14m of this is due to rephasing (which was been largely offset by £10m of overprogramming), including £4m on Quietways and the Cycling Grid due to delays in agreement between relevant stakeholders on detailed design, £1m of rescheduling of Cycle Hire transformation feasibility, and £1m on the Cycle to School partnership programme while the scope is agreed. In addition, we have made savings of £3m, including: £2m from reductions on Cycle Hire Phase 2 and CHEI following a release of risk and reviews of road safety audits, design and construction work; a reduction in Cycle Hire operating costs of £1m from moving to a new variable pricing structure in the contact centre.

3.14 Over the full year, net cycling expenditure is now forecast to be £11m under Budget, after adjusting for overprogramming. This is due to £4m of savings in Cycle Hire costs (including contractual charges, back office savings including call centre and payroll, Cycle Hire Extension & Intensification (CHEI) and Cycle Hire Phase 2). These savings will be reinvested in cycling improvements and retained within the 10-year cycling budget. In addition, there was rephasing of expenditure on: Cycle Superhighways, as CS4, CS11 and the outer extension of CS5 have been rescheduled to later in the programme; Cycle Hire transformation feasibility costs; and cycle parking. However, this rephasing was largely offset by the overprogramming assumption.

3.15 The full 10-year budget of £913m remains unchanged.

⁹ As with TfL’s overall investment programme, a central overprogramming assumption is included in forecast expenditure to correct for optimism bias and levels of slippage that occur on complex investment programmes. This is held centrally and therefore does not act as a disincentive to the timely delivery of schemes.

Customer satisfaction

Table 2 | Customer satisfaction by service

Score (out of 100)	Quarter 2, 2014/15			Full year 2014/15			2010/11 – 2014/15
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	
▲ higher is better							
London Underground	84	1 ▲	2	83	- ▶	-	
London Buses	86	3 ▲	3	83	- ▶	-	
DLR	90	4 ▲	2	88	2 ▲	1	
London Overground	84	3 ▲	1	82	1 ▲	-	
London Tramlink	90	1 ▲	1	89	- ▶	-	
Emirates Air Line	93	0 ▶	0	93	- ▶	-	
TLRN	75	0 ▶	0	75	- ▶	-	

3.16 Customer satisfaction levels are higher or equal to target across all of services in Quarter 2. Customer satisfaction with buses is now at the highest recorded level, up four index points from the same quarter last year, with crowding and wait time showing improvements. DLR also recorded its highest ever score, four index points better than target and two points better than the same quarter last year. LU equalled its previous high – achieved in Quarters 2 and 3 of 2012/13 – with a score of 84, one index point better than target and two index points higher than the same period last year.

3.17 Higher reliability across most of our services, improved customer communications, coupled with a number of customer focused initiatives – including reducing card clash, contactless travel auto-capping, auto-refunds and the introduction of ‘One More Journey’ on buses – have all helped drive this improvement.

3.18 Overall satisfaction with bus services reached an all-time high score of 86 points in Quarter 2 2014/15, an unprecedented increase of three points from the previous quarter, and four points higher than the same quarter last year. Satisfaction with crowding levels on buses reached 84 points, four index points up from the previous quarter and three points higher than the same quarter last year. Satisfaction with time waited to catch the bus is two points higher than last quarter, and three points higher than last year.

Customer satisfaction – environment

3.19 TfL is committed to reducing the levels of NO_x pollutants emitted from its bus fleet. We are retrofitting the older and most polluting buses, as well as retiring those buses where this is not possible. TfL is on track to retrofit all Euro 3 generation buses to make them equivalent to Euro 4 standards by December 2015 or replace them with new Euro 6 buses.

3.20 The proportion of the bus fleet services by low-carbon emission and quieter diesel-electric buses is now at 10 per cent. There are currently 920 hybrids in the fleet and TfL forecasts this will increase to 15 per cent by spring 2015, reaching 20 per cent by 2016 when 1,700 hybrids - including 800 New Routemasters - will have been introduced. Switching over to this cleaner technology has been supported by external funding from the Department for Transport. Complementing the introduction of hybrid buses, our bus fleet now has around 40 of the latest ultra-low emission Euro 6 engine vehicles in service.

Table 22: Environmental performance

Numbers	Quarter 2, 2014/15			Full year 2014/15		
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year
▲ higher is better						
Euro 3 upgrade/ early retirement of buses	Annual measure			1,250	- ►	NA
Hybrid bus introduction	920	25 ▲	378	1,250	- ►	575

Customer complaints

Table 23: Customer complaints

No. complaints per 100,000 journeys	Quarter 2, 2014/15	
	Actual	Variance to Quarter 2, 2013/14
▼ <i>lower is better</i>		
London Underground	1.01	-0.05 ▼
Docklands Light Railway	2.25	-1.12 ▼
London Overground	2.53	0.09 ▲
Emirates Air Line	2.11	-1.19 ▼
London Buses	2.61	0.25 ▲
Congestion Charge	7.52	-7.53 ▼
Barclays Cycle Hire	6.31	0.60 ▲
Dial-a-Ride ¹⁰	159.87	40.98 ▲
Oyster	0.76	-0.33 ▼
Contactless payment cards	3.27	NA
River	TBC	TBC

3.21 In parallel to the very high level of customer satisfaction, customer complaints are down across many TfL services, with the DLR, EAL, Congestion Charge and Oyster all seeing significant reductions. As part of making it easier to do business with us, we have simplified how customers can claim a refund for a delayed journey.

3.22 LU recorded a lower complaints rate than both the same time last year and the previous quarter. Delayed journeys remain one of the major causes of complaint; we have been successful in improving underlying reliability in LU and are committed to reducing delays by a further 30 per cent by 2015.

3.23 On the DLR, the number of complaints is 20 per cent lower than in the previous quarter. The reduction is mainly due to the resolution of problems with ticket vending machines (TVMs), with complaints now on a downward trend following a range of upgrades to the equipment.

3.24 London Overground saw a slight increase in complaints in the quarter. Nonetheless, customer satisfaction is at the highest level recorded in Quarter 2. London Overground consistently achieves the lowest complaints rate of any train operating company in the ORR's rankings.

3.25 The EAL has seen its complaints rate drop by a third when compared to the same time last year. Quarter 2 saw only 10 complaints, six of which were regarding fares and tickets. Work has recently

¹⁰ Per 100,000 journey requests

been completed at the terminal and online to make it easier for customers to understand the EAL fares structure and how to purchase tickets.

- 3.26** Buses have also seen customer satisfaction reach unprecedented levels in Quarter 2. However, there has been a slight increase in the complaints rate, which is partly attributable to wider use of next-bus apps, some of which now include on-screen complaint forms. These are providing further valuable insight into a range of issues, particularly relating to reliability. As previously noted, we have carried out research into bus drivers not stopping, the main cause of customer complaint. We are now identifying actions required to reduce this type of behaviour.
- 3.27** Complaints about the Congestion Charge have fallen significantly, following work carried out to enhance the quality of responses to representations against PCNs. This quarter saw no complaints about enforcement activity escalated, with issues being dealt with correctly first time. We also continue to raise awareness of unofficial Congestion Charging websites to ensure drivers are charged the correct amount.
- 3.28** This quarter saw the best results for the Barclays Cycle Hire customer satisfaction survey since the scheme was launched. Our focus continues on ensuring the availability of cycles and docking point spaces to provide the best customer experience. Complaints about refunds are the highest proportion of complaints.
- 3.29** In Quarter 2, the Dial-a-Ride overall customer satisfaction score (CSS) was 94 out of 100, its best-ever rating and one of the highest of our services. Booking refusals are the main source of complaint, accounting for around 30 per cent of the total. Resource constraints, particularly at times of peak demand, mean DaR is unable to accommodate all booking requests received. The absolute number of complaints of this type averages around 5-6 complaints per day. Driver conduct was the second most common reason for complaint averaging around one per day. However, DaR customers are generally positive about the service they receive, rating drivers at 96 out of 100 for their helpfulness and courtesy. Following a series of focus groups, DaR is looking at customers' expectations of the service and how to respond to them.
- 3.30** Oyster is now recording less than one complaint per 100,000 journeys, with a rate lower than both the same time last year and the previous quarter. Charging issues still remain the most common reason for customer complaints. There has also been an increase in the number of customers contacting us about concessionary Oyster card issues, as it is close to the deadline for renewals at the start of the new academic year. This quarter has seen the slight downward trend in complaint volumes continue from last quarter.
- 3.31** The complaints rate for Contactless Payment Cards is at the level of the best performing TfL services, helped by an extensive public information campaign on how to use the new product. The next quarter is expected to see significantly increased volumes of transactions, as the new way to pay is extended across all of our rail-based services. We will continue to raise awareness of the benefits and how to prevent 'card clash'.

People

Headcount

Table 24: TfL full-time equivalent (FTE)

Cash summary (£m)	Quarter 2		Full year 2014/15		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	21,169	167 ▼	21,251	(127)	(456) ▲
London Rail	253	(20) ▲	298	(10)	(50) ▲
Surface Transport	3,415	27 ▼	3,564	(123)	(107) ▲
Corporate	3,861	(258) ▲	4,099	(358)	(542) ▲
Crossrail	911	75 ▼	933	-	- ▶
Total FTE	29,609	(8) ▲	30,111	(584)	(1,120) ▲

4.1 At the end of Quarter 2 TfL employed 29,609 full-time equivalent staff, eight more than Budget. By the end of 2014/15 we expect to employ 30,111 FTEs, 1,120 more than expected in the Budget. This is due to a number of reasons, including:

- 349 more FTEs than expected in LU caused by the later than anticipated implementation of Fit for the Future – Stations programme
- 111 more FTEs in LU's Capital Programmes Directorate, reflecting revised headcounts requirements of the investment programme
- 23 more FTEs than expected for LOCIP and West Anglia Rail devolution
- A further 58 FTEs in Surface Transport's Strategy and Planning areas to work on the increased levels of investment
- 415 additional FTEs across the Corporate directorates to work on IM, Finance, CE&MC – including TfL's ticketing – and Planning projects, the latter including Crossrail 2 and River Crossings.

4.2 London Underground headcount at the end of Quarter 2 is 167 FTE lower than Budget. The operations directorate was 93 FTE lower, with the underlying variances primarily due to slower than planned recruitment and the holding of vacancies pending organisational reviews. The capital programmes directorate was 126 FTE lower with unfilled vacancies - mainly due to a strategy change in the engineering area resulting in lower than anticipated headcount requirement - the main cause. These variances have been partially offset by an additional 22 FTE across the support areas to support projects.

4.3 At the end of the year, London Underground now expects to be 456 FTE higher than the Budget. This is primarily due to an additional 349 FTE in the operations directorate caused by later than planned implementation of Fir for the Future – Stations programme, with staff now expected to leave the

organisation later than was assumed in the Budget. In addition, the capital programmes directorate is 111 FTE higher than Budget, reflecting the revised requirements on programmes.

- 4.4** London Rail headcount at the end of Quarter 2 was 20 FTE higher than Budget due to increased project resource requirements within London Overground and transitional roles within Trams.
- 4.5** London Rail is now forecast to be 50 FTE higher than Budget at the end of the year. This is largely due to 23 additional staff required for London Overground capacity and West Anglia devolution works whilst 16 additional staff are required by Trams due to work no longer outsourced to consultants.
- 4.6** Surface Transport was 27 FTE below Budget at the end of Quarter 2. This is due to a combination of: the transfer of 40 staff from Intelligent Traffic Systems to IM, 17 Revenue Protection Inspector vacancies - where the staff left at a higher rate than expected - 12 vacancies following a restructure of Technical Services, and a driver recruitment freeze in Dial-a-Ride pending the outcomes of the Social Needs Transport Review. These have been partly offset by higher than budgeted staff numbers in Taxi and Private Hire to address the current backlog of taxi licence applications.
- 4.7** Surface Transport is now forecast to be 107 FTE over Budget at the end of 2014/15. This is primarily due to a 58 FTE increase expected in Strategy and Planning due to the increase in investment plan delivery. Enforcement and On Street forecast an increase in Road Network and Taxi Compliance Officers. Asset Management forecast an increase in FTE due to the Brent Cross project. This is partly offset by vacancies in Dial a Ride due to the driver recruitment freeze.
- 4.8** The Corporate directorates' headcount was 258 higher than Budget at the end of Quarter 2. This was mainly due to 249 temporary project staff, including 198 funded by IM, CEM&C, Finance, HR and Planning projects. It also reflects 52 temporary staff for new activity including CEM&C project staff, mainly for FTP, and staff to meet increased demand in HR. 47 staff also transferred to the corporate directorates, mainly the Traffic system team from Surface Transport. These were partly offset by 48 vacancies and other minor variances.
- 4.9** The staff forecast increased by 358 at Quarter 2, to 542 higher than budget. This was mainly due to 232 funded project staff in IM, Finance Management and CEM&C (for End User Computing (EUC), Run Better, BBF, Electra and the Travel Information Centre at Paddington and Gatwick). It also reflects 69 staff for Planning Projects (mainly Crossrail 2 and River Crossings), Group Finance, Marketing Strategy Organisational Change, the new Commercial Development Strategy and the HR flexible project pool. Also, 32 IM staff were required to meet increasing demand, mainly for Cyber Security, and there were 17 JNP transfers to HR and other minor variances. At quarter one, the forecast increased by 183, mainly due to temporary project staff required for, and funded by, IM, CEM&C, Commercial and business change projects.
- 4.10** Crossrail is 75 FTE under Budget at Quarter 2, largely due to later than expected recruitment for new staff in key delivery positions. Crossrail is nearing its peak point in works, with headcount increasing since last year. Crossrail is reaching a change in phase from tunnelling to Systemwide implementation - where recruitment is now underway - with existing tunnelling roles coming to an end over the next year.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground & London Rail (£m)	Quarter 2, 2014/15		Full year, 2014/15			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1	Variance to Budget	
London Underground	1,057	(18) ▼	2,413	(6)	(35) ▼	2.3 and 2.4
London Rail	144	1 ▲	320	(5)	7 ▲	2.5
Emirates Air Line	3	(1) ▼	6	(1)	(1) ▼	2.6
Total fares income	1,204	(18) ▼	2,738	(13)	(42) ▼	
Other operating income	100	(1) ▼	225	(3)	(5) ▼	2.9
Total operating income	1,305	(19) ▼	2,963	(16)	(47) ▼	
Chief Operating Officer	(733)	8 ▲	(1,639)	(2)	18 ▲	
Capital programmes directorates operating costs	(25)	(8) ▼	(44)	(8)	(10) ▼	
Other Operational Expenses	(161)	24 ▲	(395)	37	37 ▲	2.15 and 2.16
London Rail Operations	(169)	14 ▲	(405)	2	5 ▲	
Renewals and reliability Projects	(108)	36 ▲	(254)	(5)	38 ▲	
Total operating expenditure	(1,196)	75 ▲	(2,736)	24	88 ▲	
Capital expenditure						
London Underground	(599)	13 ▲	(1,288)	45	25 ▲	2.27 and 2.28
LU third-party contributions	5	(6) ▼	19	(2)	- ►	2.34
London Rail	(87)	31 ▲	(232)	0	21 ▲	
London Rail third-party contributions	3	2 ▲	4	(3)	(1) ▼	2.29 and 2.30
Net capital expenditure	(678)	40 ▲	(1,498)	41	45 ▲	
Net Service Expenditure	(570)	96 ▲	(1,271)	49	86 ▲	

Surface Transport

Surface Transport (£m)	Quarter 2, 2014/15		Full year, 2014/15			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1	Variance to Budget	
Bus fares income	697	3 ▲	1,558	(1)	8 ▲	2.7 and 2.8
Bus contract costs & ticket commission	(896)	10 ▲	(1,969)	20	17 ▲	2.19 and 2.20
Direct Bus Subsidy	(199)	14 ▲	(410)	19	25 ▲	
Other Bus Income	12	- ►	26	0	- ►	
Bus operating Expenditure (net of third-party contributions)	(39)	2 ▲	(86)	1	4 ▲	2.19, 2.20 and 2.35
Bus Capital Expenditure (net of third-party contributions)	(42)	1 ▲	(108)	0	2 ▲	2.31 and 2.32
Net Bus Service Expenditure	(268)	17 ▲	(579)	20	30 ▲	
Other Surface Transport						
Other Operating Income	171	(1) ▼	369	2	(7) ▼	2.10 and 2.11
Other Operating Expenditure (net of third-party contributions)	(307)	1 ▲	(763)	5	14 ▲	2.19, 2.20 and 2.35
Other Capital Expenditure (net of third-party contributions)	(117)	3 ▲	(287)	(25)	(26) ▼	2.31 and 2.32
Net Service Expenditure	(520)	19 ▲	(1,260)	2	11 ▲	

Corporate directorates

Corporate (£m)	Quarter 2, 2014/15		Full year, 2014/15			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1	Variance to Budget	
Other Operating Income	20	- ►	45	1	4 ▲	2.12 and 2.13
Operating Expenditure (net of third-party contributions)	(278)	14 ▲	(703)	(39)	(53) ▼	2.21 and 2.22
Net Capital Expenditure	(43)	12 ▲	(122)	(9)	(58) ▼	2.33 and 2.36
Net Service Expenditure	(302)	26 ▲	(780)	(47)	(106) ▼	

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

TfL group (£m)	Quarter 2, 2014/15		Full year, 2014/15			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1	Variance to Budget	
TfL gross capital expenditure						
London Underground	(599)	13 ▲	(1,288)	45	25 ▲	2.27 and 2.28
London Rail	(87)	31 ▲	(232)	0	21 ▲	2.29 and 2.30
Surface Transport	(165)	1 ▲	(416)	(29)	(36) ▼	2.31 and 2.32
Corporate directorates	(55)	2 ▲	(165)	(11)	(56) ▼	2.33 and
Total gross capital expenditure	(906)	47 ▲	(2,101)	5	(46) ▼	
Plus revenue investment (included in operating expenditure):						
London Underground	(108)	36 ▲	(254)	43	38 ▲	2.15 and 2.16
Surface Transport	(58)	(9) ▼	(208)	(0)	5 ▲	2.19 and 2.20
TfL revenue investment	(166)	28 ▲	(1,477)	43	43 ▲	
TfL gross investment programme						
London Underground	(707)	50 ▲	(1,542)	88	63 ▲	
London Rail	(87)	31 ▲	(232)	0	21 ▲	See page 61, Investment Programme Report (IPR)
Surface Transport	(223)	(8) ▼	(624)	(29)	(31) ▼	
Corporate	(55)	2 ▲	(165)	(11)	(56) ▼	
TfL gross investment programme	(1,072)	75 ▲	(2,563)	49	(3) ▼	

Appendix C: Balance Sheet ¹¹

TfL Group Balance Sheet at Quarter 1	Full year 2014/15			
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Budget
Non-current assets (-higher / lower than budget)	32,031	87	33,432	139
Current assets (exc. cash & investments) (-higher / lower than budget)	634	(17)	632	(57)
Cash & investments (-higher / lower than budget)	5,017	(345)	4,315	(379)
Creditors (higher / -lower than budget)	(3,024)	126	(3,017)	271
Derivative liabilities (higher / -lower than budget)	(78)	10	(79)	11
Borrowings (higher / -lower than budget)	(8,500)	(18)	(8,513)	17
Provisions (higher / -lower than budget)	(2,809)	36	(2,729)	(7)
Total Net Assets – (higher) / lower than budget	23,271	(121)	24,041	(5)

Non-current assets

5.0 Non-current assets stood at £32,031m at the end of Quarter 2, £87m lower than Budget. This variance was the net of lower fixed assets of £161m and lower long-term debtors of £15m, offset by higher long-term investments of £89m. The fixed asset variance was driven primarily by lower additions of £168m (of which £120m was for the Crossrail project and £48m for the rest of TfL) offset by £7m of depreciation and disposal changes. TfL has benefitted from higher cash than expected, which has been left on long term deposit to optimise interest income (£292m against £203m). The long-term debtor variance reflects a lower than Budget cash advance to Network Rail as part of the Crossrail project. The full-year forecast for non-current assets is £139m below Budget, with lower fixed assets of £98m (all of which is for lower additions), and lower long-term debtors of £41m, being the net of £65m lower cash advance to Network Rail offset by £24m higher prepayments.

Current assets

5.1 Current assets were £17m higher than Budget at the end of Quarter 2, with higher grant debtors of £34m (due to later than expected receipt of NLE grant) offset by lower trade debtors mainly in R&U, for example East London Line works contributions being received earlier than budgeted.

Cash and investments

5.2 A breakdown of the cash variances to date and the latest forecast against Budget are shown in the table at the foot of Appendix C and in Appendix D. At the end of the quarter, total cash and investments (long and short term) was £5,309m, £434m higher than budget. Activity underspends of £284m allied to higher net working capital balances of £161m (including advances to Network Rail) and increased grant of £6m were partially offset by lower borrowings of £17m arising from a decision not to renew a tranche of Commercial Paper before the period end. Cash at the year end is forecast to be £379m above budget, due to activity underspends of £116m, higher net creditors of £157m, lower cash advances to Network Rail of £66m, and higher grant and borrowings of £40m.

¹¹ The Balance Sheet and the Cash Summary (Appendix C) show the full consolidated accounts for TfL. This includes London Transport Museum (LTM) activity; cash balances as well fair value adjustments for long-term investments.

Creditors

- 5.3** Total creditor balances for the year to date position were £126m higher than budget. This was driven by higher balances in R&U where trade creditors (£85m), receipts in advance (£23m) and capital creditors (£72m) were all above budget. Much of this was due to timing differences where liabilities are being settled later than had been anticipated in the budget. The receipt in advance variance is due to a change in profile of the release of non-fares income to the profit and loss and the capital creditor balance reflects a longer than budgeted lead time in capital accruals crystallising into invoices, together with delays in negotiations on land compensation payments and delays in settling payments in respect of East London Line works, due to ongoing negotiations. These are offset by lower creditor and accrual balances elsewhere in the group, notably lower capital creditors in Crossrail.
- 5.4** The forecast position at Quarter 2 shows creditors at £271m above budget. As per the year to date, R&U accounts for a large portion of this (£228m) once again due to prudent budgeting combined with the effect of capital spend now being weighted more toward the year end. In addition, Crossrail capital creditors are forecast to be £36m above budget due to unbudgeted commercial liabilities.

Derivatives

- 5.5** The derivatives position at Quarter 2 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 in future years.

Borrowings

- 5.6** External borrowings at Quarter 2 were £18m below budget, as a result £13m of commercial paper not being renewed before period end and £5m of fees and discounts incurred not included in the budget. These fees and discounts have been included in the full year forecast, which now also includes the re-borrowing of the £22m repayments during the year. The refinancing of scheduled debt repayments is permitted by TfL's funding settlement with Government and has already been factored into the operational boundary for prudential indicators.

Provisions

- 5.7** Provisions at the end of Quarter 2 were £36m higher than budget, primarily due to lower payments for property claims against the Crossrail project. Provisions are forecast to be close to budget at year end across the group.

Balance Sheet (£m)	Year to date			Full year, 2014/15	
	Actual	Budget	Variance to Budget	Quarter 2 Forecast	Variance to Budget
Intangible assets	113	135	22	167	(41)
Property, plant & equipment	30,405	30,544	139	31,838	139
Investment properties	593	593	-	593	-
Long term investments	292	203	(89)	-	-
Long term debtors	628	643	15	834	41
Non Current Assets	32,031	32,118	87	33,432	139
Stocks	50	48	(2)	50	(2)
Short term debtors	584	569	(15)	582	(55)
Cash and Investments	5,017	4,672	(345)	4,315	(379)
Current Assets	5,651	5,289	(362)	4,947	(436)
Short term creditors	(2,160)	(2,039)	121	(2,186)	255
Short term derivatives	(1)	-	1	-	-
Short term borrowings	(746)	(709)	37	(746)	37
Short term lease liabilities	(52)	(60)	(8)	(86)	42
Short term provisions	(212)	(160)	52	(175)	13
Current Liabilities	(3,171)	(2,968)	203	(3,193)	347
Long term creditors	(77)	(73)	4	(80)	7
Long term borrowings	(7,754)	(7,809)	(55)	(7,767)	(20)
Long term lease liabilities	(735)	(726)	9	(665)	(33)
Long term derivatives	(77)	(68)	9	(79)	11
Other provisions	(122)	(137)	(15)	(86)	(19)
Pension provision	(2,475)	(2,476)	(1)	(2,468)	(1)
Long Term Liabilities	(11,240)	(11,289)	(49)	(11,145)	(55)
Total Net Assets	23,271	23,150	(121)	24,041	(5)
Capital and Reserves					
Usable reserves	5,246	4,821	(425)	4,440	(488)
Unusable reserves	18,025	18,329	304	19,601	483
Total Capital Employed	23,271	23,150	(121)	24,041	(5)
Cash and Investments					
CRL Sponsor funding account	2,210	2,084	(126)	2,085	(145)
Other cash and investments	3,099	2,791	(308)	2,230	(234)
Total as above ¹²	5,309	4,875	(434)	4,315	(379)

¹² Includes Cash and Investments, and long-term investments

Appendix D: Cash summary

Cash Summary In / (Out) Flow (£m)	Year to date			Full year, 2014/15	
	Actual	Budget	Variance to Budget	Quarter 2 Forecast	Variance to Budget
£m					
Margin	(649)	(758)	(109)	(1,606)	(80)
Working Capital Movements	77	(34)	(111)	81	(143)
Cash Spend on Operating Activities	(572)	(792)	(220)	(1,525)	(223)
Net Capital Expenditure	(880)	(934)	(54)	(2,014)	36
Crossrail	(660)	(781)	(121)	(1,617)	(72)
Working Capital Movements	(15)	(49)	(34)	(123)	(40)
Cash Spend on Capital Activities	(1,555)	(1,764)	(209)	(3,754)	(76)
Cash Settlement of derivatives	-	-	-	-	-
Non-cash items included in activity	31	31	-	65	-
Fair value adjustment for long term investments	-	-	-	-	-
Loans to third parties (paid) / repaid	(139)	(154)	(15)	(325)	(66)
Non-Activity Cash Movements	(108)	(123)	(15)	(260)	(66)
Grants, Precept & other contributions	2,139	2,132	(7)	4,436	4
Borrowings Raised	633	650	17	668	(18)
Borrowings Repaid	-	-	-	(22)	-
Total Funding	2,772	2,782	10	5,082	(14)
Net Movement in Cash	537	103	(434)	(457)	(379)

Appendix E: Financial comparison with 2013/14

TfL group finances – operating income, expenditure and funding

TfL group (£m)	Quarter 2			
	Year to date, 2013/14	Year to date, 2014/15	Year on year change	
Fares income	1,835	1,902	67	4%
Other operating income	292	310	18	6%
Total income	2,127	2,212	85	4%
Operating expenditure (net of third-party contributions)	(2,579)	(2,725)	(146)	6%
Operating margin	(452)	(513)	(61)	14%
Interest income	9	12	3	33%
Debt interest	(167)	(160)	7	4%
Contingency and group items	6	12	6	100%
Margin	(604)	(648)	(45)	8%
Finances sources				
General grant	505	386	(119)	246%
Overground grant	13	13	-	0%
GLA precept	2	2	-	0%
Business Rates Retention	387	414	27	7%
Other revenue grants	11	2	(9)	90%
Total revenue grants	918	817	(101)	11%
Operating contribution to fund investment	314	168	(146)	47%

Full-year				
Full-year actuals, 2013/14	Quarter 2 forecast, 2014/15	Year on year change		
4,095	4,297	202	5%	
646	680	34	5%	
4,740	4,977	237	5%	
(5,875)	(6,276)	(401)	7%	
(1,135)	(1,299)	(164)	14%	
21	25	4	19%	
(344)	(358)	(14)	4%	
16	27	11	69%	
(1,442)	(1,605)	(163)	11%	
1,094	846	(248)	23%	
29	28	(1)	3%	
6	6	-	0%	
803	828	25	3%	
43	3	(40)	93%	
1,974	1,711	(263)	13%	
532	107	(426)	80%	

TfL group finances – capital expenditure, income and funding

TfL group (£m)	Quarter 2			Year on year change
	Year to date, 2013/14	Year to date, 2014/15		
Capital expenditure	(687)	(906)	(219)	32%
Third-party contributions – capital	45	15	(30)	67%
Sales of property and other assets	11	12	1	9%
Net capital expenditure excl. Crossrail	(631)	(880)	(249)	40%
Crossrail capital expenditure	(806)	(660)	146	18%
Net capital expenditure incl. Crossrail	(1,436)	(1,540)	(104)	7%
Finance sources				
Surplus/ -deficit to fund investment	314	168	(146)	47%
Crossrail funding sources	978	834	(144)	15%
Investment grant	413	420	7	2%
Metronet grant	-	-	-	0%
Other capital grants	-	68	68	0%
Working capital	(115)	(48)	67	58%
Net borrowing and reserve movements	(153)	97	250	164%
Total	1,436	1,540	104	7%

Full-year			
Full-year actuals, 2013/14	Quarter 2 forecast, 2014/15	Year on year change	
(1,638)	(2,102)	(464)	28%
67	44	(23)	34%
41	43	2	5%
(1,531)	(2,014)	(483)	32%
(1,576)	(1,617)	(41)	3%
(3,108)	(3,631)	(523)	17%
532	107	(426)	80%
2,066	1,696	(370)	18%
895	909	14	2%
184	-	(184)	100%
110	119	9	8%
(138)	(303)	(164)	119%
(543)	1,104	1,646	303%
3,108	3,631	523	17%

Glossary

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

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

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

Cycling levels on the TLRN

Index

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

Customer satisfaction

%

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

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



Victoria station upgrade, showing excavation below existing concourse

Investment Programme Report

Quarter Two

July - September 2014/15

Report Contents

TfL Investment Programmes 3

Investment Programme highlights 4

London Underground 7

London Rail33

Surface Transport39

Financial performance.....60

TfL Investment Programmes

Transport for London's purpose is to keep London working and growing and to make life in London better.

Our multi-billion pound capital programme, covering public transport and road networks, is a core element in maintaining London's position as a world-leading city, driving economic growth, jobs and apprenticeships across the country.

London is growing faster than any other European city. Its population is projected to rise from 8.4 million today to 10 million by 2030. This rate of growth is equivalent to six new residents every hour, two buses full of people every day or a Tube train full of people every week. The future of London is dependent on its transport system – we must keep pace with rapidly increasing demand, providing more services at better value, at the same time as we offer an improved experience to our customers.

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

The report includes:

- Group Summary of progress
- Programme Update
- Financial Variance
- Milestone and Project variance



Aerial view of the Tottenham Court Road site

Q2 2014/15 Plan Milestone Analysis



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

Investment Programme highlights

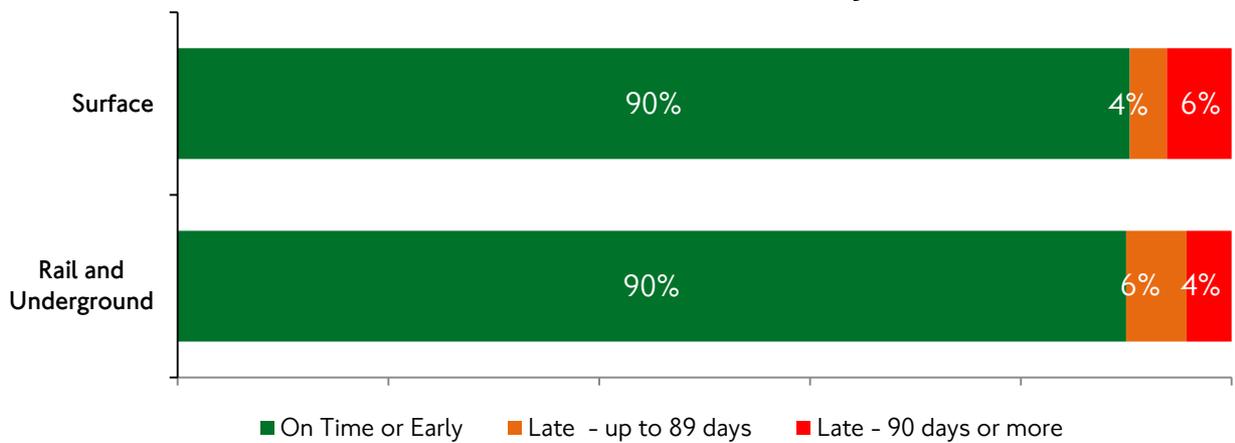
Achieving value for money for our customers is at the heart of the Investment Programme as we work to improve services and deliver a better infrastructure. This requires TfL to be innovative in how we work and the technologies that are implemented, whether this be: new hybrid buses that reduce our operational cost and reliance on fossil fuels; replacing old wet film cameras with new digital equivalents that require less maintenance and monitor for longer, helping to enforce regulations and improve safety on the Capital's roads; or changing the way we deliver our projects by utilising best practice from across the industry such as mobile flash butt welding on our track programmes. Also, instead of utilising conventional weekend closures on the Uxbridge branch of the Metropolitan and Piccadilly lines we saved around £3m by opting for a block closure.

Delivery performance on our projects remains high with 91 per cent of our budget milestones forecast to be delivered on time or early. Contracts were awarded to Hochtief UK Ltd to deliver the new station entrance at Bank Bloomberg, as well as to Ferrovial Agroman Laing O'Rourke to deliver the extension to the Northern line from Kennington. The sidings at Silwood opened to enable the stabling of the London Overground trains overnight and the concept design for the Elephant & Castle north roundabout was completed ahead of target.

IPR Programme Update

<i>London Underground</i>	7
<i>London Rail</i>	33
<i>Surface Transport</i>	39

Q2 2014/15 Plan Milestone Analysis



London Underground and London Rail

Sub-Surface Railway (SSR) Upgrade	7
Track Programme.....	10
SSR Major Power Works (Traction)	12
World Class Capacity.....	13
Legacy Train Systems	15
New Tube for London	17
Vauxhall Station Upgrade	18
Station Stabilisation Programme	19
LU Lifts and Escalators	20
Tottenham Court Road Station Upgrade	22
Bond Street Station Upgrade.....	23
Bank Waterloo & City.....	24
Victoria Station Upgrade	25
Bank Station Capacity	26
Crossrail London Underground Works.....	27
Baker Street to Bond Street Tunnel Lining.....	28
Northern Line Extension	29
Northern Line Upgrade.....	30
Jubilee and Northern Line mid life Refurbishment.....	32
London Tramlink Wimbledon Line Enhancement	33
London Overground Capacity Improvement	34
London Overground Stations Capacity Programme (LOSTAT).....	35

* For variance definitions please go to page 64

London Underground



S-Stock train in the upgraded Ealing Common depot shed

The Sub-surface Railway (SSR) covers 40 per cent of the Underground network. The upgrade programme includes the replacement of trains, signalling and supporting systems, improved journey times and capacity. The programme will deliver a 33 per cent increase in peak hour capacity.

Milestone variance	TBA
Financial variance	■

Sub-Surface Railway (SSR) Upgrade

S Stock

The new S stock trains have now been fully rolled out on the Metropolitan, Circle and Hammersmith and City lines. Roll-out has started on the District line and will complete by 2016, ahead of the DfT target milestone.

Performance of the S stock trains continues to improve above the predicted reliability growth path, with further enhancements being made to the One Person Operation system to maintain this growth. The eight-car S Stock (S8) has now achieved its highest ever integrated train mean distant between failures. Further reliability improvements are also being made to the train air compressors to replace worn components and the braking system to reduce the build-up of damaging brake dust, which has historically been a cause of failure.

S Stock Infrastructure

Work to modify the legacy signalling on the east end of District line to enable the roll-out of the remaining S stock trains on the line has made good progress in the quarter, and is planned to complete by the end of 2014. The first stage of modifications to Ealing Common Depot to allow the maintenance of the new trains has been completed, and work continues on the depot at Upminster to enable train maintenance to be undertaken there by the end of 2014. The overall programme for delivery of the full depot works remains challenging with associated cost increases due to previous design issues and legacy asset condition. Further required safety work has been identified to the platform–train interface that is associated with the introduction of a level access train. The proposed works are being evaluated, but will create an additional cost pressure.

ATC Signalling & Infrastructure

Thales' contract price and technical details have now been received and are undergoing detailed analysis.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
3,188.4	*	4,259.1	*	A revision of the programme authority is due to be requested later following the re-tendering of the ATC contract.

All financials exclude the impact of the ATC contract re-let

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

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Roll-out of new air-conditioned trains on the Circle, Hammersmith & City Lines complete	31-Dec-14	02-Jun-14	-	Complete	
Modification Workbank Package Complete	28-Feb-14	15-Apr-14	-	Complete	
Roll-out of new air-conditioned trains on the District Line complete	31-Dec-16	31-Dec-16	-	●	
Full signalling upgrade across the Sub-Surface network complete.(Annex B:2018)	31-Dec-18	TBA	-	TBA	
Sub-Surface Upgrade complete delivering 33% capacity increase	31-Dec-18	TBA	-	TBA	

All future ATC milestones and any impact have been removed from this section as they are to be subject to a programme re-scheduling exercise once the contract for these works is re-let.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Neasden Depot Winterisation Works Complete	31-Oct-13	-274	Delay was due to issues at the concept design stage (identified in period 6 2013/14); Works were re-scheduled for summer 2014 to be ready for the 2014/15 winter and were completed on 1 August 2014.

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
SSR Upgrade - Depots	■	14	47	EFC is in excess of authority due to asset condition, prolongation issues, and risk regarding the commercial settlement with contractor.
SSR Upgrade - Signal Immunisation	■	5	10	The scope and costs of remaining works have now been established with the contractor following resolution of technical issues. Additional project authority will be sought as part of the SUP re-authorised in Q4.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
SSR Upgrade - Rolling Stock	294	303	-9	3	Due to the acceleration of train acceptance into 2013/14 which reduced the planned expenditure in 2014/15. No overall impact to the programme or cost.
SSR Upgrade - Signal Immunisation	14	4	9	-229	Delays in immunisation work led to less being completed in 2013/14 than was assumed when the Budget for 2014/15 was set. This delay will be recovered in 2014.
SSR Upgrade - Depots	46	35	10	-29	Re-planning of the Neasden Depot winterisation works in 2014 following delays, and acceleration of works at Ealing Common and Upminster depots increased the forecast cost in 2014/15 with the majority of the change being a cost increase.



New rails at a site near Ickenham during Uxbridge block closure

A well-managed infrastructure portfolio is the bedrock of our network. Maintaining asset condition not only safeguards reliability, it also enables our capacity improvements. We're carrying out this work in ever more efficient ways. The programme is renewing assets and restoring their residual life, including over 1,000km of track.

Milestone variance	●
Financial variance	●

Track Programme

A highly successful block closure on the Uxbridge branch of the Metropolitan and Piccadilly lines was completed ahead of schedule, allowing us to achieve in three weeks what would have taken place over 14 separate weekend closures. This also achieved significant savings of around three million pounds in the cost of construction. During the closure, 18,000 tonnes of new ballast, 10,000 new 'fast clip' sleepers and 5,000 conductor rail pots were installed, with over 1,000 operatives on site at peak times. Despite the scale of these works, residents complaints were below what would normally be expected, reflecting the effort put in before and during the works to keep the local community informed of the importance and essential nature of the works. Constant updates were given during the closure using social media channels like Twitter to keep the public informed.

Elsewhere on the network the programme delivered over 9km of ballasted track renewal, 3km of drainage works, 1.4km of deep tube renewals, renewed nine point and crossing units, and ground over 75km of rail to reduce defects. These figures were impacted by the power control room industrial action which had the effect of limiting access to the railway for all but essential activities.

We continue to reduce costs and improve efficiency by deploying innovative technology. This quarter we began using the new Delkor baseplate which attaches the rail to the sleeper. These baseplates allow for a greater range of movement than older designs so will reduce vibration, noise, maintenance costs and extend asset life. Tracked Rail Transporters were used for the first time providing a safer and more efficient method of moving heavy materials such as rail and drainage channels, replacing the use of older equipment which has manual handling risks and is very labour intensive. It reduces the reliance on Road Rail Vehicles which are cumbersome and have a tendency to damage rails. Good progress continues with the mid-week Ballasted Track Renewals programme that aims to achieve further weekend closures in central areas through innovation and interim use of overnight engineering hours.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
118.5	263.3	264.7	1.4 ▼ 0.5%	The EFC is less than authority due to the impact of the power control room strikes, resulting in works being rephased into 2015/16 reducing the forecast for 2014/15. This reduction is partially offset by the inclusion of additional scope to carry out priority re-railing for the Rolling Contact Fatigue project.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Renew Points & Crossing units Achieve 18 units	10-Oct-14	10-Sep-14	30	Complete	
Ballasted Track Renewal & Re-ballast Metres - Achieve 13,260 metres	10-Oct-14	10-Sep-14	30	Complete	
Track Drainage Renewal Achieve 7,100 metres	10-Oct-14	10-Sep-14	30	Complete	
25,344m of Track replaced (total 13% replaced)	31-Mar-15	31-Mar-15	-	●	
Ballasted Track Renewal & Re-ballast Metres Achieve 18,600 metres	31-Mar-15	31-Mar-15	-	●	
Track Drainage - Renewal 9990 metres	31-Mar-15	31-Mar-15	-	●	
Deep Tube Renewal - Achieve 6,852 metres P13	31-Mar-15	31-Mar-15	-	●	
Rail Defect Programme Project works complete.	31-Mar-15	31-Mar-15	-	●	



Two 2.5MW Transformer Rectifiers at Hornchurch

To meet the increased energy demands created by the SSR upgrade, we are upgrading the associated power systems. Project work includes construction of substations, bulk supply points and transformer rectifiers, and installation of distribution cabling.

Milestone variance ●
 Financial variance ●

SSR Major Power Works (Traction)

The Hornchurch substation on the District line was substantially completed ahead of schedule, delivering a major milestone for this work package. This substation will improve resilience of the power supply in its vicinity. A further eight substations are due to be delivered on this section of the District line to help support the extra services that are being introduced to meet rapidly growing passenger demand.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
402.4	497.3	521.4	24.1 ▼ 4.8%	EFC reduced due to efficiency savings, which are forecast to be realised in future years.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Package 3A - First Substation Substantial Completion	18-Aug-14	18-Jul-14	-	Complete	
Package 3B - Structural Works Substantially Completed at Farringdon	30-Oct-14	02-Oct-14	-	●	Milestone achieved post quarter.
Package 3B - External Building Works Completed at Cromwell Curve	07-Nov-14	10-Oct-14	-	●	Milestone achieved post quarter.
SSR2 Section 2 Substantial Completion	07-Nov-14	17-Oct-14	-25	●	Movement is due to operational constraints requiring work to now be carried out at the weekend.
Package 7B - 132kV Cable Factory Acceptance Test	31-Oct-14	31-Oct-14	-	●	Milestone achieved post quarter.
Package 3A - First Substation Full Completion	26-Jan-15	11-Dec-14	-71	●	Fire alarm installation activities delayed due to issues with the contractor. Forecast still to achieve ahead of target.
Package 7 - Complete Trenching from Hendon to Neasden Playing Field	05-Mar-15	09-Feb-15	17	●	



London Bridge station

The World Class Capacity programme will provide additional capacity beyond that delivered by the first wave of upgrades on the Victoria, Jubilee and Northern lines, with an aspiration to provide up to 36 trains per hour at peak times.

Milestone variance ●
Financial variance ●

World Class Capacity

The upgraded Jubilee and Victoria lines running with Transmission Based Train Control continue to operate at expected levels of reliability with the Victoria line trains achieving over 100,000km mean distance between failures. The solution for the Jubilee line to increase the capacity to 36 trains per hour has been agreed and the request for additional authority will be presented to the TfL Board on 5 November for approval.

The first stage of the feasibility on the Northern line is also on schedule to complete in November. The team is co-ordinating a 10-year look-ahead of all works planned on the Northern line and engaging with all stakeholders to develop the programme of works. The availability of key resources from Thales continues to be a concern but is being managed in close collaboration with the SUP project team.

Concept design for the Power & Cooling scope elements of the Victoria line upgrade have been finalised and the relocation of the teams to a single location has improved the sharing of knowledge and resources across the programme.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
4.8	1,004.1	10.0	-994.1 ▲ -99.0%	The current authority is only for the initial stage of the programme and further authority will be applied for as required. The next tranche of funding is due to be applied for in December.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Issue Final Feasibility Study report to sponsor	31-May-14	30-Apr-14	-	Complete	
Issue Pre - Feasibility Study report "Stage 0" to sponsor	30-May-14	16-May-14	-	Complete	
Issue OJEU notice for supply of Rolling Stock	10-Nov-14	18-Aug-14	30	Complete	
Issue an interim feasibility study report "Stage 1" to sponsor	31-Dec-14	31-Dec-14	-16	●	The original target date was set prior to commencement of the pre-feasibility study and scoping of the feasibility study.

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Concept Phase Complete	30-Jan-15	08-Jan-15	-20	●	
Issue Invitation to Tender (ITT) for supply of Rolling Stock	28-Feb-15	09-Feb-15	-35	●	The Programme Board agreed a different approach to determining the range of vehicles required from the market.

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
World Class Capacity	1,004	14	Changes to scope following completion of the Jubilee line Cooling design and the Northern line feasibility have increased the EFC.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
World Class Capacity	15	28	-12	45	Following the selection of the single option on the Jubilee line the forecast has been amended to reflect the approval at the board, deferring spend to later years.



Battery loco undergoing works

This programme is responsible for all renewals projects associated with legacy fleets and associated line signalling and communication systems. The aim is to ensure that the existing asset base is kept in a safe and reliable condition until planned upgrades commence.

Milestone variance ■
 Financial variance ●

Legacy Train Systems

Work continues on upgrades and improvements to existing train stock not covered in the scope of the larger upgrade programmes. This portfolio has many dependencies with other programmes across the network and delays will have an impact on delivery. For example the SUP programme is re-phased as part of the negotiations of the ATC contract and delivery of the ATMS system to the S-stock trains will be delayed as Bombardier Transportation re-prioritise their work. Mitigations are being explored.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
133.1	796.8	320.4	-476.4 ▲-59.8%	The EFC variance is due to the inclusion of an unapproved provision for extension of life works on the Central & Bakerloo line rolling stock.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Battery Loco Life Extension 750v Upgrade 5th Loco Complete	11-Sep-14	11-Aug-14	1	Complete	
92 TS Gearboxes 1000 Gearbox Overhauls Complete	03-Oct-14	14-Aug-14	4	Complete	
Battery Loco Life Extension Loco 12 - Complete	03-Mar-15	14-Jan-15	-	●	
Battery Loco Life Extension 750v Upgrade 10th Loco Complete	24-Apr-15	26-Feb-15	-	●	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
ATMS Installed on 3rd S Stock	28-Oct-14	-119	Installation of ATMS on S Stock is reliant on the production facilities at Bombardier Transportation. Previously agreed access has been delayed until completion of rephased SUP modifications.

Significant quarterly milestones movement

Milestone Description	Target Date	Q2 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
ATMS Installed on 3rd S Stock	28/10/2014 ■	24-Feb-15	-147	As above.

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
Legacy Train Systems	797	20	Increase in forecast of the DC Traction Upgrade cost due to scope complications and emerging works.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Legacy Train Systems	26	40	-15	36	Rephasing on projects including Waterloo & City 92TS Bearing Replacement which has been delayed due to lack of train availability, Northumberland Park depot signalling and various unapproved works have been re-phased into future years.



Inverter transformer delivered to Cloudesley Road Substation

The New Tube for London programme will include the next generation of line upgrades. The programme aims to transform the customer experience and operating and maintenance model on the Piccadilly, Bakerloo, Central and Waterloo & City lines.

Milestone variance ●
Financial variance ●

New Tube for London

Work to down-select to a shortlist of rolling stock suppliers to deliver the new train design for the deep level tube network on the Piccadilly, Bakerloo, Central and Waterloo & City lines continues.

An announcement was made on 9 October post Quarter two by the Mayor and Mike Brown publicly launching the programme. The suppliers that have been shortlisted as part of the pre-qualification questionnaires to supply the new rolling stock, were named. Next quarter work will commence to gauge the market of railway control system suppliers, exploring initial technical issues and opportunities to support the Invitation To Tender (ITT) of the rolling stock.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
25.5	55.3	59.1	3.8 ▼ 6.9%	EFC covers design and specification until March 2016. The variance represents potential savings across the various work-streams.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
PMM Piccadilly Line Rolling Stock PQQ Issued	17-Jun-14	31-Mar-14	-	Complete	
PMM NTfL Saloon Air Cooling Stage 2 (Hybrid) Report Complete	02-Jul-14	21-May-14	14	Complete	
PMM RS PQQ Shortlist Recommendation	19-Nov-14	01-Oct-14	-55	●	Now aligned with NTFL launch event and completed post quarter two.
Issue ITT for New Tube for London (NTFL) Rolling Stock	29-Dec-15	25-Feb-15	-	●	

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
New Tube for London	55	-5	Following the recent reorganisation by the Chief Operations Officer, the programme is now expected to be supported by existing line management, supplementing the operational upgrades.



Unistrut bracket installation at Vauxhall station

The Vauxhall station upgrade will reduce congestion and queuing, increasing station capacity, reducing the risk of unplanned station closures. The project will deliver additional gate line and ticket hall capacity and step-free access from ticket hall to platform level.

Milestone variance ▲

Financial variance ●

Vauxhall Station Upgrade

With ownership of the bus station lift and subways being transferred from the London Borough of Lambeth to TfL, upgrade works have commenced on these areas. Vauxhall station is a major interchange with the bus network, National Rail, river services, and walkers and cyclists. This modernisation, in a key regeneration area, will increase capacity, add step-free access, reduce congestion and deliver a new control facility to manage additional gate lines and a larger ticket hall.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
11.1	34.3	35.1	0.8 ▼ 2.3%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Vauxhall Station Capacity & SFA - Bring Into Use (SFA Lift and Stairs)	23-Oct-15	18-Nov-15	-5	▲	Minor impact to end date as the programme is optimised - the project is working to recover to target



Completion of mid-concourse floor and wall tiling at Chancery Lane

The Station stabilisation programme (SSP) undertakes station-wide asset stabilisation for more than 70 stations across the network. This scope is currently being changed to better support Crossrail and other capacity upgrades.

Milestone variance ●
Financial variance ●

Station Stabilisation Programme (SSP)

A new network-wide stations strategy is being implemented to take advantage of a variety of opportunities including commercial development initiatives, capacity upgrades and integration with Crossrail. Both the remit and prioritisation of the SSP programme is changing to support this strategy. Between 30 and 35 stations will receive an enhanced scope, with the remaining stations being deferred until after 2018.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
66.8	440.8	163.6	-277.2 ▲-62.9%	The programme is only partially authorised with authority being granted on an annual basis so that a three year forward cover is authorised.

Programme milestones forecast

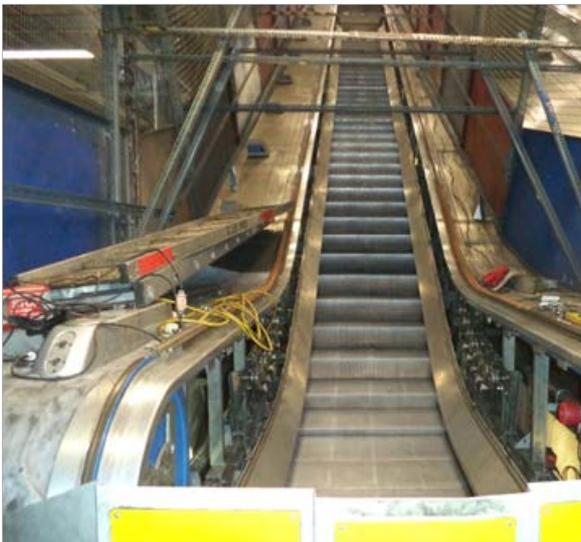
Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Population of Workbank Complete Liverpool Street	18-Jul-14	20-Jun-14	-	Complete	
Start On Site - Harrow on the Hill	18-Aug-14	02-Jun-14	-	Complete	
Finish On site - Chancery Lane	28-Nov-14	07-Nov-14	-11	●	Minor delay due to re-prioritisation of works but the project remains ahead of target.
Finish On site - Baker Street	31-Mar-15	03-Mar-15	10	●	
MAID Mandatory Asset Information Deliverable Approved - Baker Street	09-Oct-15	09-Apr-15	12	●	
Finish On Site - Farringdon	31-Aug-15	10-Nov-14	-4	●	Minor delay in clearing site - but still substantially ahead of plan with no impact asset performance.
Practical Completion Embankment Station	02-Feb-15	01-Dec-14	0	●	

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Stations Stabilisation Programme	59	51	8	-16	Re-profiling since the Business Plan prioritisation and a cost increase on Embankment and Earl's Court projects have reduced the in-year forecast spend.

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
Stations Stabilisation Programme	441	-3	The Farringdon Train Shed Roof works is now reported separately and the EFC changed to align.



Canada Water escalator installation

The lift and escalator portfolio delivers the cyclical renewal of lifts and escalators to ensure safety critical systems are functional and compliant with standards and legislation, as well as preventing the degradation of assets through whole life asset management decisions /modelling.

Milestone variance ▲

Financial variance ●

LU Lifts and Escalators

Work on eight escalators and the lift at Waterloo station were completed on time or early, bringing them back into use for customers. Work has commenced on a further eight escalators and three lifts with the lift at Canary Wharf being brought back into service post Quarter two ahead of target.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
25.0	56.2	59.4	3.2 ▼ 5.7%	Due to the annualised nature of the programme rephasing of South Kensington Escalators 1-5 by two periods and Angel Escalator 4 being deferred into 2015/16 has meant EFC is lower than the current authority.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Kilburn Park E2 Return To Service	18-Aug-14	02-Jun-14	25	Complete	
Waterloo E24 - Bring into Use (BIU)	27-Oct-14	29-Sep-14	-	●	
Euston E3 - BIU	26-Nov-14	15-Oct-14	14	●	
BIU - Embankment Esc 5-8	29-Nov-14	01-Nov-14	-	●	
Hyde Park Corner E1 - BIU	01-Dec-14	03-Nov-14	-	●	
Elephant & Castle - BIU L6	31-Oct-14	13-Nov-14	-44	▲	Start of lift 6 has been impacted by delays to lift 5. There is a requirement to commence replacement of lifts 3&4 in November. The plan is now to refurbish lift 6 while the replacement of lift 1 takes place. This would save the station from the potential of having three lifts out at one time and drastically minimise disruption to the public.
Bond St E3 & 5 BIU	25-Jan-15	20-Nov-14	9	●	



Tottenham Court Road station's Central line interchange tunnel

The Tottenham Court Road station upgrade includes construction of a new larger ticket hall and new entrances. Five new lifts will provide step-free access from the street to all platforms and eight new escalators will serve both the Northern line and Crossrail services.

Milestone variance ●

Financial variance ●

Tottenham Court Road Station Upgrade

The overhaul to this major interchange station and gateway to one of the UK's largest retail areas, while challenging, remains on target. The new ticket hall will be partially opened in January 2015, which will allow major structural works to start on the Central line platforms. Once complete, the station will be fully accessible and far more spacious. It will also be an interchange station for Crossrail from 2018.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
362.2	485.0	538.0	53.0 ▼ 10.9%	EFC lower than authority due to efficiency savings made on the project.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Section 3 Completion (Consolidated Piling)	19-Sep-14	06-Aug-14	20	Complete	
Completion of Phase I (Partial Opening of Ticket Hall)	31-Mar-15	12-Jan-15	-	●	
TCR - New Passenger Facilities Open - (Annex B: 2016)	20-Nov-16	09-Sep-16	-	●	



Bond Street station shaft | excavation works

The Bond Street station upgrade includes a new station entrance on Marylebone Lane, step-free access to all platforms, a connection with Crossrail and new escalators serving the north end Jubilee line.

Milestone variance ●
Financial variance ●

Bond Street Station Upgrade

The Jubilee line platform strengthening works are progressing well and due to be returned to passenger service in December 2014. Once complete the works at Bond Street will relieve congestion and prepare it for the forecasted increased growth as Crossrail becomes operational in 2018 and more customers use the station for commuting and leisure travel.

Excavation for the new northern escalators and the northern tunnels concourse enlargement has been completed. This will provide the Jubilee line with new lifts and escalators improving accessibility providing step-free access from street to platform.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
207.6	307.8	307.6	-0.2 ▲ -0.1%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Close escalators 1 & 2 for tunnelling	28-Apr-14	01-Feb-14	-	Complete	
Early hand back Jubilee Line Platforms, Escs 6,7,& 8, 3,4 ,& 5, into public use	02-May-15	24-Dec-14	-2	●	
Over Site Development Frame to be handover to Developer	28-Apr-17	06-Oct-16	-8	●	
Bond St Station Upgrade - Practical completion (Annex B:2017)	28-Apr-17	30-Mar-17	-6	●	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Tunnelling Set Up Decommissioned	28-Sep-15	-248	The tunnelling construction methodology was revised to maintain the overall project programme but end date remains unaffected.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Bond Street	43	30	13	-42	Variance is due to the rephasing of risk to cover contractors (Costain Laing O'Rourke) incentivisation contract renegotiation.



Temporary propping of the LU box at Bank station

The Bank Waterloo & City project will deliver a new station entrance at Walbrook Square, connecting the redevelopment which will be known as Bloomberg Place to the existing Waterloo and City concourse.

Milestone variance ■

Financial variance ●

Bank Waterloo & City

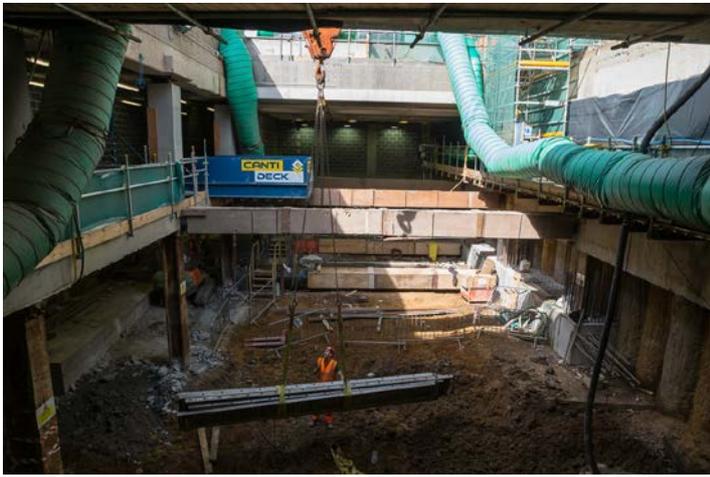
In August the contract for the design and build for the station fit-out was awarded to Hochtief UK Ltd and design work has now commenced to provide direct access to the Waterloo & City line and step-free access to Bank station.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
20.4	57.4	58.0	0.6 ▼ 1.0%	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Bank Stn (W&C) - Bring Into Use (Stage 5) (Annex B:2015)	31-Dec-15	-573	Developer's programme has now stabilised with no further delay and currently intends to hand over to LU early in August 2015. LU is now revising its programme to establish a new forecast date.
Contract Award for Implementation Works	03-Feb-14	-182	Milestone has now been achieved.



Victoria station north ticketing hall lifting operations

The Victoria station upgrade will provide a new underground ticket hall and entrance at Bressenden Place and Victoria Street. The existing ticket hall will be enlarged. Work also includes nine new escalators, the provision of step-free access to the station and improved connections with National Rail services.

Milestone variance ▲

Financial variance ●

Victoria Station Upgrade

Work at Victoria Underground station, which sees more passengers each year pass through its gates than Heathrow, continues to plan.

The ground stabilisation jet grouting was successfully completed with almost 2,200 jet grout columns constructed to stabilise the poor ground ahead of tunnelling. This is the first large-scale use of jet grouting for tunnel construction in the UK and the project has been shortlisted for the New Civil Engineer International tunnelling awards.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
351.3	604.6	677.4	72.8 ▼ 12.0%	Efficiency savings have resulted in forecast EFC significantly below authority. Following TfL Board approval for District & Circle platform works, power supply upgrades and ventilation works are included in the EFC.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Shaft 29 (Allington Street) complete	13-May-14	21-Oct-13	-	Complete	
Ground Treatment Complete	11-Nov-14	11-Sep-14	195	Complete	
North Ticket Hall Civils Complete	13-Mar-15	28-Nov-14	12	●	
North Ticket Hall, access to Vic Line, LFEPa Shaft (Sectional Completion S1) - DIS (Annex B:2016)	23-Oct-16	09-Jan-17	-9	▲	Development of mitigation actions and schedule re-sequencing to recover to target is underway.
South Ticket Hall and remainder of VSU works (Sectional completion S4) - DIS (Annex B:2018)	04-Jun-18	17-Oct-17	29	●	



Bank station capacity project delivers additional platform stairs and concourse capacity for Northern line platforms through the provision of a new southbound running tunnel, additional interchange capacity between lines and a new entrance on Cannon Street.

Milestone variance ●
Financial variance ●

Bank Station Capacity

A redevelopment of this critical interchange serving the financial centre of London is required to reduce congestion and improve journey times through the station. Step-free access to the Northern line is one of the large-scale improvements being delivered as part of this work.

The application for the Transport and Works Act Order (TWAO) for the scheme was successfully submitted to the Secretary of State for Transport on 9 September 2014, who will consider whether a public inquiry is to be held. To avoid any delay to the scheme, the detailed design is progressing together with other enabling works that do not require TWAO powers.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
105.5	562.9	177.5	-385.4 ▲-68.5%	Project is currently only partially authorised but EFC covers the whole project.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Submit for Transport & Works Act Order (TWAO)	27-Aug-14	14-Aug-14	26	Complete	
Completion of all designs to Compliance to specifications	23-Feb-16	23-Feb-16	-	●	
TWAO Grant of Powers	15-Jun-16	21-Apr-16	-	●	
Start on Site - Bank	16-Jun-16	21-Apr-16	-	●	
New Ticket Hall Open to Public	14-Sep-21	25-Aug-21	-	●	
Works to relieve station congestion on the Northern Line at Bank Complete (Annex B:2021)	31-Dec-21	31-Dec-21	-	●	

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Bank Station Capacity	46	34	11	-33	Re-profiling of the contractor's (Dragados) costs as the Transport and Works Act Order works are brought forward.



Whitechapel Station, Durward Street shaft under construction.

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.

Milestone variance	●
Financial variance	●

Crossrail London Underground Works

The first Crossrail services between Liverpool Street and Shenfield will start in 2015, and will be managed by the MTR Corporation (Crossrail) Limited. Trains will begin running through the new core tunnel in 2018, and the whole network will be up and running in 2019, adding 10 per cent to London's rail-based public transport capacity. The LU delivered works include general enabling works as well as integrating Crossrail operations into existing facilities.

The temporary Station Supervisor's Office was bought into use at Liverpool Street. The technical design for the Stations Operations Room was approved by Crossrail and the ITT was issued for the test facility.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
218.5	301.0	249.3	-51.7 ▲-17.2%	The EFC exceeds current authority due to the inclusion of future uncommitted expenditure not yet instructed by a Crossrail purchase order. This includes business plan items of £13.9m (unapproved)

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
LU Support Complete for Crossrail Trial Running Stations (Central Section)	28-Feb-19	31-Dec-18	-	●	

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
Crossrail (LU)	301	6	New scope for the Crossrail Ticketing machines and tackling Tidemark issues between Crossrail and LU stations £13.9m arising from Business Plan prioritisation.



Baker Street to Bond Street tunnel lining works

The Baker Street to Bond Street tunnel lining project will remediate 215 meters of the concrete tunnel lining rings that are showing signs of deterioration on this section of the Jubilee line.

Milestone variance ●
Financial variance ▲

Baker Street to Bond Street Tunnel Lining

Since physical works commenced, a total of 137 rings have been successfully installed out of the 359 rings that need to be replaced. 40 were replaced in Quarter two.

To further improve on the current safe systems of work in place, a bespoke Proximity Alert System was effectively trialled on the Segment Handling Plant to give an audible alarm when people enter the exclusion zone around the Plant. Full implementation of this system is planned during Quarter three.

The project has also been shortlisted in four categories of the International Tunnelling & Underground Space Awards 2014 which take place in December.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
23.1	35.7	34.4	-1.3 ▲-3.6%	Project is seeking savings to align EFC back to Authority

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Replace 100 No of Baker Street to Bond Street Tunnel Rings	28-Nov-14	28-Jun-14	125	Complete	This milestone was achieved ahead of schedule as the team has sought to improve productivity by negotiating additional closures and engineering trains. The Project is also improving productivity by incorporating an independent ring-build, a two stage ring-build and negotiating later return paths to increase access time during engineering hours.
Replace 150 No of Baker Street to Bond Street Tunnel rings	31-Mar-15	10-Oct-14	172	●	The 150 ring milestone is likely to be achieved early because of the continuing efforts to improve productivity by using the independent ring-builds and negotiation of additional closures. Milestone completed post quarter.

Significant quarterly milestones movement

Milestone Description	Target Date	Q2 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Replace 150 No of Baker Street to Bond Street Tunnel rings	31/03/2015 ●	10-Oct-14	172	See above.

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
Bond Street to Baker Street Tunnel Lining	■	4	1	The project is seeking savings which will align the EFC with Authority.



The Northern Line Extension will extend the Northern line Charing Cross branch from Kennington to Battersea, with two new stations at Nine Elms and Battersea Power Station. The project is enabling a massive regeneration of the Vauxhall Nine Elms Battersea (VNEB) Opportunity Area.

Milestone variance ●
Financial variance ●

Northern Line Extension

The contract was formally signed by Ferrovial Agroman Laing O'Rourke (FLO) on 4 September 2014 as the successful bidder of the main design and build works for the extension of the Northern line from Kennington. Works include two new stations at Nine Elms and Battersea Power Station and 3.5km of new track will connect residents and businesses in this regeneration area to the Tube network. The extension is expected to reduce pressure on Vauxhall station and provide relief to the existing Northern line south of Kennington. The new infrastructure will grant wider access for the area, to leisure and employment opportunities and support the creation of 25,000 new jobs and the delivery of 16,000 new homes.

FLO are working with the developer and their architects to assess the impact and reach a consensus on new designs put forward by the Battersea Power Station Development Company for the buildings which will be founded upon the new station at Battersea.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
68.6	982.5	1,044.0	61.5 ▼ 6.3%	Authority includes all identified risks whereas the EFC includes only a subset of the whole. The difference is held within the contingency forecast. Also initial savings have been made on the main Design and Build.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Complete tender evaluation with recommendation to Rail and Underground Board	27-Jun-14	21-May-14	-	Complete	
Award Main Design & Build contract	11-Aug-14	08-Aug-14	3	Complete	
Commence baseline monitoring	15-Sep-14	15-Sep-14	-	●	Milestone achieved post quarter.
Commence Detailed Design & Build Design	01-Dec-14	03-Nov-14	-	●	
Commence defect surveys	08-Dec-14	10-Nov-14	-	●	
Programme Manager accepts Construction Phase Plan	15-Dec-14	17-Nov-14	-	●	
Award Tunnel Boring machine contract	30-Jan-15	05-Dec-14	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q2 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Commence utility diversions (gas and electric) at Nine Elms	06/02/2015 ●	09-Aug-14	118	Completed ahead of schedule to meet the Land and Works Agreement to install a new gas supply for Covent Garden Market Association at Nine Elms.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Northern Line Extension	94	144	-50	35	EFC rephased to future years while contract negotiations were ongoing prior to contract award on 4 September.

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
Northern Line Extension	983	-4	Savings on main Design & Build contract offset by target efficiency for the increased risk provision.



The Northern line upgrade programme involves the replacement of life-expired signalling assets that date back to the 1960s, with a brand new Automatic Train Control (ATC) signalling system. The programme also includes the replacement of some conductor rail and track.

Milestone variance ●
Financial variance ●

Northern Line Upgrade

Following the introduction of the new timetable which has provided an additional two trains per hour on the central branches during peak hours and three trains per hour during off peak services throughout the line, the programme continues working to achieve the 20 per cent uplift to capacity ahead of the December 2014 milestone.

Work includes track related activities such as rail grinding to remove defects, as well as software upgrades for the signalling systems and improvements to the axle-counters to enable the speed increase on key parts of the line to support the capacity improvement.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
274.8	383.2	464.4	81.2 ▼21.2%	An increase in the Gain Share on the Thales Target Price has further reduced the EFC.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All Northern Migration Area (NMA) dirt clearance signed off for commissioning	10-Apr-14	07-Apr-14	-	Complete	
Ready for Operational Proving NMA6 (Edgware to Belsize Park)	09-Aug-14	30-May-14	-	Complete	
In Revenue Service NMA6 (Edgware to Belsize Park)	25-Aug-14	02-Jun-14	-	Complete	
Re-railing completed (All NMAs)	14-Dec-14	14-Dec-14	-	●	
Grinding work completed all NMAs	14-Dec-14	14-Dec-14	-	●	
Northern Line Upgrade complete, delivering 20% increase in capacity	31-Dec-14	31-Dec-14	-	●	



Northern line train before and after refurbishment

The programme will deliver mid life refurbishment of the 63 trains on the Jubilee line and 106 trains on the Northern line. The refurbishment will improve ambience and preserve fleet saloon condition to meet residual life and accessibility requirements.

Milestone variance ▲
Financial variance ●

Jubilee and Northern Line mid life Refurbishment

64 of 106 Northern line trains have now been refurbished, improving ambience, increasing accessibility and preserving performance of the fleet.

There are a further 63 trains on the Jubilee line that will also be refurbished, with the contract to carry out this work due to be let in February 2015.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
17.7	56.7	67	10.3 ▼18.2%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Complete fitment of 50 Northern line trains	30-Jul-14	27-Jun-14	3	Complete	
Northern line Complete fitment of 80 trains	30-Nov-14	30-Nov-14	-	●	
Award "key" contracts for Jubilee line rolling stock midlife fit out	28-Feb-15	28-Feb-15	-	●	
Close out of the Jubilee line rolling stock Transmission Based Train Control fit out project	30-Mar-15	30-Mar-15	-	●	
Northern line Complete fitment of 106 trains	28-Feb-15	03-Apr-15	-	▲	The current date predicting completion of 106 trains is early April 2015 and this does not impact revenue service. No mitigation is planned at this stage as further efficiencies are expected from the refurbishment of 80 to 90 trains.
Commencement of midlife fit out on Jubilee line trains	31-Mar-15	31-Jul-15	-123	■	Due to the later commencement of Northern line refurbishment there is an impact on commencing the fit out of Jubilee line trains. There is no impact on the revenue service anticipated at this time.

London Rail



Twin tracking works

This programme of works will address congestion on services between Therapia Lane and Wimbledon. Single track sections between Beddington Lane and Mitcham Junction will be twin tracked. An additional platform and new tram infrastructure at Wimbledon will be delivered, and four new trams will increase capacity.

Milestone variance ●
Financial variance ●

London Tramlink Wimbledon Line Enhancement

The twin tracking works between Beddington Lane and Mitcham Junction have commenced and are progressing well and the works planned for the weekend closure in September 2014 were successfully completed; focus is now on preparing for the nine day blockade at the end of October 2014.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
10.4	30.0	30.0	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Commencement of site works	22-Feb-15	22-Feb-15	-	●	

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Wimbledon Line Enhancements	13	21	-8	39	The Project was re-baselined due to the late handover of the cleared site. The Power upgrade was reprogrammed as further scoping was required together with financial rephasing of milestone payments.



Aerial view of Silwood sidings

This project will upgrade the existing London Overground rolling stock to five carriages capable of selective door opening. The upgrade will include a number of infrastructure changes to depots and stabling, platforms, signalling and electrification.

Milestone variance ●

Financial variance ●

London Overground Capacity Improvement

The new sidings at Silwood opened in early September 2014 and are in full operation with 10 four car units being stabled overnight. Work also continues to prepare the facilities at the New Cross Gate and Willesden Depots for a five car train configuration. Along with adding a fifth carriage to increase space by 25 per cent, these improvements should ease congestion on our London Overground network

The platform extension at Canada Water station was completed and work started on a further eight stations along the North London line.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
96.2	174.7	174.7	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
First East London line 5 car unit in operation on the East London line	31-Dec-14	05-Nov-14	56	●	

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Overground Capacity Improvement	77	97	-20	21	The forecast spend for 2014/15 has been reduced to reflect the movement of both power and risk budgets back into 2015/16.



Kensal Rise station site set up

The London Overground Stations Capacity Programme will expand capacity and relieve congestion during peak periods, by improving station access points, accessibility for passengers with reduced mobility, station ambience and reduce dwell times. Priority stations include; Kensal Rise, South Tottenham, Hackney and Crystal Palace.

Milestone variance ●

Financial variance ●

London Overground Stations Capacity Programme (LOSTAT)

As one of the stations identified for improvement, the old station building at South Tottenham has been demolished opening the site for construction of the new station entrance which should help relieve congestion, improve accessibility and enhance the customer experience. The Finchley Road and Frognal concept design package has been submitted to Network Rail for approval; modifications to these stations include the installation of lifts and footbridges to reduce dwell time and ease over crowding.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
4.1	33.5	29.3	-4.2 ▲ -12.5%	Approval not yet sought for remaining budget on the LOSTAT project.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Submit concept design package for Finchley Road & Frognal to Network Rail	15-Sep-14	15-Sep-14	-	Complete	

Crossrail



Bombardier class 345 rolling stock

The Crossrail route will pass through 40 stations from Reading and Heathrow in the west, through new twin-bore 21 km (13 miles) tunnels to Shenfield and Abbey Wood in the east.

When Crossrail opens it will increase London's rail-based transport network capacity by 10%, supporting regeneration and cutting journey times across the city. Crossrail services are due to commence through central London in 2018.

Milestone variance ●

Financial variance ■

CRL

At the end of Quarter two Crossrail remains on time and within the funding envelope of £14.8bn with cost performance and schedule performance holding steady over the quarter.

At the end of July TfL awarded the £1.4bn contract to operate Crossrail services to MTR Corporation (Crossrail) Limited. The contract will be for eight years with an option to extend to 10 years. MTR will start running the services between Liverpool and Shenfield from 31 May 2015, taking over the existing stopping services and initially using the current trains.

On 9 September, CRL announced that it will award the contract for the fit-out of Woolwich station to Balfour Beatty Group Limited. The £70m contract also covers the fit-out of the two portals at North Woolwich and Plumstead at either end of the Thames Tunnel where Crossrail trains will surface. Work will begin later in September and the new station will open in 2018, when up to 12 trains an hour will link Woolwich with Canary Wharf, central London and Heathrow.



On 23 September, CRL announced that the c. £28m contract for the provision of platform screen doors has been awarded to Knorr-Bremse Rail Systems (UK) Limited. The contract covers the installation of full-height platform screen doors at Paddington, Bond Street, Tottenham Court Road, Farringdon, Liverpool Street, Whitechapel, Canary Wharf and Woolwich Crossrail stations.

Crossrail anchor milestones forecast

Anchor Milestones 2014/2015	MCSO6 Baseline Early Date	MCSO6 Baseline Late Date	Actual / Forecast	RAG	Commentary
Achieved					
C350 – Pudding Mill Lane - Handover of DLR station after Easter possession to DLR	23-Apr-14	23-Apr-14	18-Apr-14	Complete	
C435-Farringdon Eastern Ticket Hall top down construction to Level -4	31-May-14	22-Jun-14	06-Jun-14	Complete	
Network Rail – Stockley Flyover 50% complete	31-Dec-14	31-Dec-14	30-Jun-14	Complete	
C300 - Handover both eastbound and westbound running tunnels in Paddington Box zone	15-Jul-14	16-Jul-14	01-Jul-14	Complete	
C310 - Thames Tunnel – dismantle and remove eastbound TBM	25-Jul-14	05-Dec-14	11-Jul-14	Complete	
C405 - Paddington station - complete concourse slab	06-Oct-14	27-Oct-14	14-Jul-14	Complete	
TfL - Crossrail Train Operating Concession contract award	28-Nov-14	20-Apr-15	30-Jul-14	Complete	
C512 – Whitechapel – handover Durward Street Shaft to C510 station tunnels	14-Aug-14	14-Aug-14	12-Aug-14	Complete	
C631 - Execute contract for Platform Screen Doors	01-Aug-14	21-Nov-14	23-Sep-14	Complete	
Scheduled					
C620 - Complete ERTMS level 3 migration plan	29-Sep-14	30-Dec-14	29-Sep-14	●	Achieved post quarter.
C310 – Enable access for C610 systemwide contractors at Plumstead	29-Sep-14	28-Aug-15	10-Oct-14	●	Achieved post quarter.
Network Rail - Stage B1 Abbey Wood Interim Station Complete	04-Jan-15	25-Jan-15	27-Oct-14	●	
C501 - Liverpool Street - Moorgate Shaft excavation complete and provide access to C510 station tunnels	28-Nov-14	30-Nov-14	28-Nov-14	●	
C512 – Whitechapel - Complete Phase I Durward Street Shaft / Handover to C510 station tunnels for escalator installation	06-Jan-15	31-Mar-15	20-Jan-15	●	
ENG - Complete all Interim Design Overviews	30-Jan-15	31-Mar-15	11-Mar-15	▲	
TBM tunnels 100% complete	31-Mar-15	14-Apr-15	29-Mar-15	●	

MCSO6 – Crossrail Master Control Schedule version 6 RAG Key

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

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

Surface Transport

Hammersmith Flyover Strengthening.....	39
Transport for London Road Network (TLRN) Capital Renewal Programme.....	41
Elephant & Castle Northern Roundabout	42
Better Junctions core programme.....	44
Cycle Superhighways	45
Cycling Mini Hollands.....	47
Central London Cycling Grid.....	48
Cycling Quietways.....	50
Safety Camera Replacement Programme.....	52
Road Space Management SCOOT	54
London Road User Charging (LRUC) and Traffic Enforcement Notice Processing (TENP) Contract re-let Project	56
New Routemaster.....	57

Surface Transport

Investing in assets

This £1.8bn portfolio will bring our assets up to a good state of repair. This will help maintain and in some cases improve network performance, increase customer satisfaction and minimise whole life costs. The key programmes it contains are the Structures and Tunnels Investment Programme, which includes Hammersmith Flyover strengthening and Transport for London Road Network (TLRN) capital renewals.



Installation of a concrete anchor block onto the flyover

The A4 Hammersmith Flyover Phase 2 works involve strengthening the whole structure, renewal of the deck waterproofing, modification and renewal of the drainage system and replacement of the bearings and expansion joints.

Milestone variance ■

Financial variance ▲

Hammersmith Flyover Strengthening

Project costs have increased significantly due to realisation of a number of key risks and issues.

The additional strengthening of the bearing pit walls and bases to rectify the poor condition of the existing concrete has continued. This is required before the structure can be lifted to replace the life expired bearings, which are located at the base of the 15 piers. The main post tensioning works have started, with the installation of 43 of the 192 anchor blocks from which the strengthening cables will be tensioned.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
43.7	93.0	76.8	-16.2 ▲ -17.4%	Due to the realisation of a number of key foreseen project risks and unforeseen issues, an increase in EFC of £16.2m (to a total of £93.0m) is required. A request to fund this from the transfer of centrally held management contingency will be made at a forthcoming F&PC meeting.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Central reservation works completed	10-Jul-14	10-Jun-14	-	Complete	
Bearing installation completed	31-Dec-14	30-Jul-15	-211	■	Due to risks being realised, this milestone has been substantially delayed. The bearing replacement works have been resequenced to mitigate delays to the finish on site milestone, which remains on target though will be challenging.*
Finish on site completed	30-Aug-15	30-Aug-15	-	●	
Project close completed	27-Nov-16	27-Nov-16	-	●	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Bearing installation completed	31-Dec-14	-211	*As above.

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
Hammersmith Flyover Strengthening	▲	21	16	As per programme financial forecast commentary.

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
Hammersmith Flyover Strengthening	93	21	As per programme financial forecast commentary.

Year end spend forecast v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Hammersmith Flyover Strengthening	58	46	12	-26	*As above.



A406 five lanes Eastbound at High Road Bridge

Capital Renewals maintain the physical infrastructure of the TLRN in a state of good repair, including carriageways, footways, structures, tunnels, lighting, drainage, green estate and street furniture. The programme consists of activities that lengthen the life of an asset either by repair or renewal.

Milestone variance ●
 Financial variance ●

Transport for London Road Network (TLRN) Capital Renewal Programme

Delivery in Quarter two was ramped-up to deal with below forecast delivery in quarter one. Good progress has been made on carriageway, lighting and structures, with carriageway resurfacing almost back to forecast after being 70,000m² down in quarter one. Quarter two included 36,000m² of resurfacing on the A406, shown above. Footway delivery is behind forecast due to slower than anticipated turnaround of designs and more stringent network access requirements – the programme has been re-profiled and targets will be achieved.

A number of factors, including slower than forecast contractor delivery and road space availability, have contributed to a more back-ended programme than intended, or indeed last year. In 2013/14 quarter four circa £2m of carriageway works that were ready-to-go in 2014/15 quarter one were brought forward to 2013/14 quarter four to make use of additional DfT funding and the necessary re-profiling was slow. Caution is advised on the certainty of achievement of full year targets given the road space required to deliver the remaining works.

As this is a rolling programme, it is being reprofiled over a two to three year horizon and process improvements are in place to reduce lead in time.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
16.4	57.7	58.8	1.1 ▼ 1.9%	

Programme volume delivery

Output	Unit	Annual Target	YTD Actual	YTD Forecast	Commentary
Carriageway resurfacing	m2	560,000	181,380	207,054	32% of annual target achieved.
Footway resurfacing	m2	55,370	10,702	33,540	19% of annual target achieved. A slower than anticipated turnaround of designs and more stringent lane rental, permitting, and environmental requirements have impacted delivery. Full year target will be achieved.
Lighting columns	Nr.	1,000	323	927	32% of annual target achieved.
Luminaires renewed	Nr.	1,900	1,039	1,649	55% of annual target achieved.
Vehicle restraint barriers	km	13	3	7	23% of annual target achieved.
Bridges repaired	Nr.	37	9	0	24% of annual target achieved
Pumping station upgrades	Nr.	12	5	1	42% of annual target achieved.

Major Highways Enhancements

This is a £600m portfolio to transform London's streets and deliver recommendations from the Mayor's Roads Task Force. It will deliver major projects to improve the road network for all road users and support developments in key opportunity areas. In addition to Elephant & Castle Northern Roundabout, projects include Wandsworth Gyrotory removal and Vauxhall Cross, which are at early stages of development.



Elephant and Castle final artist's impression of the proposed northern roundabout

Elephant & Castle Northern Roundabout project is part of the Roads Task Force initiative to improve the poor performance of the roundabout. It will address safety issues, provide enhanced pedestrian and cycle facilities along with high quality urban realm, making Elephant & Castle a place not a traffic island.

Milestone variance ●
Financial variance ●

Elephant & Castle Northern Roundabout

Concept design has been completed reflecting changes from consultation responses and traffic modelling. Urban realm consultation has commenced with stakeholder workshops and a full public consultation will commence in November 2014. A London Highways Alliance Contract (LoHAC) contractor has been appointed to carry out advanced works and a preliminary design which will progress to detailed design.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC (£m)	Authority (£m)	Variance to Authority	Commentary
0.7	24.4	1.0	-23.4 ▲ -95.9%	Further authority will be sought in December 2014 to allow the award of the main construction contract.

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
Elephant and Castle Northern Roundabout	24	-6	Utility diversion costs have been agreed at a significantly lower cost. The project delivery phase has been brought forward, reducing the EFC by £1.5m.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Public consultation on urban realm proposals	07-Jul-14	07-Jul-14	-	Complete	
Completion of concept design	30-Sep-14	23-Sep-14	7	Complete	
Completion of detailed design	17-Mar-15	17-Mar-15	0	●	
Commencement of main works	11-Apr-16	13-Apr-15	364	●	Delivery brought forward following meeting with LU regarding advance work for the Northern Line ticket hall upgrade, which will no longer significantly impact the highway works.
Completion of main works	02-Jun-17	01-Apr-16	427	●	
Completion of construction stage	26-Sep-17	22-Jul-16	431	●	
Project close	18-Jan-18	18-Jan-18	0	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q2 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Commencement of main works	11/04/2016 ●	13-Apr-15	364	Delivery brought forward following meeting with LU regarding advance work for the Northern Line ticket hall upgrade, which will no longer significantly impact the highway works.
Completion of main works	02/06/2017 ●	01-Apr-16	427	
Completion of construction stage	26/09/2017 ●	22-Jul-16	431	

Cycling

This £913m portfolio is delivering the Mayor’s ‘Vision for Cycling’ which will transform conditions for cyclists and enable a 400 per cent increase in cycling compared to 2001 levels. It contains a balanced portfolio of TfL delivered infrastructure enhancements on the TLRN, such as Cycle Superhighways and Better Junctions, infrastructure delivered by the London Boroughs such as the Central London Grid and Quietways, and non-infrastructure measures such as the continued operation of the Barclays Cycle Hire scheme.



Better Junctions will provide better cycling and walking facilities, and urban realm improvements at 33 high-profile junctions. Outdated gyratory junctions will be removed and new traffic control technology introduced to improve safety for vulnerable road users facilitating a modal shift to cycling.

Milestone variance ●
Financial variance ●

Better Junctions core programme

There are 33 Better Junctions locations which will be significantly improved to make them safer and less threatening for cyclists. Where these locations are on planned Cycle Superhighways, these improvements will be delivered through the Cycle Superhighways programme. Where locations coincide with other major projects or provide opportunity for wider transformational change, these improvements will be delivered as part of standalone major projects (eg Elephant & Castle Northern Roundabout). Therefore, the Better Junctions core programme covers the 16 locations which will not be improved by Cycle Superhighways or standalone major projects.

Public consultation on the Oval Scheme has completed and construction will start in December 2014. Concept designs for Old Street, Stockwell and Archway are progressing with public consultation planned to commence in quarter three. A feasibility design is being carried out for improvements at Westminster Bridge southern roundabout which will link to Cycle Superhighways East-West. Options to improve cycling routes at Tower Gateway are also being investigated.

Feasibility work completed to date at Marble Arch, Old Street and Nags Head gyratories has indicated the potential to also deliver wider transformational changes. If confirmed, these will be separated into standalone major projects and the budgets transferred accordingly.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
13.7	95.0	28.4	-66.6 ▲ -70.1%	Further project authority will be sought as each project progresses.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Start on site commenced – Oval	15-Dec-14	08-Dec-14	-	●	
Consultation and concept design complete – Archway	15-Dec-14	15-Dec-14	16	●	
Complete reviews of 8 original Better Junctions	31-Dec-14	31-Dec-14	-	●	
Complete reviews of 9 original Better Junctions	31-Dec-15	31-Dec-15	-	●	



Proposed Cycle Superhighways East-West at Parliament Square

Cycle Superhighways will deliver cycle routes 1, 2, 4, 5, 11, East-West, North-South; extensions to Routes 2 & 5 and upgrades to Routes 2, 3, 7 & 8. This will provide a safe, fast, direct, continuous and comfortable way of getting into and across central London by bicycle.

Milestone variance ■

Financial variance ●

Cycle Superhighways

Work continues to deliver radial cycle commuter routes from outer to central London.

Delays to the start and extensions to the close of public consultations are compressing the construction schedule for key routes due for delivery by May 2016.

Public consultation for Cycle Superhighway Route 5 Inner completed on 14 September, with construction planned to start in April 2015. Public consultation on the Cycle Superhighways East-West and North-South started on 3 September 2014 and will close on 9 November 2014, consultation on Cycle Superhighway Route 2 Upgrade started on 23 September and closes on 2 November 2014; subject to the outcome of the consultation, construction is planned to start in early 2015 on these routes. Public consultation on Cycle Superhighway Route 1 is due to start in December 2014.

The detailed design on Cycle Superhighways East-West, North-South, Route 1, Route 5 Inner and Route 2 Upgrade continues, and will take full account of the findings of the public consultation, when each consultation closes. Construction workshops are planned with key stakeholders to inform the costs, schedule and phasing of the works in 2015 and 2016, subject to consultation findings.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
44.1	121.3	66.6	-145.7▲ -68.6%	The current authority reflects works underway and being designed. Further authority will be sought to enable construction.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
CS2 (Ext.) Completion of construction	01-Jul-14	13-Jul-14	-	Complete	
NS Start of detailed design	01-Sep-14	01-May-14	-	Complete	Detailed design process will be ongoing to take full account of findings from public consultations.
EW Start of detailed design	01-Sep-14	30-May-14	-	Complete	
CS2U Start of detailed design	01-Sep-14	30-Jun-14	-	Complete	
CS1 Start of detailed design	01-Sep-14	25-Jul-14	-	Complete	
CS4 Start of detailed design	01-Sep-14	01-Dec-15	-	■	The programme has been rebaselined following agreement with the sponsor and Cycling Commissioner.
CS11 Start of detailed design	02-Mar-15	02-Mar-15	-56	●	
CS3, 7 & 8 Upgrades - start of detailed design	02-Mar-15	02-Mar-15	-182	●	
CS5 (Ext.) Start of detailed design	01-Mar-17	01-Mar-17	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q2 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
CS3, 7 & 8 Upgrades - start of detailed design	02-Mar-15	02-Mar-15	-182	The programme has been rebaselined following agreement with the sponsor and Cycling Commissioner.



Computer generated image of a potential Mini-Holland scheme

Three Boroughs – Enfield, Kingston and Waltham Forest – have been selected for full mini-Holland status. The aim is to move significant numbers of suburban car journeys, which are often short and highly cyclable, on to the bike.

Milestone variance ●
Financial variance ●

Cycling Mini Hollands

Business cases have now been received from Kingston and Waltham Forest. LB Enfield officers have requested a four week extension. A TfL PMO review of the Mini-Holland programme is currently underway and a programme-level business case is being prepared.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
0.8	100.0	2.4	-97.6▲ -97.6%	An authority paper will be submitted to the November Surface Board to request additional project authority for design and delivery of the first tranche of schemes in each Borough.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Delivery programme confirmed	30-Jun-14	13-Jun-14	-	Complete	
Business cases submitted to Surface Board for each borough	31-Oct-14	18-Nov-14	-	▲	Due to a four week extension requested by LB Enfield officers.



2016 Central London Grid

The Grid will deliver a network of well connected, safe cycle routes across central London. The routes are predominately on quieter, low-trafficked roads with limited infrastructure which link to the major routes, such as the East-West and North-South Cycle Superhighways.

Milestone variance ●
Financial variance ●

Central London Cycling Grid

The Grid network will be made up of Cycle Superhighways and “Quietway” routes. Cycle Superhighways are characterised by heavier infrastructure and tend to be high capacity cycle routes on major roads. The Quietway elements of the Grid typically feature more limited infrastructure on specially selected quiet, low-trafficked streets. These links will be delivered by the relevant managing authorities: the inner London Boroughs, the Royal Parks and Canal River Trust, plus TfL where Quietways intersect with TLRN. These new routes will build on the existing cycle network shown on the TfL London Cycle Guides.

Of the c.200km Grid network consulted on in December 2013, 85km has been prioritised for delivery by 2016. The prioritised routes are those which best support demand, provide a good network density, meet the key principles of level of service and directness, and deliverability criteria. Project authority has been secured for the first wave of delivery, and TfL is working closely with the eleven Delivery Partners to agree scope, and monitor and control progress against quality and cost parameters.

Scheme specifications and cost estimates will be reviewed by TfL when preliminary designs are complete, to allow benchmarking and value engineering. Construction will be undertaken using the LoHAC framework contractors or by the Delivery Partner’s own selected contractors. Whilst each scheme within the Grid will be unique and appropriate to the location in question, steps are being taken to ensure a consistent and integrated approach to the design and signage across the Grid. TfL has a key coordinating role to ensure the network is cohesive throughout on-highway and off-highway sections, and through borough boundaries. A branding and wayfinding strategy is being developed and will be applied across the Grid. This will provide cyclists with uniform and consistent information via new road markings and signposts, ensuring routes are clearly visible and intuitive.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.3	54.5	16.7	-37.8▲ -69.4%	Authority approved to begin Phase 2 design and construction and the design for Phase 3 future works. Further authority will be sought as the programme progresses.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Construction started of Phase 1 quick win schemes	01-Jul-14	01-Apr-14	-	Complete	
Phase 1 delivery completion	31-Dec-14	31-Dec-14		●	
Phase 2 first designs complete	01-Oct-14	01-Oct-14		●	(Achieved post quarter two.)
Phase 2 approval to commence construction	01-Oct-14	01-Oct-14		●	(Achieved post quarter two on 24 September.)
Phase 2 delivery completion	01-Dec-15	01-Dec-15		●	
Phase 3 design completion	15-Jun-15	15-Jun-15		●	
Phase 3 approval to commence construction	30-May-15	30-May-15		●	
Phase 3 delivery commencement	15-Oct-15	15-Oct-15		●	
Phase 3 delivery completion	31-Dec-16	31-Dec-16		●	



Example of Quietways type intervention in the London Borough of Enfield

The Quietways programme will deliver a pan-London network of high-quality, well-signed cycle routes on low-traffic back streets and off-street sections designed to overcome the most important barriers to cycling and targeted at less confident cyclists and those who prefer a more relaxed journey.

Milestone variance ●

Financial variance ●

Cycling Quietways

Route Delivery Plans for the first two Quietways (Waterloo to Greenwich and Bloomsbury to Walthamstow) are complete and design is in progress. Designs have been received and reviewed from the London Boroughs of Hackney, Lambeth, Camden and Islington, Southwark, Lewisham, Greenwich and Waltham Forest. These routes are due to launch in spring 2015. The Quietways wayfinding system, toolkit and design guidance is in development and TfL is due to share proposals with Delivery Partners in October and November 2014. Route Delivery Plans for the next five routes have been completed for delivery by May 2016. An authority paper was submitted to the September Surface Board for an additional £13.76m of project authority to deliver the first two routes, design the next five routes, and prepare Route Delivery Plans for the next tranche. This will include delivery of a further 15 Quietways and five discrete major interventions to break down the barriers to cycling (This authority paper was approved post Quarter two).

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC (£m)	Authority (£m)	Variance to Authority	Commentary
0.7	121.7	0.9	-120.8 ▲ -99.3%	An authority paper was submitted to the September Surface Board for an additional £13.76m (and approved post quarter end).

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
Cycling Quietways	122	6	Increase of £7m EFC due to transfer of the infrastructure component of Cycle to School Partnerships into Quietways. Consistency across both outcome and activity supports a combined delivery programme.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Construction started of first Quietway Route	01-Sep-14	17-Nov-14	-	▲	Delayed following consultation with the Boroughs. The schedule for delivery has been refined as the route alignment took longer than planned to agree, which in turn delayed the start the detailed design of the route and resources constraints within the boroughs needed to be taken into account.
Detailed design of QW Waterloo to Greenwich completed	01-Jun-14	31-Oct-14	-	■	Delayed following consultation with the Boroughs. The schedule for delivery has been refined as the route alignment took longer than planned to agree, which in turn delayed the start the detailed design of the routes.
Detailed design of QW Bloomsbury to Walthamstow completed	01-Jul-14	31-Oct-14	-	■	
Completion of the 8 Route Delivery Plans	30-Sep-14	30-Sep-14	-	●	The Project Authority paper sought to clarify that when the milestone was set between 6 and 8 Routes were under consideration, it is now confirmed as 7.
OJEU contract awarded	01-Oct-14	15-Oct-14	-14	▲	Additional financial clarifications were requested as required by OJEU process.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Detailed design of QW Waterloo to Greenwich completed	01-Jun-14	-152	The schedule for delivery has been refined following agreement of the route alignment. Programme to be re base lined as part of next authority submission.
Detailed design of QW Bloomsbury to Walthamstow completed	01-Jul-14	-122	

Road Safety Investment

This £260m portfolio will improve the safety of London's roads and achieve the Mayor's target of a 40 per cent reduction in the number of people killed and seriously injured by 2020 (from a 2005-09 baseline). This includes the safety camera replacement programme, road safety engineering schemes on the TLRN and educational campaigns.



New digital safety cameras on the A41 in Barnet

The Safety Camera Replacement programme will replace existing wet film speed and red light safety cameras with digital cameras. This will improve efficiency and enhance the safety benefits they have provided to date.

Milestone variance ▲
Financial variance ●

Safety Camera Replacement Programme

The main objective of this programme is to maintain the existing road safety benefits currently realised by wet film cameras. Research shows that cameras can help to reduce the number of people killed or seriously injured (KSI) by as much as 58 per cent. These new cameras can also enforce against vehicles breaking the speed limit while going through green traffic lights, helping to further improve safety at junctions. By the end of quarter two, 50 of 248 red light cameras have been replaced, with a plan to replace the remaining cameras by October 2016.

Next quarter will see the start of upgrades to the Capital's 349 wet film speed cameras with spot speed digital cameras. These new digital cameras can monitor speed in both directions when located on the central reserve, providing a wider enforcement area. In addition, there are four trial locations of average speed cameras on the A40, A406, A316 and A2. These cameras should help to further reduce the number of KSIs on these roads.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
4.0	36.6	36.6	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All installation contracts awarded	26-Jun-13	15-Jul-14	0	Complete	
Red light speed camera installation started	16-Jun-14	19-May-14	28	Complete	
Average speed camera installation started	15-Oct-14	15-Oct-14	-	●	(Completed post quarter two.)
Spot speed camera installation started	15-Oct-14	15-Oct-14	-	●	
Project close approved at Surface Board	31-Mar-17	31-Mar-17		●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q2 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Project close approved at Surface Board	31-Mar-17 ■	31-Mar-17	-101	Extension of lots 1 and 3 standstill period followed a request for information from an unsuccessful bidder in relation to a possible legal challenge over the contract award decision, which delayed issuing the contract for signature by 5 weeks. In addition, the original project close milestone target has been realigned to include a more realistic timetable to complete the necessary governance process following the physical completion milestone.

Keeping London moving

This £400m portfolio is designed to maximise the performance of the road network, mitigate the impacts of road space reallocation and accommodate London's growth. This will be delivered through an expansion of SCOOT traffic signal technology as well as bus priority and intelligent traffic systems programmes which are at earlier stages of development.



Magnetometer used as part of SCOOT installation

The Road Space Management Split Cycle Offset Optimisation Technique (SCOOT) programme is enabling new technology on London's traffic signals. At completion, 75% of London's traffic signals will be upgraded with this technology.

Milestone variance ▲

Financial variance ●

Road Space Management SCOOT

The overall programme to deliver SCOOT technology to 1,500 traffic signal sites is on track following the delivery of 200 enabled sites 6 days ahead of the milestone of 30 September 2014.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
7.4	57.1	21.1	-36.0 ▲ -63.0%	Authority is less than EFC as the authority is being released in tranches. Full authority will be sought in January 2015 ready for the next tranche of work to begin in financial year 2015/16.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
200 sites commissioned	31-Mar-14	11-Jul-14		Complete	
Enabling completed for 200 sites	30-Sep-14	30-Sep-14		Complete	(Completed post quarter two.)
Designs completed for 600 sites (cumulative)	31-Dec-14	31-Dec-14		●	
Snagging and paperwork completed for 80% of sites commissioned	31-Mar-15	31-Mar-15		●	
600 sites commissioned (cumulative)	31-Mar-15	28-Jun-15	-89	▲	Interim milestone of 537 sites commissioned by 31/03/15 has been agreed by Surface Directors.*
Enabling completed for 1500 sites (cumulative) (Annex B: 2018)	30-Sep-18	30-Sep-18		●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q2 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
600 sites commissioned (cumulative)	31 Mar-15 ▲	28-Jun-15	-89	*As above.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
600 sites commissioned (cumulative)	31 Mar-15	-89	*As above.

Service operations & environment

This portfolio directly supports Surface Transport service delivery through contract re-lets, business transformation and delivery of operational infrastructure. It also delivers improvements to air quality and the natural environment, reducing CO2 and noxious emissions and the impacts of noise.



Congestion Charging signage

The London Road User Charging (LRUC) and Traffic Enforcement Notice Processing project will re-let the LRUC contracts consolidating and simplifying the services after the expiry of current contracts as well as extend the current contract to enable alignment of the service contracts.

Milestone variance ●

Financial variance ●

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

System development is progressing and system integration testing is due to commence in November 2014. However, the contractor Capita has reported concerns about its ability to meet one of the key 'Development Complete' milestones in March 2015. TfL is working with Capita to determine the extent of the slippage and agree action to be taken to mitigate the impact.* The successful delivery of service transition remains on track, with the TENP services due to go-live on 22 June 2015, and the LRUC services on 1 November 2015. In the interim, Capita has realised an opportunity to novate the existing contract with IBM to themselves which occurred on 6 September 2014. This now allows Capita early access to LRUC data, staff, systems and processes ahead of the planned service transition on 1 November 2015. It is anticipated that this opportunity will help Capita de-risk key LRUC transition activities such as data migration, staff training and cut-over planning.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
21.7	72.2	77.0	4.8 ▼ 6.6%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
System design complete - CC & Low Emission Zone (LEZ) (Lot 1)	30-Jun-14	12-Jun-14	18	Complete	
Application deployed in system test environment	15-Aug-14	15-Aug-14	-	●	(Completed post quarter two.)

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Service system in pre-production	15-Nov-14	15-Nov-14	-	●	
Traffic Enforcement Notice Processing system development complete	30-Mar-15	30-Mar-15	-	●	
Traffic Enforcement Notice Processing go-live	22-Jun-15	22-Jun-15	-	●	
LRUC service proving complete	30-Sep-15	30-Sep-15	-	●	*At risk (see commentary above).
Business Operations service go-live	01-Nov-15	01-Nov-15	-	●	
Enforcement Operations service go-live	01-Nov-15	01-Nov-15	-	●	



New Routemaster beside Tower Bridge

New Routemaster (NRM) will deliver 600 New Routemaster buses by the end of April 2016. They will be built by Wrightbus in Ballymena to the same generic design as the prototypes that were introduced onto route 38 in February 2012.

Milestone variance ●
Financial variance ●

New Routemaster

Route 8, the eighth route launched successfully on 28 June. There are currently 260 NRMs vehicles deployed in Central London following the conversions of routes 8, 9, 10, 11, 24, 38, 148 and 390. By the end of 2014, TfL expects 45 NRMs will have the new ultra-low-emission Euro VI engine, which is expected to cut oxides of nitrogen.

TfL has awarded the new contract for route 55/N55, which starts in February 2015, to Stagecoach. The number of NRM buses rolled out for service will pass the 300 mark by mid-point of the programme when Route 453 from Marylebone Station to Deptford Bridge converts in October 2014. The tenth route is on course for conversion in December 2014.

A request to increase programme scope by 200 NRMs as part of the existing contract has been requested by the Commissioner. This change to the original scope was approved post Quarter two at the TfL Board in November.

Programme financial forecast

Spend to end Quarter 2, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
110.3	285.5	219.9	-65.6 ▲-23.0%	EFC has increased from £220.0m at Q1 for 200 additional NRMs.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Conversion of tenth route	31-Dec-14	31-Dec-14	-	●	
Build completion of vehicle no. 450	30-Jun-15	30-Jun-15	-	●	The dates for the deliveries of buses will be revised if request to F&PC for £70.9m is granted.
Delivery of 600 buses into service	30-Apr-16	30-Apr-16	-	●	

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
New Routemaster	■	30	66	EFC has increased from £220.0m at Q1 for 200 additional NRMs. A request for £70.9m additional project authority is being submitted to F&PC in October and TfL Board in November.

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

Project Name	Project EFC (£m at Q2)	% change since Q1 2014/15	Variance Commentary
New Routemaster	286	30	EFC increased by £70.9m in Q2 forecast for 200 additional NRM's. Risk of £4.1m released at Q2. Route 137 (40 buses) will be Euro V, not Euro VI engines.

Financial Performance

Photo: Tottenham Court Road station ticket hall concourse flooring installation

Financial performance

1.1 TfL's investment programme continues to perform well. Year-to-date investment expenditure is £75m under Budget, a variance of less than eight per cent. Over the full year, expenditure is now forecast to be almost exactly inline with Budget, with a variance of less than £3m.

Table 1: Investment programme financials as of Quarter 2, 2014/15

TfL group (£m)	Year to date		Full year 2014/15			
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 2 forecast	Variance to Budget	
London Underground	(707)	50 ▲	(1,542)	88	63 ▲	4%
London Rail	(87)	31 ▲	(232)	0	21 ▲	8%
Surface Transport	(223)	(8) ▼	(624)	(29)	(31) ▼	5%
Corporate directorates	(55)	2 ▲	(165)	(11)	(56) ▼	51%
Total TfL investment	(1,072)	75 ▲	(2,563)	49	(3) ▼	0%

1.2 In the year to date, TfL is £75m under Budget due to a combination of: acceleration of £34m expenditure, where work has been brought forward from later this year and future years; net change in project scope of £46m; £241m of rephasing to later this year and future years – this represents a timing difference in expenditure – and the release of £100m of overprogramming to partly offset project rephasing.

Table 2: Investment programme causal analysis, Year to date variance to Budget, 2014/15

TfL group (£m)	Year to date variance to Budget
Acceleration	(34) ▼
Change in scope	(46) ▼
Inflation	2 ▲
Rephasing	241 ▲
Savings and efficiencies	2 ▲
Release of overprogramming and contingency	(100) ▼
Other	10 ▲
Total	75 ▲

1.3 London Underground investment expenditure is £50m lower than Budget in the year to date, due to:

- £30m under Budget on the Sub-Surface Rail upgrades (SUP) due to a combination of slippage on the ATC programme pending the contract re-let and accelerated delivery of new trains into the 2013/14 financial year, Offset slightly by increased costs on Depots.
- Infrastructure renewals are £24m lower than Budget, mainly due to £24m of rephasing of the rail grinding project and Deep Track Renewal (DTR) Renewals. £14m of Civils and Earth Structure and JNP Track works have been re-phased, and the latter being due to a combination of Ballasted Track Renewal (BTR) rephasing and the removal of Point & Crossing Renewals and drainage works from the delivery plan. Additionally £2m of Backup Control centre works have been rephased due to the impact of ATC re-let. This was partially offset by £17m for additional project scope – which was approved following the 2014/15 Budget – including the Rolling Contact Fatigue project, a new plant management strategy
- Station upgrades, Crossrail and third-party works are £17m lower than Budget due to £11m of rephasing of the Bank congestion relief project, £5m of re-phasing into next year on the Victoria station upgrade due to Jet Grouting delays and the Power Control Room strike, and £4m of tunnelling contractor design delays at Vauxhall station which are anticipated to recover this financial year. This was partly offset by £11m higher than expected expenditure on Bond Street mainly due to £8m rephasing resulting from contract renegotiation
- Legacy Train Systems are £9m lower than Budget, a result of rephasing of Automated Track Monitoring, 72TS Life Extension works following project approval and slippage on W&C 92TS Bearing Replacement project as the ramp up from 4 to 8 units a week has been delayed due lack of train availability
- World Class Capacity costs are £12m lower than Budget, mainly due to the re-profiling of risk for the Northern Line Upgrade 1
- Northern Line Extension costs are £11m higher than Budget, due the earlier than expected accounting recognition of property purchases
- Non-capital investment works are £34m lower than Budget, due to a combination of rephased works including Fit for the Future – Stations, Reliability and Value, and Sustainability projects into future years
- Project rephasing has been offset by the release of £93m contingency and project overprogramming

1.4 London Rail are £31m under Budget in the year to date. This is mainly due to rephasing of £20m of Crossrail rolling stock expenditure to later this year, £8m from rephasing of London Overground Capacity Improvement Programme (LOCIP) and £5m on the Wimbledon trams purchase, construction costs and power upgrades and other minor movements. This rephasing has been partly offset by the release of £13m of overprogramming.

1.5 Surface Transport investment expenditure is £8m higher than Budget in the year to date, primarily due to £9m of additional works on Borough roads and bridges. Slippages included £5m for capital renewals, £4m on the SCOOT traffic signals programme and £4m on Quietways detailed design, were offset by overprogramming.

1.6 Investment expenditure across the Corporate directorates is almost in line with Budget in the year to date.

1.7 Over the full-year, TfL's total investment expenditure is forecast to be in line with Budget, with a variance of less than £3m from a total programme of over £2bn.

Table 3: Investment programme causal analysis, Quarter 2 full –year forecast variance to Budget, 2014/15

TfL group (£m)	Full-year Quarter 2 forecast variance to Budget
Acceleration	(92) ▼
Change in scope	(18) ▼
Inflation	5 ▲
Rephasing	216 ▲
Savings and efficiencies	32 ▲
Release of overprogramming and contingency	(147) ▼
Other	1 ▲
Total	(3) ▼

1.8 London Underground investment expenditure is now forecast to be £63m lower than Budget at the year end, with the key changes including:

- £60m lower than Budget on the SSR upgrade expenditure, due to slippage on the ATC programme pending contract re-let
- £50m lower than expected costs on the Northern Line Extension, due to rephasing of expenditure to future years following the stations and infrastructure contract award
- £40m lower than Budget on non-capital investment, including the rephasing of Fit for the Future Stations, Reliability and Value, and Sustainability projects into future years
- £28m less than Budget for World Class Capacity costs, mainly on the Northern Line Upgrade 1, from the rephasing of £17m of risk and £13m of Jubilee line upgrade works

- £17m under Budget on Infrastructure Renewals due to savings on four Civils worksites and reduction of Earth structure works, re-phasing of JNP Track works and the impact of the Power Control Room (PCR) strike, and re-profiling of Backup Control centre works due to revised SUP Programme. Additionally Track is (£10m) over Budget comprising of additional scope for the Rolling Contact Fatigue project, approved since budget, and increased volumes on BTR Renewals and Drainage works, offset by re-phasing of DTR Renewals and unapproved works into next year
- £13m under Budget on Legacy Train Systems due to rephasing of 72TS Life Extension and W&C 92TS Bearing Replacement works
- £11m under Budget on Delivery Partner due to rephasing of risk
- £11m over Budget on Stations Upgrades, Crossrail & 3rd Party mainly due to £13m over on Bond Street from re-profiling of risk and contract renegotiation offering greater delivery incentives
- Release of £174m of investment overprogramming and £28m of contingency in London Underground

1.9 London Rail capital expenditure is now forecast to be £21m lower than Budget over the full year, mainly due to rephasing of LOCIP works to next year.

1.10 Surface Transport are forecast to be £31m higher than Budget, due to £17m of accelerated expenditure, including Fore Street Tunnel and Hogarth Flyover, where main works started earlier than expected, and a change in scope on the Cycle Hire Transformation. Hammersmith Flyover costs have increased by £9m due to the due to poor state of concrete in bearing pits.

1.11 Corporate directorates investment is forecast to be £56m higher than Budget over the full year, due to the acceleration of £66m for the Earl's Court joint venture which has been brought forward from later years of the Business Plan. The Earl's Court joint venture was approved by the Board in February 2014 and is progressing in line with approval. A further £24m has been accelerated into this year, including property purchases for Camden, along with projects including Payment Card Industry Data Security Standards, Future Ticketing and the Operating Support System in CEM&C. This has been offset by £12m of property development and IM project costs rephased into future years and £19m rephasing of project contingency and other minor movements.

Variance Definitions and Key

Programme financial forecast

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

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

Programme Milestones

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

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

Significant late milestones

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

Significant quarterly milestone movements

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

Overall milestone variance RAG

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

EFC exceeds authority (more than 2.5 per cent)

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

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

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

Year end Spend Forecast v Budget

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