



Transport for London

# Operational and Financial Performance Report

First Quarter 2013/14

# Operational and Financial Performance Report - First Quarter, 2013/14

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## Key

### Financial tables

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-  Financial variance is positive: e.g. less expenditure or higher income than Budget
  -  Financial variance is negative by less than 5%: e.g. more expenditure or less income than Budget
  -  Financial variance is negative by more than 5%: e.g. more expenditure or less income than Budget
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### Delivery, customer performance tables

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-  Performance is better than target. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time
  -  Performance is worse than target by less than 5%. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time
  -  Performance is worse than target by more than 5%. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time
- 

All tables are subject to rounding

# Operational and Financial Performance Report – First Quarter, 2013/14

## Quarter 1 (Periods 1-3), 1 April 2013 – 22 June 2013

### Executive summary

#### Delivery

##### Reliability

Reliability	Quarter 1	Variance to Target
LU: lost customer hours	4.6	-1.2▼
LU: excess journey time	4.84	-0.55▼
Buses: excess wait time	1.0	-▶
DLR on-time performance	99.5	2.5▲
London Overground PPM	96.8	2.6▲
TLRN reliability	89.4	0.5▲

Reliability levels continued to improve across most transport modes during Quarter 1: London Underground lost customer hours are down 1.2 million against target and is set to reach the Mayor's targeted 30 per cent reduction by 2015; DLR on-time reached a record high of 99.5 per cent, drawing on the legacy of the 2012 Games. London Overground reliability was 2.6 points better than target. TLRN reliability was also above target, with reduced numbers of serious and severe unplanned incidents, more off-peak working on major works and the continuing rollout of SCOOT traffic flow technology. Bus excess wait time was on target and 0.1 points better than last year.

#### Value

##### Financial summary

£m	Year to date	Variance to Budget	Full year variance to Budget
Fares income	918	2▲	-9▼
Other income	143	5▲	-19▼
Operating expenditure	-1,266	35▲	-69▼
Group Items	-64	24▲	37▲
Net capital expenditure	-323	61▲	121▲
Crossrail expenditure	-421	-19▼	-179▼
<b>Financed by:</b>			
DfT grants	466	1▲	4▲
GLA precept	1	-▶	-▶
Business rates retention	224	39▲	-▶
Other revenue grants	4	-1▼	2▲
Crossrail funding sources	488	2▲	1▲
Working capital	61	10▲	-10▼
Net borrowing	417	85▲	-▶
Cash and reserve movements	525	-242▲	121▼

Fares income was £2m higher than Budget in Quarter 1, with both London Rail and buses ahead of Budget, offsetting the downside on London Underground. The full-year forecast is down £9m against Budget, largely reflecting a downside of £28m in London Underground, driven by lower than forecast yield as passengers choose to make better use of travel cards. This is partly offset by higher forecasts on buses and London Overground.

Operating expenditure (net of third-party contributions) was £35m lower than Budget over the quarter, primarily from rephasing of London Underground stations and signals work, and from London Highways Alliance Contracts (LOHAC), to later this year. Over the full year, operating expenditure is forecast to be £69m over Budget. The single largest driver of this is the transfer of the Bus Services Operators' Grant (BSOG) payments of £46m from Group items, which has no net effect on TfL's financial position.

Net capital expenditure (excluding Crossrail) is £61m under Budget in Quarter 1. This is driven by unutilised risk on the Victoria Line upgrade, some delays and rephasing on the Sub-Surface Railway (SSR) upgrade, and rephasing on the Barclays Cycle Hire Expansion and Intensification scheme. Over the full-year, capital expenditure is forecast to be

£121m under Budget, from the rephasing of commercial property costs, roads structures and tunnels expenditure, and Barclays Cycle Superhighways to future years. Property sales are £12m under Budget in the quarter, a result of delays following local planning objections and an assessment of TfL's opportunities to maximise commercial potential. Crossrail capital expenditure is £19m over Budget in the quarter, largely from increased property acquisition costs.

## Cash balances

£m	Year to date	Variance to Budget	Full year variance to Budget
Crossrail SFA	1,607	-2 ▼	-128 ▼
Other TfL	2,809	243 ▲	7 ▲
<b>Closing cash</b>	<b>4,415</b>	<b>242 ▲</b>	<b>-121 ▼</b>

Cash balances at the end of Quarter 1 were just over £242m above Budget. This is driven from the £108m year-to-date favourable activity variances, favourable grant movements of £41m from timing differences, positive working capital movements of £10m and £85m higher borrowings than anticipated, the latter forecast to revert to the Budget position as short-term debt matures over the coming year. TfL's cash position is expected to worsen over the course of the year, with the latest full-year forecast showing a £121m downside from the Budget position. This reflects the full-year activity variances coupled with minor unfavourable working capital movements.

Over the following years, TfL will use its cash balances (while maintaining a prudent minimum) to fund the investment outlined in TfL's Business Plan. During 2013/14, TfL will update its long-term business plan, taking into account the long-term impacts of the reduction in government grants announced in the 2013 Spending Review.

## Efficiencies

£m	Year to date	Variance to Budget	Full year variance to Budget
Efficiencies	67	1 ▲	26 ▲

In Quarter 1 the net position for the efficiencies programme is £1m better than target. The full-year forecast is now £163m, £26m better than the 2013/14 budget. These savings are in addition to the £9.8bn of savings already secured.

## Customer

### Passenger journeys

Million	Quarter I	Variance to Target
London Underground	284.7	5.9▲
London Buses	549	2▲
DLR	23.2	0.3▲
London Overground	31.5	2.7▲
Tramlink	7.1	0.1▲
Emirates Air Line	0.4	0.0▶

Passenger demand continues to grow over most forms of transport. During the quarter, Buses experienced the highest number of passengers in any one week since the 1960s, two million journeys above target. Demand is especially high on the Overground, with journeys up almost three million against target and up 21 per cent on the same quarter last year, reflecting the success of the new South London orbital line. Demand on London Underground continues, with almost six million more journeys than target.

Cycling index	Quarter I	Variance to Target
Cycling levels on TLRN*	298	-19▼

Cycling levels in London were 6 per cent below target but 5 per cent higher than last year. Long-term cycle use remains high and is forecast to increase further with the implementation of TfL's cycling vision for London.

### Customer satisfaction and complaints

CSS score	Quarter I	Variance to Target
London Underground	83	2▲
London Buses	84	2▲
DLR	86	4▲
London Overground	82	2▲
Tramlink	89	3▲
Emirates Air Line	93	8▲
Dial-a-Ride	91	-1▼

Customer satisfaction levels remain high. London Underground customer satisfaction is two points over target for the quarter, maintaining the levels seen during most of last year, although experiencing a one point drop from its peak in the previous quarter. Bus satisfaction scores are also two points over target, reaching their highest levels since the survey began in 1999/2000, with specific improvements highlighted including reduced journey time and bus wait times. Satisfaction levels are also high on the Emirates Air Line, at eight points ahead of target, and on the DLR which exceeds the Quarter I target by four points.

Complaints per 100,000 journeys	Quarter I	Variance to last year
London Underground	1.08	-0.64▼
London Buses	2.03	-0.20▼
DLR	3.55	1.09▲
London Overground	2.81	-2.41▼
Tramlink	2.25	-0.23▼
Congestion Charge	12.00	-2.64▼
Barclays Cycle Hire	7.96	2.16▲
Dial-a-Ride †	96.17	-19.01▼

Customer complaints for most TfL services are down from the same quarter last year. London Underground, London Overground, Congestion Charge and Dial-a-Ride have seen the greatest rate of improvement; Overground continues to have the lowest complaints rate of any train operating company in the country. Complaints for buses are at their lowest level to date.

Complaints for the DLR and Barclays Cycle Hire are up since Quarter I last year. DLR complaints predominantly relate to ticket vending machines; since the increase, software has been upgraded and extra machines have been provided at busy stations. The increase in Cycle Hire complaints largely relates to those unhappy with the location of docking

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

† Per 100,000 journey requests

## Safety and security

Recorded crime ‡	Quarter I	Variance to Target
LU and DLR	8.7	-0.5▲
London Buses	8.0	-0.8▲

Safety	Quarter I	Variance to Target
Cumulative reduction in killed and seriously injured§	-28.4	-5.6▲

stations in south-west London.

Crime levels continue to fall across the TfL network, with a three per cent fall on the London Underground and DLR, and over an eight per cent drop on the buses from last year. The British Transport Police (BTP) have put in place additional measures to counter the increase in theft experienced in 2012/13, which are now beginning to take effect.

The number of killed and seriously injured was almost six points better than target and 13.5 points down on the comparable quarter of 2012/13, with the long-term forecast set to reduce casualties by 40 per cent by 2020.

## People

FTE	Quarter I	Variance to Budget
London Underground	20,840	-272 ▲
London Rail	193	8 ▼
Surface Transport	3,202	-181 ▲
Corporate	3,281	12 ▼
Crossrail	812	-81 ▲
<b>Total TfL</b>	<b>28,328</b>	<b>-514 ▲</b>

TfL employed 28,328 full-time equivalent (FTE) staff (excluding those on maternity leave) at the end of Quarter I, 514 fewer than Budget. The single largest driver of the variance is over 300 unfilled vacancies across TfL. Over the course of the year, this position is expected to reverse, from filling roles that are currently vacant, new roles for additional project work that was set out in the 2013/14 Budget, and from bringing the PFI Powerlink contract in house. The latter is expected to bring in cash savings over the course of TfL's long-term business plan.

‡ Recorded crime per million passenger journeys

§ Cumulative percentage reduction from a baseline of the 2005–2009 average

# Delivery

## Reliability

Performance indicator	Unit	Quarter 1, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Quarter 1 Forecast	Variance to target	Variance to last year	2010 – 2014
<b>▼ lower is better</b>								
London Underground: total lost customer hours	Millions of hours	4.6	-1.2▼	-2.3	25.0	0.0▶	2.2	
London Underground: excess journey time	Minutes	4.84	-0.55▼	-0.73	5.68	0.0▶	0.41	
London Buses: excess wait time	Minutes	1.0	0.0▶	-0.1	1.0	0.0▶	0.0	
TLRN: serious and severe disruption	Hours	430	n/a▶	n/a	2,030	0.0▶	-220	
<b>▲ higher is better</b>								
DLR: on-time performance	%	99.5	2.5▲	1.4	97.0	0.0▶	-1.8	
London Overground: public performance measure	%	96.8	2.6▲	0.4	94.2	0.0▶	-2.4	
Emirates Air Line: availability	%	96.9	0.4▲	n/a	96.5	0.0▶	2.3	
TLRN: journey time reliability (AM peak)	%	89.4	0.5▲	0.5	89.5	0.0▶	0.3	

1.1 London Underground and London Rail both achieved unprecedented levels of service and performance during the 2012 Games which was reflected in the exceptional full-year performance results in 2012/13. At the time of setting the 2013/14 TfL Budget, it was expected that there would be a slight lowering of performance levels following the exceptional circumstances of 2012/13, when TfL halted all capital works, paid additional bonuses to frontline staff, and deployed almost 4,000 travel ambassadors across the travel network. Performance results since the Budget indicate this has not been the case and the high levels of operational performance seen during 2012/13 continue into 2013/13 as TfL embeds the legacy of the 2012 Games.

1.2 London Underground Lost Customer Hours (LCH), at 4.6 million, was 21 per cent lower than target in Quarter 1, showing a 30 per cent improvement from the same quarter last year. Staff and Asset related LCH have reduced by almost 40 per cent, while customer related disruption has only reduced by five per cent. The continuing trend is part of the ongoing improvements being delivered by the London Underground Reliability Programme; work includes replacing point machines with new, more robust designs to reduce the number of failures. London Underground continues to implement this programme to meet the Mayor's commitment to reduce delays by 30 per cent by 2015.

- I.3 London Underground excess journey time averaged 4.84 minutes in Quarter 1; this was half a minute better than target and nearly three quarters of a minute better than the same quarter last year. A quarterly comparison of trains excess performance shows a 0.39 minute improvement, which is largely due to absence of industrial action on the Bakerloo line, although there were also improvements on the Victoria and District lines due to a reduction in the impact of asset failures. The only line to record a notable increase in quarterly trains excess was the Central line where excess journey time increased by 0.22 minutes, due primarily to a rise in attempted suicides. Excess access, exit and interchange times increased by 0.04 minutes this quarter compared to last, due to the combination of rising customer demand and reduced station capacity associated with a reduction in lift and escalator availability. There was also a 32 per cent reduction in the impact of planned line closures between Quarter 4 of last year and Quarter 1 this year.
- I.4 Excess wait time on buses was on target in Quarter 1, despite the serious disruption caused by the closure of Notting Hill Gate for water main repairs.
- I.5 TLRN serious and severe disruption levels were driven primarily by the reduction in duration of unplanned disruption hours. There were only 387 unplanned hours compared to 523 last year, when the figure was unusually high owing to the long-term and severe impact from the closure of Hammersmith Flyover.
- I.6 On-time performance on the DLR in Quarter 1 was above target for all routes, resulting in record performance of 99.5 per cent. This is 2.5 points better than target and exceeds Quarter 1 last year by 1.4 per cent. Performance during the London Marathon was a great success, with 340,000 passengers carried and on time departures reaching 99.7 per cent. DLR's continuing record performance is the result of reliability investment for the 2012 Games and the recycling of lessons learned during the Games period when over 99% of services operated on time.
- I.7 London Overground Public Performance Measure (PPM) of 96.8 per cent was up by 0.6 per cent against the previous Quarter result, and up by 0.4 per cent against the corresponding period of last year.
- I.8 Availability on the Emirates Airline was 96.9 per cent in Quarter 1, exceeding target by 0.4 per cent. High winds and closures requested by the Police and the Port of London Authority (to allow large vessels to pass underneath) accounted for the downtime.
- I.9 TLRN journey time reliability was 0.5 points better than target in Quarter 1, mostly in the north and east inbound, and south and west outbound. The overall improvement appears to have been due to a combination of reduced serious and severe unplanned incidents, more off-peak working on major works (such as Tottenham Hale) through Permitting and Lane Rental, in conjunction with the continuing roll-out of SCOOT and other corridor improvements.

## Scheduled services operated

Per cent	Quarter 1, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 1 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	98.0	0.8▲	1.2	97.2	0.0▶	-0.4	
London Buses	98.0	0.3▲	1.2	97.7	0.1▲	0.1	
DLR	99.4	1.4▲	1.7	98.0	0.0▶	-0.5	
London Tramlink	98.8	0.8▲	1.3	98.0	0.0▶	0.1	

- 2.1 London Underground Percentage of Schedule kilometres increased by 0.7 per cent to 98.0 per cent from Quarter 4 to Quarter 1, 0.8 per cent better than target and 1.2 per cent better than Quarter 1 last year. The increase since Quarter 4 is largely due to the successful resolution of industrial action on the Bakerloo line.
- 2.2 Bus scheduled services operated were better than target mostly due to a reduction in mileage losses caused by traffic delays. This was achieved despite serious disruption caused by the closure of Notting Hill Gate for water main repairs. London Buses continues to work with the bus operators to improve control of services during periods of disruption from road works, including introduction of more resilient schedules where necessary.
- 2.3 DLR's Quarter 1 performance was 1.4 per cent better than target and showed a 0.7 per cent improvement from the previous quarter. This is the fourth consecutive quarter where the level of scheduled services operated is above 98 per cent. Fewer engineering closures in Quarter 1 were reflected by a 1.7 per cent increase in scheduled services operated over last year.
- 2.4 Scheduled kilometres on London Tramlink operated at 98.8 per cent in Quarter 1, 0.8 per cent better than target and an improvement of 1.3 per cent from Quarter 1 last year. At the beginning of the quarter, a reduction in fleet availability was made to enable the installation of diagnostic software to reduce saloon door failures on identified trams. As a result, there has been a subsequent reduction in delays due to tram door failures.

## Safety and security

Performance indicator	Unit	Quarter 1, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Quarter 1 Forecast	Variance to target	Variance to last year	2010 – 2014
▼ lower is better								
LU and DLR recorded crime	Million passenger journeys	8.7	-0.5 ▼	-0.8	9.0	0.4 ▲	-0.6	
London Buses: recorded crime **	Million passenger journeys	8.0	-0.8 ▼	-0.7	8.6	0.0 ►	0.0	
LU / LR Major Injury Frequency Rate	Major injuries/ m hours	0.32	0.05 ▲	0.00	0.27	0.0 ►	0.02	-
▲ higher is better								
Cumulative reduction in KSI Londonwide ††	%	-28.4	-5.6 ▲	-13.5	-21.3	0.0 ►	-4.4	-
Vehicles operated by FORS accredited companies ††	No.	108,970	3,970 ▲	-	162,300	0 ►	67,101	-

- 3.1 The rate of crime per million passenger journeys on the bus, LU and DLR networks in Quarter 1 of 2013/14 was better than target (by 9.1 per cent and 5.4 per cent respectively) and an improvement on the same period last year (by 8.0 per cent and 8.4 per cent respectively).
- 3.2 Crime on the LU and DLR network was three per cent lower in Quarter 1 than the same period last year, meaning 62 fewer offences. Notable reductions were seen in theft of railway property (51.4 per cent), motor vehicle and cycle offences (32.3 per cent), criminal damage (25.4 per cent) and serious public order (13.7 per cent). The British Transport Police (BTP), which has responsibility for policing the LU and DLR networks, has put additional measures in place to deal with the increase in theft experienced in 2012/13, which are now starting to take effect. These include the redeployment of officers to theft hotspots, a new crime reduction and awareness campaign, and targeted police enforcement activity against organised thieves operating on the network as part of Operation Magnum. Theft of passenger property, the highest volume crime for LU/DLR, was 3 per cent lower in Quarter 1 compared with last year and continues to fall.
- 3.3 LU's forecast is higher than budget, which is primarily from increases in theft of passenger property offences. Exceptionally high levels of policing resources were deployed across the transport network during the 2012 Games which suppressed theft offences to levels unsustainable once the additional resources were withdrawn. This was not factored into crime rate targets when the 2013/14 Budget was set. Theft is therefore comparatively higher this year, which has put upward pressure on the overall crime figure on the LU and DLR networks.

\*\* London buses recorded crime target been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

†† Cumulative reduction from a baseline of the 2005-2009 average, December 2012 – February 2013

‡ Cumulative from 2008

- 3.4 The level of bus-related crime fell by 8.3 per cent in Quarter 1 compared with the same period last year, or 288 fewer offences. Reductions were seen in robbery (25.8 per cent), criminal damage (24.7 per cent), theft (8.4 per cent) and violence against the person offences (7.2 per cent). These results build on significant reductions in bus-related crime over recent years and reflect the work done by TfL and its policing partners (e.g. increased presence of TfL and police partners in targeted boroughs) to ensure that the bus network remains a safe, low crime environment.
- 3.5 London's Road Safety Plan, published on 6 June, established a target to reduce the number of people killed or seriously injured (KSI) in London by 40 per cent, by 2020 from the 2005-09 baseline. Provisional figures for December 2012 to February 2013 show that against this baseline the number of KSIs on London's roads was 13.5 percentage points lower than the comparable Quarter 1 of 2012/13. This forecast is on track to achieve the 2013/14 yearly target and to meet the long-term target of a 40 per cent reduction in KSIs from the baseline by 2020. Key activities to support the reduction in KSIs include Road Safety Engineering, Road Safety Enforcement, Road Safety Education and Training, and Road Safety Campaigns. Figures for 2013 are provisional and subject to change.
- 3.6 The Fleet Operators Recognition Scheme (FORS) is a unique industry-led membership scheme that is aiming to transform freight delivery in London by encouraging freight companies in London to become safer, more efficient and more environmentally friendly. FORS is a key project within the London Freight Plan providing a quality and performance benchmark for the industry, with three levels of membership: bronze, silver and gold. Its main features are recognising and rewarding excellence, raising standards, promoting sustainability and providing benefits for members such as training on the challenges of driving commercial vehicles in London.
- 3.7 In Quarter 1, FORS accreditation reached almost 109,000, with this trend forecast to continue over the full year. The scheme aims to have 256,000 vehicles operated by accredited companies by 2016. The increase is primarily a result of TfL's own contractors and a large number of external companies signing up to the scheme. These include Crossrail, London Legacy Development Corporation, MACE and Vinci.

## Value

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

A consistent table format has been adopted across the Business Plan (published in December 2012), TfL Budget for 2013/14 and OFR. This will improve in-year reporting as well as future comparisons across years.

### Operating budget §§

TfL group (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Fares income	918	2▲	4,074	4,083	-9▼
Other operating income	143	5▲	639	658	-19▼
<b>Total income</b>	<b>1,061</b>	<b>7▲</b>	<b>4,713</b>	<b>4,741</b>	<b>-28▼</b>
Operating expenditure (net of third-party contributions)	-1,266	35▲	-5,966	-5,897	-69▼
<b>Operating margin</b>	<b>-205</b>	<b>42▲</b>	<b>-1,253</b>	<b>-1,156</b>	<b>-97▼</b>
Interest income ***	4	1▲	15	14	-▶
Debt interest	-71	6▲	-323	-333	10▲
Group items	3	17▲	-33	-59	26▲
<b>Margin</b>	<b>-269</b>	<b>67▲</b>	<b>-1,594</b>	<b>-1,534</b>	<b>-60▼</b>
<b>Finances sources</b>					
General grant	252	1▲	1,094	1,091	3▲
Overground grant	7	-▶	29	28	1▲
GLA precept	1	-▶	6	6	-▶
Business Rates Retention	224	39▲	803	803	-▶
Other revenue grants	4	-1▼	22	21	2▲
<b>Total revenue grants</b>	<b>488</b>	<b>39▲</b>	<b>1,953</b>	<b>1,948</b>	<b>5▲</b>
<b>Operating contribution/ -deficit to fund investment</b>	<b>219</b>	<b>105▲</b>	<b>360</b>	<b>414</b>	<b>-55▼</b>

§§ 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 fair value adjustments for long-term investments.

\*\*\* Includes interest on the Crossrail Sponsors' Fund Account

## Capital budget

TfL group (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Capital expenditure	-337	76▲	-1,767	-1,896	129▲
Third-party contributions – capital	10	-3▼	60	70	-10▼
Sales of property and other assets	4	-12▼	67	64	3▲
<b>Net capital expenditure excl. Crossrail</b>	<b>-323</b>	<b>61▲</b>	<b>-1,641</b>	<b>-1,762</b>	<b>121▲</b>
Crossrail capital expenditure	-421	-19▼	-1,794	-1,615	-179▼
<b>Net capital expenditure incl. Crossrail</b>	<b>-744</b>	<b>42▲</b>	<b>-3,435</b>	<b>-3,377</b>	<b>-58▼</b>
<b>Finance sources</b>					
Surplus/ -deficit to fund investment	219	105▲	360	414	-55▼
Crossrail funding sources	488	2▲	2,052	2,051	1▲
Investment grant	207	-▶	895	895	-▶
Metronet grant	-	-▶	184	184	-▶
Working capital	-61	10▲	-482	-472	-10▼
Net borrowing and reserve movements	-108	-157▲	426	305	121▼
<b>Total</b>	<b>744</b>	<b>-42▲</b>	<b>3,435</b>	<b>3,377</b>	<b>58▼</b>

- 4.1 In Quarter 1, TfL's operating margin is £67m higher than Budget. This is driven from a combination of higher than budgeted fares income, lower than expected operating costs, and unutilised group-wide contingency provision.
- 4.2 This position is forecast to reverse over the course of the year, with TfL's operating margin forecast to be £60m in deficit, driven by a combination of lower than budgeted fares income, the reprofiling of commercial income into future years, and increased operating costs (partly from expenditure reprofiled from 2012/13).
- 4.3 In Quarter 1, TfL's operating contribution to fund investment was £105m higher than Budget. This was driven by the £67m favourable operating margin, coupled with a £39m upside from earlier than expected payment of Business Rates Retention, the latter forecast to return to the Budget position over the course of the year.
- 4.4 The operating contribution is forecast to reverse to a £55m deficit over the course of the year, driven by the unfavourable variance in operating margin and the unwinding of timing issues in Business Rates Retention funding.
- 4.5 In Quarter 1, net capital expenditure (including Crossrail) is £42m under Budget, driven by a combination of the release of unutilised risk provision in London Underground, slippage on the SSR

programme, some delays on Barclays Cycle Hire Extension and Intensification and on ticketing projects. This is partly offset by a £19m adverse variance in Crossrail, largely driven by property acquisitions.

- 4.6 Over the course of the year, the Quarter 1 position is also expected to reverse, largely due to increases in Crossrail project expenditure of £179m, partly offset by reprofiling of £60m commercial investment into future years.

## Fares income

Fares income (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
London Underground	511	-3 ▼	2,277	2,305	-28 ▼
London Rail	68	2 ▲	301	292	8 ▲
London Buses	339	3 ▲	1,496	1,485	11 ▲
<b>Total fares income</b>	<b>918</b>	<b>2 ▲</b>	<b>4,074</b>	<b>4,083</b>	<b>-9 ▼</b>

- 4.7 London Underground fares income in Quarter 1 was £3m (0.6 per cent) less than Budget. Whilst passenger journeys are higher than expected, the average yield per journey has fallen since the Budget was produced, as customers continue to make better use of the products available (e.g. by travelling more on their travel card). Overall year-on-year passenger growth was at 5.1 per cent, showing modest improvement from last year. However, despite increasing passenger levels, current yield levels are expected to result in full-year fares income of £2,277m, £28m (1.2 per cent) less than budget.
- 4.8 London Rail fares income was £2m higher than budget over Quarter 1. The variance was almost entirely due to London Overground which continues to perform stronger than expected, especially on the recently opened New South London Line. Both Tramlink and Emirates Air Line showed lower than budgeted income. This strong Overground performance has led to an increase of £12m in the full-year forecast, partially offset by a £4m reduction in Tramlink and Emirates Air Line Income.
- 4.9 Bus fares income in Quarter 1 was £3m (0.9 per cent) higher than Budget, reflecting 3 million (0.7 per cent) more fare-paying passenger journeys. The full-year forecast is £11m higher than Budget, with additional revenue being driven by underlying passenger growth (e.g. after stripping out the effects of strike action) and updated economic, inflationary and population projections, partly offset by discounted ticket prices for apprentices.

## Other operating income

Other operating income (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
London Underground	45	2▲	195	187	9▲
London Rail	3	-▶	22	14	8▲
Congestion Charge and LEZ	64	2▲	272	271	1▲
Barclays Cycle Hire	3	-▶	18	16	2▲
Other Surface Transport	22	-▶	95	92	4▲
Corporate	7	-▶	36	78	-41▼
<b>Total other income</b>	<b>143</b>	<b>5▲</b>	<b>639</b>	<b>658</b>	<b>-19▼</b>

- 4.10 London Underground other operating income is £2m higher than Budget in Quarter 1, primarily due to increased rental income from the early purchase of properties required for the Bank Station Upgrade, where rental space has been leased prior to the upgrade work commencing. The full-year forecast reflects this additional rental income (£6m), along with increased advertising revenues as more space is expected to be available, both of which have been transferred from Corporate.
- 4.11 London Rail full-year forecast is £8m higher than Budget, largely due to recoveries of costs contributions towards rail accessibility and development work (relating to Access for All); this is offset by associated expenditure and has no net financial impact.
- 4.12 Congestion charge and Low Emission Zone (LEZ) income in Quarter 1 was slightly higher than Budget due to increased volumes in both standard and fleet income streams. The initial six-month grace period has now ended for the majority of LEZ vehicles causing a slight increase in the number of Penalty Charge Notices (PCNs) issued. This is not anticipated to continue over the year; it is expected individuals will adjust their behaviour following receipt of a PCN.
- 4.13 Barclays Cycle Hire income in Quarter 1 was in line with Budget. The full-year forecast is slightly above Budget, reflecting sponsorship income rephasing in line with the current signed agreement and proposed extension agreement.
- 4.14 Other Surface Transport operating income was in line with Budget. Income is forecast to be £4m over the full year with the most significant movements being £1m from additional traffic enforcement Penalty Charge Notices (PCNs).
- 4.15 In the Corporate directorates, Quarter 1 other operating income was broadly in line with the budget; however, the full-year forecast is £41m lower. This is largely due to the reprofiling of £30m of commercial income into future years while TfL further develops its commercial plans for retail and property income. In addition, forecast income of £11m from advertising, property rental and other contracts was transferred to London Underground and London Rail from the Corporate directorates (see Section 4.10 above).

## Operating expenditure

Operating expenditure (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
London Underground	-484	20▲	-2,239	-2,241	3▲
London Rail	-75	4▲	-354	-353	-1▼
Surface Transport	-577	13▲	-2,763	-2,707	-56▼
Corporate	-129	-2▼	-610	-595	-15▼
<b>Total operating expenditure</b>	<b>-1,266</b>	<b>35▲</b>	<b>-5,966</b>	<b>-5,897</b>	<b>-69▼</b>

- 4.16 In Quarter 1, London Underground's operating expenditure was £20m under Budget. This was driven by £10m of delays to operations and maintenance work programmes, the deferral to 2014/15 of commissioning the Neasden bulk electricity supply point amounting to £3m, staff savings from management action to hold vacancies where possible, and cost savings on rail replacement bus programmes from changes to weekend closure schedules which require fewer replacement services.
- 4.17 Over the full-year, delays to operations and maintenance work are forecast to recover. The £3m favourable variance over the full year reflects lower traction power costs due to improved commercial deals and current year-to-date savings. These have been partially offset by the reclassification of renewals and reliability expenditure from capital to operating costs following increased clarity on the scope of works.
- 4.18 London Rail operating variance of £4m is mainly due to timing of spend on DLR vehicle maintenance costs which are expected to recover in the year and delayed expenditure on the Access for All scheme and Rail Devolution programmes. The full-year forecast reflects costs of accessibility and development work (covered by additional secondary income as referenced in 7.4), mainly offset by savings in concession re-let costs (e.g. agency fees) and initial project work which has been deferred to next year.
- 4.19 Surface Transport operating expenditure in Quarter 1 was £13m below budget. This was largely due to re-phasing of projects to later this year, including £4m for highways maintenance delivery through the London Highways Alliance Contracts (LoHAC) and the concept and design stage of the Structures and Tunnels Investment Programme (STIP); these contract awards were finalised after the Budget was set. Other in-year rephasing includes Cycle Superhighways delays of £2.8m and highways reactive maintenance re-profiling of £1.8m.
- 4.20 The full-year forecast is £56m higher than Budget, primarily due to the administration of the Bus Services Operations Grant (BSOG), which transferred from the DfT to TfL from 1 October 2013 (£46m). Further expenditure increases include reprofiling of £4m from 2012/13.
- 4.21 In Quarter 1, Corporate operating expenditure was £2m higher than budget. This is mainly due to the transfer of the Surface Transport commercial function to Corporate Commercial, development costs for strategic transport proposals such as Vauxhall / Nine Elms / Battersea Bridge and Garden Bridge and the new TfL website upgrade, which is designed to enhance users' experience. Across the Corporate directorates, increases in staff levels from project activity and higher costs for

accommodation have been partially offset by the phasing of recruitment and the receipt of an insurance rebate.

4.22 Over the full-year, the Corporate directorates are expected to exceed Budget by £15m. Almost £10m of this is from the transfer of the Surface Transport commercial function and other variances highlighted in Section 4.21 above. In addition, £7m of commercial development expenditure has been reclassified as operating costs and a further £3m is for new activity, including the integration of JNP Information Management. These additional costs have been partly offset by a reduction of project contingency of £6m.

### Interest income, debt service and other group items

Interest income, debt service and other group items (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Interest income	4	1▲	15	14	-▶
Debt service	-71	6▲	-323	-333	10▲
Other group items	3	17▲	-33	-59	26▲
<b>Total interest, debt service and other group items</b>	<b>-64</b>	<b>24▲</b>	<b>-341</b>	<b>-378</b>	<b>37▲</b>

4.23 Interest income is £1m better than Budget in Quarter 1 due to TfL earning better rates on investments than budgeted. This is partly due to the increased use of repurchase agreements as an investment instrument, which offer enhanced returns without increasing risk. TfL continues to invest in accordance with the Board-approved Investment Strategy, which prioritises security of principal and liquidity of investments over financial return.

4.24 Debt service is lower than Budget in Quarter 1 and the full-year forecast due to TfL issuing planned long-term debt at lower rates than originally budgeted. In May 2013, TfL successfully issued a £400m bond for 32 years at a fixed coupon of 3.625 per cent. The bond takes advantage of underlying low interest rates and builds on the success of TfL's previous bond issues to source finance at advantageous rates compared to the alternative source of finance offered by the government.

4.25 Other group items (including Group contingency) was £17m under Budget during Quarter 1. This was a result of £15m unutilised Group contingency, which was also been removed from the full-year forecast, £10m from BSOG payment (see Section 4.27 below) offset by £8m in expenditure reductions to be found.

4.26 When setting the TfL Budget for 2013/14, £33m of expenditure reductions to be found were added to Group items, to offset reductions in government grants announced in the Chancellor's Autumn Statement. In Quarter 1 this resulted in an unfavourable variance to Budget of £8m. Over the full year, this results in a £33m unfavourable variance. These savings were transferred to the business units as part of the Quarter 1 forecast, where the savings have now been embedded.

4.27 Historically, BSOG payments to the bus operators have been made direct by government.<sup>†††</sup> Following revision to the BSOG funding mechanism in early 2013, the payment was added to group items. The full £46m for BSOG was transferred to Surface Transport in the Quarter 1 forecast; this will therefore

<sup>†††</sup> This sentence has been corrected; the original version stated that BSOG payments were made by Surface Transport

give a £46m favourable variance to Budget over the course of the year, offset by the expenditure in Surface.

## Capital expenditure

Capital expenditure (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
London Underground	-274	43▲	-1,264	-1,222	-42▼
London Rail	-14	2▲	-130	-159	29▲
Surface Transport	-34	22▲	-285	-335	51▲
Corporate	-15	8▲	-89	-180	91▲
Gross capital expenditure	-337	76▲	-1,767	-1,896	129▲

- 4.28 London Underground capital expenditure was £43m less than Budget in Quarter 1. This was driven by: the release of unutilised Victoria Line Upgrade (VLU) risk provision of £16m; under spend on the SSR upgrade as a result of Bombardier train milestones for maintenance manuals not being met, which is expected to be rectified by the end of Quarter 2; slippage on SSR projects of £6m from delays in contract awards; and a further £3m from battery locomotive and other engineering works.
- 4.29 For the full year, LU's capital programme is now forecast to be £42m higher than Budget. The release of £109m of central slippage provision as individual projects and programmes are spending closer to budgets is partially offset by £39m of SSR rolling stock expenditure which was accelerated into 2012/13 after the Budget was approved, and £13m of VLU risk release (£3m of which reverses the Quarter 1 position) and re-phasing to later years. JNP also experienced slippage on various projects amounting to a favourable variance of £8m in the year to date.
- 4.30 London Rail capital expenditure was £2m below Budget in Quarter 1. Over the full year, expenditure is forecast to be £29m lower than Budget, mainly due to the settlement of East London line claims in late 2012/13 after the Budget was set. This is a timing issue and does not affect the total level of expenditure on the East London line.
- 4.31 Surface Transport capital expenditure in Quarter 1 was £22m below Budget, mainly due to in-year re-phasing. The most significant items include Barclays Cycle Hire Expansion and Intensification (CHEI) rephasing following agreement on the detailed works programme, with the go-live date remaining as Budget, and re-profiling of capital renewals due to the London Highways Alliance Contracts (LoHAC) contract being awarded after the Budget was set. Other lower expenditure year to date included across year re-phasing (mainly Electronic Ticket Machine replacement and Woolwich Ferry life expansion projects) and savings from the Congestion Charging retail channel contract re-let expenditure following the removal of this payment channel following consultation.
- 4.32 Surface Transport's full-year forecast is £51m below Budget mainly due to expenditure phasing to future years, including £25m for Structures and Tunnels Investment Portfolio (STIP) projects following contractor appointment and increased time expected to gain Network Rail possessions (e.g. permission to access bridges that require maintenance). Some projects have been delayed creating a favourable variance in the year; this is not expected to impact on milestone delivery.

Other future year re-phasing includes Cycle Superhighways of £12m and Safety Camera Enforcement Project contract awards delays (at the tendering stage) of £10m.

- 4.33 Corporate directorates capital expenditure was £8m lower than Budget in Quarter 1. This mainly reflects the re-phasing of payment technology projects, including the Future Ticketing Project, to later in the year. This is partially offset by cost increases for the upgrade of the TfL website and the re-phasing of IM projects.
- 4.34 These factors are also reflected in the full-year forecast being £91m lower than Budget. The main driver is the delayed advancement of the Spend to Save programme to increase income from retail, property and other commercial ventures; specific initiatives are in the early stages of development. Expenditure of £60m has been re-phased into future years while commercial plans are developed.

### Capital third-party contributions

Third Party Contributions (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
London Underground	5	1 ▲	28	23	5 ▲
London Rail	-	-2 ▼	15	10	4 ▲
Surface Transport	4	2 ▲	17	10	7 ▲
Corporate	-	-5 ▼	-	27	-27 ▼
<b>Third Party Contributions</b>	<b>10</b>	<b>-3 ▼</b>	<b>59</b>	<b>70</b>	<b>-10 ▼</b>

- 4.35 Capital third-party contributions are £3m down against Budget in Quarter 1. This is primarily driven from the rephasing of Northern Line Extension (NLE) third-party developers' contributions into future years. This is also reflected in the latest full-year forecast. The total levels of funding for the NLE remain the same as assumed in the Budget, but will now be received in later years.

## Crossrail

Crossrail (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Crossrail	-421	-19▼	-1,794	-1,615	-179▼

- 4.36 In Quarter 1 Crossrail spent £19m more than Budget. Property costs are £10m over budget principally due to the addition of new scope (Farringdon, Kensal Green, Ealing Broadway, Canary Wharf and Hayes and Harlington Depot), which was partly offset by downward revaluations and commitments moving to later periods. Direct costs are £15m over Budget largely due to overspends on Eastern Running Tunnels caused by improved tunnelling rates, sourcing alternative waste disposal methods, and increased overhead costs. Indirect costs are £6m under Budget, largely due to the continued delay in recruitment of Central, Technical and Commercial staff.
- 4.37 The full-year forecast is higher than Budget principally due to increased works forecast to be carried out across Western running tunnels (partly arising from additional shifts), increased pile removal at Moorgate, and spend approved subsequent to the Budget submission for Network Rail Traction Power works, partly offset by a transfer of risk to later years. The Crossrail project remains on track to deliver under budget.

## Sales of property and other assets

Sales of property and other assets (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Total sales of property and other assets	4	-12 ▼	67	64	3 ▲

4.38 In Quarter 1, expected property sales which include Dalston Western Curve and Hillingdon have been delayed due to local planning objections and a decision to delay sales to assess opportunities to enhance commercial potential, resulting in a £12m adverse variance. However, in the full year, revenue from the delay is forecast to arrive in the final quarter of 2013/14, supplemented by additional property sales of £3m brought forward from future years.

## Government grants and funding

Government grants and funding (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
DfT General grant	252	1 ▲	1,094	1,091	3 ▲
DfT Investment grant	207	- ►	895	895	- ►
DfT Metronet grant	-	- ►	184	184	- ►
DfT Overground grant	7	- ►	29	28	1 ▲
GLA precept	1	- ►	6	6	- ►
Business Rates Retention (BRR)	224	39 ▲	803	803	- ►
Crossrail funding sources	488	2 ▲	2,052	2,051	1 ▲
Other grants	4	-1 ▼	22	21	2 ▲
<b>Total grants and funding</b>	<b>1,183</b>	<b>41 ▲</b>	<b>5,084</b>	<b>5,078</b>	<b>6 ▲</b>

4.39 Total grants are £41m up against Budget in Quarter 1. This is primarily driven by updated phasing for payments of the Business Rates Retention (BRR) from the Greater London Authority. This is a phasing discrepancy, which has now been revised in the Quarter 1 forecast; the full-year position remains unchanged.

## Borrowing and repayments

Borrowing and repayments (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Borrowings Raised	430	85 ▲	345	345	- ►
Borrowings Repaid	-13	- ►	-42	-42	- ►
<b>Net borrowing</b>	<b>417</b>	<b>85 ▲</b>	<b>303</b>	<b>303</b>	<b>- ►</b>

4.40 Borrowings raised are higher than budget due to timing differences. TfL raised new long-term debt as planned. There is a timing lag to allow short-term Commercial Paper debt to mature. This will take place over the coming periods and borrowings raised will revert to levels forecast in the Budget.

4.41 Borrowings repaid represents scheduled principal repayments under the debt facilities acquired as part of the Tube Lines and WARE acquisitions.

## Cash movements <sup>##</sup>

Cash summary (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Crossrail Sponsors' Funding Account	1,607	-2 ▼	1,702	1,830	-128 ▼
Other TfL cash balances	2,809	243 ▲	2,065	2,057	7 ▲
<b>Closing cash</b>	<b>4,415</b>	<b>242 ▲</b>	<b>3,766</b>	<b>3,887</b>	<b>-121 ▼</b>

- 4.42 TfL's closing cash (including Crossrail's cash balances) at the end of Quarter 1 is £242m more than that forecast at the time of the Budget. This increase is due to a combination of the financial variances above, which are expected to reverse by the end of 2013/14.
- 4.43 TfL's total cash position includes £1,607m that is ring fenced specifically for the Crossrail project and is not available for use on any other TfL expenditure. Over the following years, TfL will use its cash balances (while maintaining a prudent minimum) to fund the investment outlined in TfL's Business Plan. During 2013/14, TfL will update its long-term business plan, taking into account the long-term impacts of the reduction in government grants announced in the 2013 Spending Review.
- 4.44 TfL's total cash position is expected to worsen over the course of the year, with the latest full-year forecast showing a £121m downside from the Budget position, driven by a combination of lower than budgeted fares income, the reprofiling of commercial income into future years, increased operating costs (partly from expenditure reprofiled from 2012/13), the unwinding of timing issues in Business Rates Retention funding, an increase in Crossrail project capital expenditure and minor unfavourable working capital movements.
- 4.45 Over the following years, TfL will use its cash balances (while maintaining a prudent minimum) to fund the investment outlined in TfL's Business Plan. During 2013/14, TfL will update its long-term business plan, taking into account the long-term impacts of the reduction in government grants announced in the 2013 Spending Review.

<sup>##</sup> See note on page 11

## Efficiencies

Efficiencies Programme <sup>§§§</sup> (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Progress towards TfL's total efficiency programme	67	1 ▲	163	137	26 ▲

- 5.1 TfL refreshed its efficiencies programme in the latest Business Plan published in December 2012, providing clearer and more challenging targets beyond those already secured. For 2013/14, TfL is targeted to deliver net efficiencies of £137m; this is in addition to just under £1bn of efficiencies and secondary revenue that has already been secured for 2013/14 through management action in prior years.
- 5.2 In Quarter 1 2013/14, TfL secured efficiencies in a number of areas, resulting in a £1m improvement against Budget. Secured efficiencies to date include initiatives associated with the Victoria Line Upgrade together with energy savings for traction current and Congestion Charge e-pay contract, where re-let costs were avoided following the removal of the retail channel following consultation in January 2013.
- 5.3 The full-year efficiencies forecast has now reached £163m, which is £26m better than the 2013/14 Budget. There are plans in place to deliver the remaining unsecured efficiencies for the year; these include initiatives associated with signalling and infrastructure renewals. In addition, the favourable increase includes new efficiency opportunities associated with the congestion charge contract extension, which have been partly offset by a decrease in savings associated with retail electricity pricing and a number of initiatives that include staff related savings, and the reduction in Oyster card procurement costs.

<sup>§§§</sup> Efficiencies are quoted net of implementation costs

## Customer

### Passenger journeys

Millions	Quarter 1, 2013/14			Full year, 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 1 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	284.7	5.9▲	9.9	1257.0	18.0▲	27.7	
London Buses	549	2.0▲	11	2,389	2.0▲	54	
DLR	23.2	0.3▲	1.9	100.2	0.1▲	0.2	
London Overground	31.5	2.7▲	5.5	137.8	8.5▲	13.2	
London Tramlink	7.1	0.1▲	0.5	31.1	-0.1▼	1.0	
Emirates Air Line	0.4	0.0▶	n/a	1.5	0.0▶	-0.5	
Dial-a-Ride	0.3	0.0▶	0.0	1.4	0.0▶	0	
Cycling levels on the TLRN****	298	-19▼	13	295	0.0▶	19	
London River Services	2.2	0.2▲	n/a	7.5	0.3▲	n/a	-

- 6.1 In Quarter 1, London Underground passenger journeys reached almost 285 million, exceeding target by two per cent and showing a four per cent improvement on the same quarter in 2012/13. This was primarily due to more events being held over this quarter compared to last year, when London was preparing for the 2012 Games. Full-year demand is forecast to surpass full-year target by one per cent.
- 6.2 Bus passenger journeys in Quarter 1 reached 549 million. This included 49.5 million journeys made between 28 April and 4 May; a record-breaking week on London's bus network, with passenger numbers reaching their highest levels since before 1960.
- 6.3 In Quarter 1, passenger journeys on the Docklands Light Railway (DLR) were nine per cent higher than last year, driven by fewer weekend engineering closures. Full-year demand is forecast to meet the full-year target.
- 6.4 London Overground journeys in Quarter 1 were 21 per cent up on the same period last year. The opening of the New South London line in Quarter 3 last year continues to drive the increase in customer demand. Full-year demand is forecast to surpass the full-year target by seven per cent.
- 6.5 London Tramlink carried 7.1m passengers in Quarter 1, up seven per cent on last year, driven in part by the introduction of six new trams at the beginning of last year as well as a new four tram per hour

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

service across the centre of the network introduced in July 2012. Full-year performance is forecast to be on target.

- 6.6 The Emirates Air Line has carried 2.4m passengers in its first full year of operation since opening in June 2012. Quarter 1 performance met the budgeted target, while full-year journeys are also forecast to meet target.
- 6.7 Cycling levels on the Transport for London Road Network (TLRN) were 19 points down against target. The weather can be a contributory factor causing fluctuations and it is possible that this may have had an impact. It is anticipated that delivery of the programmes within the Mayor's Vision for Cycling in London will ensure the continuation of the growth seen in cycle flows on the TLRN. Work to address elements of the Mayor's Cycling Vision is progressing well, including the development of plans for a Crossrail for bikes, Cycle Quietways and funding to encourage cycling provision in outer London boroughs. The design and build quality of the Cycle Superhighway (CS) route 2 extension and new CS5 was significantly higher than previous routes.
- 6.8 It should be noted that cycle flows on the TLRN are not the only measure of cycling levels; TfL's new 'Central London Cycling Census' and other sources are used to supplement this data. TfL is reviewing the overall methodology for recording cycling trips and will be updating its approach over the coming year to more accurately reflect cycling trends and patterns in London.
- 6.9 As part of the River Action Plan published in February 2013, TfL is targeted to increase river passengers to 12 million per annum by 2020/21. From 1 April 2013 a new methodology was introduced to calculate river passenger journeys; this covers the number of passengers boarding all vessels, plus the number of foot and vehicle passengers boarding the Woolwich Ferry. In previous years, passenger numbers were based on ticket sales by the principal boat operators excluding Woolwich Ferry passengers. This new approach provides a fuller picture of river usage. Passenger journeys are forecast to reach over 7 million in 2013/14.

## Customer satisfaction

Score (out of 100)	Quarter 1, 2013/14			Full year			
	Actual	Variance to target	Variance to last year	Quarter 1 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	83	2 ▲	1	81	0 ▶	-2	
London Buses †††	84	2 ▲	2	82	0 ▶	0	
DLR	86	4 ▲	0	82	0 ▶	-5	
London Overground	82	2 ▲	0	80	0 ▶	-2	
London Tramlink	89	3 ▲	-1	86	0 ▶	-3	
Emirates Air Line	93	8 ▲	n/a	92	7 ▲	-1	-
Dial-a-Ride	91	-1 ▼	-1	92	0 ▶	0	
Congestion Charging	84	2 ▲	n/a	82	0 ▶	-1	

- 7.1 Customer satisfaction targets are based on underlying historical trends, rather than necessarily showing improvement from the year-end 2012/13, which was driven by the exceptional circumstances of the 2012 Games when TfL halted all capital works, paid additional bonuses to frontline staff, and deployed almost 4,000 travel ambassadors across the travel network. TfL is committed to embedding the Games legacy, but recognises that not all aspects of Games performance can be replicated.
- 7.2 London Underground customer satisfaction score (CSS) exceeded target for Quarter 1 2013/14, maintaining the good levels of performance seen last year, despite seeing a one point drop from last quarter's record score of 84. There have been a number of decreases in satisfaction across the metrics, particularly for train and station information and customer safety and security. Both train crowding and journey time have also shown a decline; train crowding from 76 to 74 and journey time from 85 to 84 in Quarter 1.
- 7.3 Overall satisfaction with bus services has been on a general trend of improvement since Quarter 4 2011/12. It is now at the highest levels since the survey began in 1999/2000. Bus customer satisfaction rates are two points better than target in Quarter 1. The one point improvement from Quarter 4 2012/13 reflects continued improvement in areas such as journey time and time waited to catch bus.

††† London buses CSS target has been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

- 7.4 The DLR Quarter I customer satisfaction score was four points above Budget in Quarter I and equal to the levels from the same quarter last year. Customer satisfaction is, however, down from the previous quarter, with a fall from 86 from 87 following falls in train and service satisfaction scores.
- 7.5 CSS for London Overground in Quarter I 2013/14 remained static at 82 compared to last year, but is two points better than target. The main improvements were in train composite measures, including number of staff seen and personal safety. The only significant decline was value for money, driven mainly by a fall in scores on the Richmond - Stratford route.
- 7.6 The Quarter I overall satisfaction score for Dial-a-Ride was one point below target, but was accompanied by a significant increase in Dial-a-Ride customers making unprompted positive comments about the service. Satisfaction with Dial-a-Ride punctuality also increased by one point in the quarter.
- 7.7 The Congestion Charging overall customer satisfaction survey, which took place during February 2013, was two points up on target for the quarter and one point higher than the previous survey, which took place in June 2012. At five points higher than the previous survey, satisfaction among fleet managers increased the most. Satisfaction with the CC Auto Pay service also remained high with a mean score of 82 among full charge Auto Pay customers and a mean score of 86 among resident Auto Pay customers.
- 7.8 TfL has worked with the service provider (IBM) to identify specific customer issues raised in the last survey and address the relevant issues such as notification of when a vehicle is approaching renewal date on CC Auto Pay account. Auto Pay is the main channel used to pay the Congestion charge and this change has resulted in improvements for many users.

## Customer complaints

No. complaints per 100,000 journeys	Quarter 1, 2013/14	
	Actual	Variance to last year
▼ <i>lower is better</i>		
London Underground	1.08	-0.64 ▼
Docklands Light Railway	3.55	1.09 ▲
London Overground	2.81	-2.41 ▼
Tramlink	2.25	-0.23 ▼
Emirates Air Line	1.71	N/A ►
London Buses	2.03	-0.20 ▼
Congestion Charge	12.00	-2.64 ▼
Barclays Cycle Hire	7.96	2.16 ▲
Dial-a-Ride ###	96.17	-19.01 ▼
Oyster	1.12	-0.19 ▼
River	0	0 ►

- 8.1 In Quarter 1, most TfL services have recorded a decrease in complaint levels when compared with the same quarter last year.
- 8.2 London Underground consistently records around one complaint per 100,000 passenger journeys each quarter; in Quarter 1, the rate was 1.08. There has been a 13 per cent reduction in complaints relating to delayed journeys over the quarter, reflecting the progress of London Underground's Reliability Programme. TfL is on track to meet the Mayor's commitment of reducing delays by 30 per cent by 2015, as measured by total lost customer hours. Over the last five years the reliability of LU's assets, for example trains, track and signalling has improved faster than any other European or North American metro. The recent results of the Tube Improvement Plan survey demonstrate increased support for the investment programme, which is reflected in the 50 per cent reduction in complaints related to engineering works and closures from the previous quarter.
- 8.3 Docklands Light Railway is continuing to address the issues behind complaints relating to ticket vending machines, which make up a significant proportion of the increase in Quarter 1. These include software upgrades to the machines, extra devices at busy stations and better signage to make the purchasing experience easier.

### Per 100,000 journey requests

- 8.4 In the most recent national passenger survey, released in June 2013, London Overground had the highest levels of satisfaction of any train operating company in the South East and has the lowest complaints rate in the country. TfL is looking at a number of initiatives to drive the complaints rate down further, including software changes to prevent customers losing change when using ticket machines and ongoing training aimed at reducing conflict between staff and customers on the railway.
- 8.5 Complaints on Tramlink are down from the previous quarter. The main themes for Tramlink In Quarter 1 relate to ticket vending machines, overcrowding and revenue protection. River Services did not receive a single complaint and Emirates Air Line recently added to this report, which does not have comparable figures for last year, recorded a significant drop from the previous quarter.
- 8.6 The rate for buses is at its lowest to date, with complaints about route reliability falling, which is part of an ongoing trend. Bus driver behaviour makes up a significant proportion of the complaints received. Plans are being developed to further improve bus driver training around the key themes of communicating with passengers, accessibility, cycle awareness and ticketing.
- 8.7 The Congestion Charge recorded a lower rate at the same time as a number of changes were introduced, including the replacement of the Alternative Fuel Discount with an Ultra Low Emissions discount and an increase in cost of a Penalty Charge Notice.
- 8.8 A main feature of the complaints about Barclays Cycle Hire this quarter was from those unhappy with the location of docking stations which are part of the expansion of the scheme into south-west London. This is in line with what we would expect when the project moves into a new area.
- 8.9 Dial-a-Ride's rate was lower, with the customer satisfaction score continuing to be in the 90s. Its relatively high rate comparable to other business units is driven by those unable to secure a booking at peak times when demand outstrips supply.

Complaints data from across all TfL services can be found at: [tfl.gov.uk/transparency/](http://tfl.gov.uk/transparency/).

## People

### Staff

Full-time equivalent	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
London Underground	20,840	-272	21,572	21,248	323
London Rail	193	8	224	195	29
Surface Transport	3,202	-181	3,369	3,364	5
Corporate	3,282	12	3,444	3,200	244
Crossrail	812	-81	898	898	0
<b>Total FTE</b>	<b>28,329</b>	<b>-514</b>	<b>29,506</b>	<b>28,905</b>	<b>601</b>

- 9.1 TfL has updated its delivery plans since the approval of the Budget in March 2013/14. The organisation is constantly reviewing its expenditure and staffing requirements and evolving these to make best use of tax and fare-payers money. The refinement of delivery plans during the year will partly be reflected in the number of staff TfL plans to employ. The associated costs were approved as part of the 2013/14 Budget; the number of FTEs will change as delivery plans are developed during the year.
- 9.2 London Underground employed 20,840 FTE as of the end of Quarter 1, 272 less than Budget. This variance is primarily driven by 233 unfilled vacancies, partly caused to offset cost pressures. In addition, there have been delays on recruiting 35 FTEs to capital programmes.
- 9.3 By the end of 2013/14, London Underground is forecast to employ 21,248 FTE, 323 more than originally budgeted. The single largest driver is the bringing in house of services previously provided under the PFI Powerlink contract, resulting in an FTE increase of 303, 13 more than Budget. Operations FTEs are expected to increase by 154 as vacancies are filled, but are forecast to be 66 FTE less than Budget. Asset performance FTEs are forecast to increase by 99, 153 more than Budget; the bulk of this increase relates to work that was originally expected to be outsourced, but will now be undertaken in house. Capital project FTEs increase by 146 and are forecast to be 169 more than Budget; 41 staff relate to the Northern Line Extension whose costs are fully recoverable, with improved project plans for the Station Stabilisation Programme and the Access Transformation and updated schedules for Neasden depot works adding a further 88 FTEs for work where costs are already fully budgeted.
- 9.4 The main drivers of this variance are from project work approved as part of the 2013/14 Budget: 57 additional FTEs to work on the Northern Line Extension; 47 FTEs on SSR & BCV upgrades; 65 on other projects (inc Congestion Relief, Access Improvement & Station Stabilisation); and 153 in Asset Performance covering Maintenance Optimisation, REW Staff, Central Line Gearbox project and New SSR Working Timetable.

- 9.5 London Rail is just over Budget in Quarter 1. The full-year forecast is 29 over that originally budgeted, primarily a result of project resources required for the London Overground Capacity Improvement Programme (LOCIP).
- 9.6 Surface Transport employed 3,202 FTE at the end of Quarter 1, 181 below Budget. This was primarily due to 94 unfilled vacancies resulting from longer than anticipated recruitment lead times and strict headcount controls. In addition, Dial-a-Ride had 19 driver vacancies covered by Community Transport drivers, who don't appear in TfL's headcount, and 61 FTE transferred to the Commercial team in Corporate as part of TfL's strategy to consolidate its commercial function.
- 9.7 The majority of the vacancies across Surface Transport are expected to be filled by year end. The full-year forecast is five FTE higher than Budget, mainly due to increases for an in-house Roads design team funded from the programme budget. Completing an increased proportion of design work in-house is more cost effective than employing external consultants. This increase is partly offset by the transfer of the Commercial team to Corporate.
- 9.8 At the end of Quarter 1, staff numbers in the Corporate Directorates exceeded budget by 12 FTE. This relatively low variance includes significant positive variances offset by significant negative variances for various reasons. FTEs were increased from the transfer of the commercial team from Surface Transport, 22 work and study placements (some of which are funded through government schemes), along with 27 FTE cover for increased volume of activity, including call centre staff.
- 9.9 These increases across the Corporate directorates have been offset by a favourable variance of 104 FTE from 54 unfilled vacancies, 11 project FTEs where recruitment has been rephased to align to the project schedule, and 61 FTEs on maternity leave, which have not been back filled.
- 9.10 Over the full year, Corporate staff numbers are forecast to be 244 FTE higher than budget. This is predominantly due to the factors outlined in the year to date (as above), alongside the expectation that existing vacancies will have been filled. The key drivers are additional project-funded staff working on new activities and projects 73 FTE, mainly in Customer Experience Marketing & Communications and Finance, the transfer of the Surface Transport Commercial Team.
- 9.11 At the end of Quarter 1, Crossrail employed 812 FTE staff which was 81 FTE less than budget, driven mainly by lower than anticipated FTEs in Central, Technical, and Commercial. Programme critical roles in these areas have been filled by agency staff in the short term. These are not included in the Crossrail FTE totals.

## Appendix A: Business Unit financial tables

### Rail and Underground

London Underground (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget	
London Underground	511	-3 ▼	2,277	2,305	-28 ▼	4.7
London Rail	68	2 ▲	301	292	8 ▲	4.8
<b>Total fares income</b>	<b>579</b>	<b>-1 ▼</b>	<b>2,578</b>	<b>2,598</b>	<b>-20 ▼</b>	
Other operating income	47	3 ▲	217	201	16 ▲	4.10 and 4.11
<b>Total operating income</b>	<b>627</b>	<b>2 ▲</b>	<b>2,795</b>	<b>2,799</b>	<b>-4 ▼</b>	
Chief Operating Officer	-350	11 ▲	-1,568	-1,577	9 ▲	4.16 and 4.17
Other Operational Expenses	-108	7 ▲	-516	-520	5 ▲	
London Rail Operations	-75	4 ▲	-354	-353	-1 ▼	4.18
Renewals and reliability Projects	-26	1 ▲	-155	-144	-11 ▼	4.16 and 4.17
<b>Total operating expenditure</b>	<b>-559</b>	<b>24 ▲</b>	<b>-2,592</b>	<b>-2,594</b>	<b>2 ▲</b>	
<b>Capital expenditure</b>						
London Underground	-269	45 ▲	-1,236	-1,199	-37 ▼	4.29
London Rail	-14	0 ►	-115	-149	34 ▲	4.30
<b>Net capital expenditure</b>	<b>-283</b>	<b>45 ▲</b>	<b>-1,351</b>	<b>-1,348</b>	<b>-3 ▼</b>	
<b>Net Service Expenditure</b>	<b>-216</b>	<b>70 ▲</b>	<b>-1,149</b>	<b>-1,143</b>	<b>-5 ▼</b>	

## Surface Transport

Surface Transport (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget	
Bus fares income	339	3▲	1,496	1,485	11▲	4.9
Bus contract costs & ticket commission	-419	2▲	-1,886	-1,854	-32▼	4.19 and 4.20
<b>Direct Bus Subsidy</b>	<b>81</b>	<b>5▲</b>	<b>-390</b>	<b>-369</b>	<b>-21▼</b>	
<b>Other Bus Income</b>	<b>6</b>	<b>1▲</b>	<b>25</b>	<b>25</b>	<b>-</b>	
Bus operating Expenditure (net of third-party contributions)	-20	1▲	-94	-96	2▲	4.9
Bus Capital Expenditure	-11	-3▼	-81	-79	-2▼	4.31 and 4.32
<b>Net Bus Service Expenditure</b>	<b>-106</b>	<b>3▲</b>	<b>-539</b>	<b>-520</b>	<b>-19▼</b>	
<b>Other Surface Transport</b>						
Other Operating Income	81	1▲	352	348	4▲	4.19 and 4.20
Other Operating Expenditure (net of third-party contributions)	-137	11▲	-774	-751	23▲	4.19 and 4.20
Other Net Capital Expenditure	-18	27▲	-187	-246	59▲	4.31 and 4.32
<b>Net Service Expenditure</b>	<b>-180</b>	<b>42▲</b>	<b>-1,149</b>	<b>-1,168</b>	<b>19▲</b>	

## Corporate directorates

Corporate (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget	
Other Operating Income	7	-▶	36	78	-41▼	4.15
Operating Expenditure (net of third-party contributions)	-129	-2▼	-610	-595	-15▼	4.21 and 4.22
Net Capital Expenditure	-11	-8▼	-22	-89	67▲	4.33, 4.34 and 4.35
<b>Net Service Expenditure</b>	<b>-133</b>	<b>-10▼</b>	<b>-596</b>	<b>-606</b>	<b>11▲</b>	

## Appendix B: Balance Sheet <sup>§§§§</sup>

TfL Group Balance Sheet at Quarter 1	Year to date		Full year	
	Actual	Variance to Budget	Quarter 1 forecast	Variance to Budget
Non-current assets (-higher / lower than budget)	28,816	2	30,973	-83
Current assets (exc. cash & investments) (-higher / lower than budget)	582	-69	514	7
Cash & investments (-higher / lower than budget)	4,167	-201	3,538	144
Creditors (higher / -lower than budget)	-3,080	64	-2,820	-29
Derivative liabilities (higher / -lower than budget)	-78	-38	-112	-5
Borrowings (higher / -lower than budget)	-7,952	86	-7,835	-
Provisions (higher / -lower than budget)	-3,085	25	-2,983	16
<b>Total Net Assets – (higher) / lower than budget</b>	<b>19,370</b>	<b>-131</b>	<b>21,275</b>	<b>50</b>

- 11.1 Non-current assets were £2m below budget at the end of Quarter 1, with lower activity capital expenditure of £62m almost entirely offset by higher long term cash investments (£48m) and prepayments (£10m), reflecting revised assumptions on contract payments, and minor disposal and depreciation variances. The Quarter 1 forecast is £83m above budget. This includes higher capital spend activity of £55m allied to higher invested balances (£21m) and prepayments (£7m).
- 11.2 Current assets were £69m higher than budget at the end of Quarter 1. Of this, £30m was in respect of prepayments and accrued income, as a result of phasing differences for payments on annual contracts and timing differences on invoicing of secondary income, with the remainder representing variances arising from trading fluctuations across the group. The forecast assumes current assets to be close to budget.
- 11.3 A breakdown of the cash variances to date and forecast is shown in the table at Appendix C.
- 11.4 Creditor balances for the year to date position are £64m higher than budget, a two per cent variance on balances representing normal trading fluctuations. Creditor balances are forecast to be broadly on budget at year end.
- 11.5 The derivatives position at Quarter 1 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. 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.
- 11.6 External borrowings at Quarter 1 were £86m above budget, as a result of timing differences between new long-term debt being issued and short-term debt maturing.
- 11.7 Provisions at the end of Quarter 1 were £25m higher than budget, primarily due to £15m lower payments and £10m higher anticipated final costs against the Crossrail property provision in TfL.

<sup>§§§§</sup> 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.

Provisions are forecast to be £16m higher than budget at year end. Again, most of the variance is caused by changes to the Crossrail property provision, with higher anticipated costs of £35m offset by higher payments made of £18m.

Balance Sheet (£m)	Year to Date			Full Year		
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Intangible assets	108	102	-6	163	122	-41
Property, plant & equipment	27,555	27,621	66	29,517	29,506	-11
Investment properties	428	428	-	428	425	-3
Long term investments	257	209	-48	230	209	-21
Long term derivatives	-	-	-	-	-	-
Long term debtors	468	458	-10	635	628	-7
<b>Non Current Assets</b>	<b>28,816</b>	<b>28,818</b>	<b>2</b>	<b>30,973</b>	<b>30,890</b>	<b>-83</b>
Stocks	44	42	-2	43	42	-1
Short term debtors	538	471	-67	471	479	8
Short term derivatives	-	-	-	-	-	-
Cash and Investments	4,167	3,966	-201	3,538	3,682	144
<b>Current Assets</b>	<b>4,749</b>	<b>4,479</b>	<b>-270</b>	<b>4,052</b>	<b>4,203</b>	<b>151</b>
Short term creditors	-2,129	-2,067	62	-1,923	-1,950	-27
Short term derivatives	-	-	-	-	-	-
Short term borrowings	-1,020	-1,138	-118	-1,092	-1,138	-46
Short term lease liabilities	-67	-71	-4	-70	-70	-
Short term provisions	-165	-169	-4	-67	-86	-19
<b>Current Liabilities</b>	<b>-3,381</b>	<b>-3,445</b>	<b>-64</b>	<b>-3,152</b>	<b>-3,244</b>	<b>-92</b>
Long term creditors	-66	-60	6	-59	-60	-1
Long term borrowings	-6,932	-6,728	204	-6,743	-6,697	46
Long term lease liabilities	-818	-818	-	-768	-769	-1
Long term derivatives	-78	-116	-38	-112	-117	-5
Other provisions	-111	-79	32	-116	-79	37
Pension provision	-2,809	-2,812	-3	-2,800	-2,802	-2
<b>Long Term Liabilities</b>	<b>-10,814</b>	<b>-10,613</b>	<b>201</b>	<b>-10,598</b>	<b>-10,524</b>	<b>74</b>
<b>Total Net Assets</b>	<b>19,370</b>	<b>19,239</b>	<b>-131</b>	<b>21,275</b>	<b>21,325</b>	<b>50</b>
<b>Capital and Reserves</b>						
Usable reserves	4,231	4,074	-157	3,803	3,774	-29
Unusable reserves	15,139	15,165	26	17,472	17,551	79
<b>Total Capital Employed</b>	<b>19,370</b>	<b>19,239</b>	<b>-131</b>	<b>21,275</b>	<b>21,325</b>	<b>50</b>
<b>Cash and Investments</b>						
CRL Sponsor funding account	1,607	1,609	2	1,702	1,830	128
Other cash and investments	2,817	2,566	-251	2,066	2,061	-5
<b>Total as above ****</b>	<b>4,424</b>	<b>4,175</b>	<b>-249</b>	<b>3,768</b>	<b>3,891</b>	<b>123</b>

\*\*\*\* Includes Cash and Investments, and long-term investments

## Appendix C: Cash summary

Cash Summary In / (Out) Flow (£m)	Year to Date			Full Year		
	Actual	Budget	Variance to Budget	Quarter 1 forecast	Budget	Variance to Budget
Margin	-269	-336	-67	-1,594	-1,534	60
Working Capital Movements	-24	-29	-5	-231	-243	-12
<b>Cash Spend on Operating Activities</b>	<b>-293</b>	<b>-365</b>	<b>-72</b>	<b>-1,825</b>	<b>-1,777</b>	<b>48</b>
Net Capital Expenditure	-323	-384	-61	-1,641	-1,762	-121
Crossrail	-421	-402	19	-1,794	-1,615	179
Working Capital Movements	-4	-14	-10	-91	-63	28
<b>Cash Spend on Capital Activities</b>	<b>-748</b>	<b>-800</b>	<b>-52</b>	<b>-3,526</b>	<b>-3,440</b>	<b>86</b>
Cash Settlement of derivatives	-	-	-	-	-	-
Non-cash items included in activity	9	13	4	58	50	-8
Fair value adjustment for long term investments	4	-	-4	-3	-	3
Loans to third parties (paid) / repaid	-41	-41	-	-216	-216	-
<b>Non-Activity Cash Movements</b>	<b>-28</b>	<b>-28</b>	<b>-</b>	<b>-161</b>	<b>-166</b>	<b>-5</b>
<b>Funded by:</b>						
Grants, Precept & other contributions	1,183	1,143	-40	5,084	5,078	-6
Borrowings Raised	430	345	-85	345	345	-
Borrowings Repaid	-13	-13	-	-42	-42	-
<b>Total Funding</b>	<b>1,600</b>	<b>1,475</b>	<b>-125</b>	<b>5,387</b>	<b>5,381</b>	<b>-6</b>
<b>Net Movement in Cash</b>	<b>531</b>	<b>282</b>	<b>-249</b>	<b>-125</b>	<b>-2</b>	<b>123</b>



Investment Programme Report  
First Quarter April – June 2013/14

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Cover picture; *two new S7's at Hammersmith*

# Transport for London

## Investment Programme Report

First Quarter, 2013/14 (1 April 2013 – 22 June 2013)

### I. Programme Highlights and Key Concerns

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#### *Programme Highlights in the quarter;*

- Sub-Surface Railway Upgrade Programme (SUP): the number of seven-car S Stock trains (S7) operating in peak hours on the Hammersmith and City line increased to nine on programme for the May timetable change. The total number of S7 trains now delivered to London is 19.
- SUP: The new lifting and maintenance facility at Neasden depot has now been handed over for operational use.
- Track Partnership delivered 5.2 kilometres of ballasted track renewal including a record breaking 1.2 kilometres of ballasted track renewal in a single weekend.
- Track Delivery Unit completed 11.6 kilometres of rail grinding with no service impacts.
- Civil Engineering: three embankments stabilised; three Bayswater girder areas strengthened with carbon fibre plating; one bridge parapet protected and two milestones achieved as programmed.
- JNP Track Delivery completed the 1000 metres of Track Life Extension milestone earlier than planned.
- Cooling the Tube: evaporative coolers were turned on for use over the summer at six major stations, commencing on 6 June.
- Sub-Surface Railway (SSR) Power: Mile End switch-house upgrade was completed, the new transformer room providing power to Neasden Depot was energised, and construction for the cable route and transformer room at Stepney Green started.
- SSR Power: Power provision was delivered to support the full S7 fleet in pre-ATC mode on the Circle line and between Paddington and Hammersmith.
- Escalators at Victoria, Highgate, Canary Wharf, Westminster, Leicester Square, and Waterloo, and a lift at Green Park were all brought into use in the quarter to programme.
- The Secretary of State for Transport and the Mayor of London visited the Tottenham Court Road station site. Handover of the Astoria Site to Crossrail has been achieved as planned.
- Paddington station: The third and final customer facing staircase has been opened, together with an enlarged booking hall area at the end of the island platform completing the fabric of the new H&C ticket hall. Mechanical and Electrical Services are fully complete and Lifts 3 and 4 have been installed and tested.
- Bond Street station project was presented with a gold award in the Considerate Contractor Scheme, for the second year running.

- Bank station: Full project funding and the appointment of the winning contractor following the innovative contractor engagement procurement process have been confirmed. Very substantial savings over the budgeted project cost and increased benefits have been achieved.
- Northern Line Upgrade: A major milestone was achieved on 23 June when the Northern Migration Area 2 (High Barnet to Highgate) signalling system entered Revenue Service.
- During the Spring Bank Holiday weekend full regenerative braking was introduced onto the Northern Line Fleet.
- Baker St/Bond St Tunnel: On 16 June works commenced to remove and replace the first of 357 lining rings.
- SCOOT: 893 sites have now been enabled, and the remaining 107 are in progress.
- New Bus for London was introduced on route 24 on 22 June.

#### ***Key Concerns and Mitigations***

- SUP: The work to immunise London Underground (LU) and Network Rail (NR) track circuits is now being progressed to an agreed schedule and is forecast to complete in early 2014, but is on the critical path for the scheduled achievement of the Department for Transport (DfT) milestone to complete roll out of new trains on the District line by 2016. Various recovery options are being considered to improve confidence in achieving this milestone.
- SUP Automatic Train Control (ATC): Progress to date on the new signalling system shows that there remain significant challenges to deliver the capacity uplift associated with this by 2018, within the overall programme funding. The programme team is engaged in discussion at a senior level with the signalling contractor to review the current status and expedite the technical solution and the delivery strategy in order to maintain the integrity of the required benefits and the overall completion date of 2018.
- The Bombardier SUP ATC schedule forecast for system demonstration at the Old Dalby test track is now December 2014, which is later than planned. Discussions with Bombardier are ongoing to reach an agreed position on the scope of work required and the schedule for this.
- The Office of Rail Regulation (ORR) has completed the investigation of the serious near miss at Earl's Court substation in January 2013, where a track section was energised erroneously. LU has supplied the ORR with the evidence sought as part of this process and awaits formal notification of the ORR's findings.

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

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

This main body of this report covers discrete projects with a total cost greater than £50m and programmes spending over £10m per annum. For each project, key milestones are listed with a forecast date compared against the March 2013 baseline. If appropriate, milestones listed as deliverables for the year in the 2013/14 Budget document are included.

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

### Key to RAG status:

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

This report focuses on the delivery of investment projects. For discussion on wider financial performance, see the Quarter 1 Operational and Financial Report.

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

## Rail and Underground Capital Programmes

### Sub-Surface Railway (SSR) Upgrade

Spend to end Q1 2013/14 £m	EFC £m
2592.2	4243.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Hammersmith to Barking (Wembley Park Sidings) approval to operate in passenger service	17-May-13	14-May-13	Complete
Extended Circle approval to operate in passenger service	30-Aug-13	30-Aug-13	●
ATC Signalling - Contract Data key date 2 - (Test Track Demonstration Complete)	23-Dec-13	23-Dec-14	■
Roll out of new air-conditioned trains on the Circle, Hammersmith & City Lines complete	31-Dec-14	31-Dec-14	●
Roll out of new air-conditioned trains on the District Line complete	31-Dec-16	31-Dec-16	●
Sub-Surface Upgrade complete delivering 33% capacity increase	31-Dec-18	31-Dec-18	●
Full signalling upgrade across the Sub-Surface network complete ( <b>Annex B:2018</b> )	31-Dec-18	31-Dec-18	●
Depots	Current Plan Date	Actual/Forecast Date	RAG
Upminster Depot North Sidings Signalling Brought into Use	22-Jun-13	30-Aug-13	▲
Upminster Depot Yard Enabling Brought into Use	01-Sep-13	20-Sep-13	▲
Neasden Depot Winterisation Works Complete	31-Oct-13	29-Nov-13	▲

## Rail and Underground Capital Programmes

Ealing Common Depot Yard Enabling Brought into Use	14-Nov-13	05-Nov-13	●
Neasden Depot Heavy Maintenance Facility Concept Design Complete	04-Jan-14	05-Dec-13	●
Ruislip Depot made available to BT for train fitment	28-Feb-14	25-Feb-14	●
SUP Depots Sub-programme Completion	31-Mar-15	31-Mar-15	●
<b>ATC</b>	<b>Current Plan Date</b>	<b>Actual/Forecast Date</b>	<b>RAG</b>
DC Traction ETE - Electrical Traction Equipment - Feeder Cable Plaistow - Finish on Site	21-Aug-13	14-Jun-13	Complete
ATC Signalling - Complete retrospective documentation of VATCRATP product software baseline	29-Sep-13	29-Sep-13	●
ATC Signalling - System Design Specification Complete (SDS)	03-Nov-13	03-Nov-13	●
ESTL RUB approval of End State Track Layout Closure Programme	13-Dec-13	13-Dec-13	●
ATC Signalling - Service Control Centre - Concept layout complete	25-Dec-13	25-Dec-13	●
ATC Signalling - Complete Wayside Installation at Old Dalby Test Track	05-Jan-14	05-Jan-14	●
ATC Signalling - Old Dalby Test Track - S Stock S8 Onboard equipment Installed at Test Track location	12-Jan-14	12-Jan-14	●
ATC Signalling - Completion of integration testing at Old Dalby	11-Mar-14	11-Mar-14	●

## Rail and Underground Capital Programmes

Rolling Stock	Current Plan Date	Actual/Forecast Date	RAG
17th S7-Stock Contractual Acceptance for Service (AFS)	19-Jul-13	26-Apr-13	Complete
Vehicle Maintenance Instructions accepted from BTUK	14-Sep-13	14-Sep-13	●
22nd S7-Stock Contractual Acceptance for Service (AFS)	27-Sep-13	27-Sep-13	●
27th S7-Stock Contractual Acceptance for Service (AFS)	01-Nov-13	01-Nov-13	●
Modification Workbank Package Complete	28-Feb-14	28-Feb-14	●
S7 28 day integrated train reliability achieves 15,000km mean distance between failures	28-Feb-14	28-Feb-14	●
SUP Rolling Stock Sub-programme Completion	31-Mar-19	31-Mar-17	●
Signal Immunisation	Current Plan Date	Actual/Forecast Date	RAG
Completion of the Signalling Immunisation works	10-Nov-12	19-Feb-14	■
Wimbledon Branch Immunisation Restriction (R214) lifted.	04-Jan-14	18-Oct-13	●
SUP Signalling Immunisation Sub-programme Completion	30-Jun-14	19-Feb-14	●
Infrastructure Other	Current Plan Date	Actual/Forecast Date	RAG
Block 14 Earls Court - Ready For Integration Test	22-Jun-13	14-May-13	Complete
Extended Circle - Completion of Integration & Testing	03-Aug-13	06-Aug-13	▲
Hammersmith to Barking - Infrastructure Full Completion	14-Sep-13	10-Sep-13	●

## Rail and Underground Capital Programmes

Baker Street to Wembley Park Sidings - Infrastructure Full Completion	14-Sep-13	14-Sep-13	●
Wimbledon to Edgware Road - Completion of Integration Testing	10-Jan-14	10-Jan-14	●
SUP Enabling Other Sub-programme Completion	31-Dec-17	31-Dec-17	●
<b>Management</b>	<b>Current Plan Date</b>	<b>Actual/Forecast Date</b>	<b>RAG</b>
SUP Programme Management Sub-programme Completion	31-Dec-17	31-Dec-17	●
<b>Croxley</b>	<b>Current Plan Date</b>	<b>Actual/Forecast Date</b>	<b>RAG</b>
Croxley Rail Link - LU formal submission of Development Agreement to HCC for sign off	15-May-13	17-Apr-13	Complete

The first phase of the upgrade (SUP) of Sub-Surface Railway (consisting of the Circle, District, Hammersmith & City and Metropolitan lines) is to replace the rolling stock on all lines, which provides new longer air-conditioned through-carriage trains (S Stock). This will be completed by 2016. The second phase of the upgrade will increase capacity (32 trains per hour) and reduce journey times through implementation of a new automated train control signalling system (ATC) and associated control centre, revised track layouts at key junctions, and increased electrical power supply. These benefits will be delivered by 2018.

### Train roll-out

The Metropolitan line train fleet has already been replaced with 58 new eight-car S Stock trains (S8) and the associated infrastructure works completed, apart from minor snagging and recovery of redundant assets.

During Quarter 1 the number of seven-car S Stock trains (S7) operating in peak hours on the Hammersmith and City line increased to nine following successful delivery of stabling work at Wembley Park for the May 2013 timetable change. This will be further increased following completion of the infrastructure works on the south side of the Circle line in Quarter 2 2013/14, which will permit S Stock to operate the full Circle line.

The supply of new rolling stock has continued during the quarter, bringing the total number of S7 trains now delivered to London to 19.

The S8 trains are undergoing a reliability enhancement programme, of which five trains are now completed, with the remainder forecast to be completed over the next eight months.

The depots works to support train roll-out include enhancement works to Neasden, Ealing Common, Upminster, and Hammersmith depots to enable the stabling and maintenance of the new longer trains.

## Rail and Underground Capital Programmes

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The new lifting and maintenance facility at Neasden Depot, which includes the capability to lift a 134 metre S8 train without decoupling the carriages (which is required with the S Stock though-carriage design) has now been handed over for operational use. The residual works at Neasden Depot will be completed by the end of 2014.

New sidings have been completed at Upminster Depot (four out of the eight roads are complete and in use, the remaining four are expected to be complete for S Stock only by the end of September) that permit major modification to the existing maintenance sheds at Ealing Common and Upminster Depots, such that they can maintain the longer trains and their air-conditioning units. The condition of some of the existing assets and utility services is adding cost and schedule pressure to these projects.

To enable operation of the new S Stock trains on the SSR network, work is required to immunise LU and Network Rail track circuits and other signalling equipment from electromagnetic interference from the new trains. Completion of these works has been delayed in three Network Rail inter-running areas (Wimbledon Branch, Richmond Branch and the east end of the District line) due to design issues. This work is now being progressed to an agreed schedule and is forecast to complete in early 2014, but is on the critical path for the scheduled achievement of the DfT milestone to complete roll out of new trains on the District line by 2016. Various recovery options are being considered to improve confidence in achieving this milestone.

Due to the S Stock being longer than the legacy stock and having different station stopping positions, a large number of station infrastructure and existing signalling modifications are required to roll-out the trains before the ATC system can be installed, as well a number of platforms lengthened (which have now all been completed). In the quarter, as well as completing works at Wembley Park sidings on schedule to run the new Hammersmith & City line timetable on 19 May 2013, considerable progress was made in modifying and testing the railway infrastructure for the train roll-out on the south side of the Circle line.

### **Automatic Train Control (ATC)**

Progress to date on the new signalling system shows that there remain significant challenges to deliver the capacity uplift associated with this by 2018, within the overall programme funding. The programme team is engaged in discussion at a senior level with the signalling contractor to review the current status and expedite the technical solution and the delivery strategy in order to maintain the integrity of the required benefits and the overall completion date of 2018.

The Bombardier ATC schedule forecast for system demonstration at the Old Dalby test track is now January 2015, which is later than planned. Discussions with Bombardier are ongoing on reaching an agreed position on the scope of work required and the schedule for this. An S7 train has been handed over to Bombardier to commence the ATC signal testing at the Old Dalby test track.

Planning is underway to identify the optimum delivery strategy to implement the required track re-modelling works to remove bottlenecks at the major junctions such that this dovetails with the ATC signalling installation and commissioning, and causes the minimum of operational disruption.

Construction work has commenced at Ruislip Depot to create a facility in London for retrofitting ATC equipment to S stock.

## Rail and Underground Capital Programmes

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### Croxley

The Croxley Rail Link is the proposed extension of the London Underground Metropolitan line from Croxley, to Watford Junction via Watford High Street. The scheme is being led by Hertfordshire County Council (HCC) with their principal contractor Vinci, and supported by London Underground. In December 2011, the DfT announced funding of £76m, towards a total estimated project cost of £117m. The LU costs included in this total are £40.2m, and are fully recoverable.

There are a number of critical issues that need to be resolved:

- Achievability of the schedule which has a close relationship with the ATC programme;
- The accuracy of cost estimates, as these were compiled without quotes from LU's signalling and train suppliers; and
- Agreement between LU and HCC regarding who undertakes the re-signalling over the NR infrastructure, and over responsibility for overall systems integration.

HCC and LU have committed to develop an integrated schedule, which will inform a "stop / go" decision by HCC and LU in the early autumn.

## Rail and Underground Capital Programmes

### Track Renewal (BCV/SSR)

Spend to end Q1 2013/14 £m	EFC £m
27.0	119.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Deep Tube Class 1 Renewal - Achieve 1,670m P7	11-Oct-13	16-Sep-13	●
Points & Crossings - Achieve 8 units P7	11-Oct-13	16-Sep-13	●
Ballasted Track Replacement & Re-ballast Metres - Achieve 6,406m P7	11-Oct-13	16-Sep-13	●
Track Drainage - Replace 4,940m replaced P7	11-Oct-13	16-Sep-13	●
18,018m of Track replaced (total 8% replaced)	31-Mar-14	31-Mar-14	●
Deep Tube Class 1 Renewal - Achieve 3,510m P13	31-Mar-14	03-Mar-14	●
Points & Crossings - Achieve 14 units P13	31-Mar-14	03-Mar-14	●
Track Drainage - Replace 8,232m replaced P13	31-Mar-14	03-Mar-14	●

### Track Programme SSL/BCV

The programme remit is to deliver a five year programme (2010–2015 with a renewal option for a further five years) of track, drainage and points and crossings renewals against an established schedule of work. By 2018 the target is that 25 per cent of new infrastructure will have been delivered.

### Track Partnership:

During quarter one, the Track Partnership delivered 5.2 kilometres of ballasted track renewal (this was 95 metres more than initially planned). The works included a record breaking 1.2 kilometres of ballasted track renewal in a single worksite (Preston Road to Harrow-on-the-Hill, Metropolitan line) over the early May Bank holiday weekend.

## **Rail and Underground Capital Programmes**

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The Track Partnership also achieved 1.9 kilometres of drainage improvement works (this is circa 100 metres less than originally planned due to frustrated access during engineering hours and the late arrival of a works' train on the weekend of 17 May 2013). Furthermore the Track Partnership completed the planned heavy maintenance renewal activities on five number points and crossings units at Ealing Broadway and one unit at Acton Town on the District line.

### **Track Delivery Unit**

The Track Delivery Unit (TDU) achieved 590 metres of Class 1 Deep Tube Renewals (this is circa 160 metres less than initially planned, due to issues surrounding asbestos discovery and outstanding 'snagging' issues on the Central line site between Leytonstone and Wanstead).

TDU in quarter one completed 11.6 kilometres of rail grinding with no service impacts due to TDU's strict attention to preventing grease contamination of the rail head. This exceeded the initial target by 2.5 kilometres.

## Rail and Underground Capital Programmes

### Civils (BCV/SSR)

Spend to end Q1 2013/14 £m	EFC £m
6.5	31.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
M074 EM1 & EM2 Harrow on the Hill North Harrow (Practical Completion)	27-Apr-13	19-Apr-13	Complete
Start on Site MLNE7,9,10 - (Budgetary PAM)	25-May-13	25-May-13	Complete
M032 CTS8 & CTS13 Chalfont & Latimer to Chesham (Practical Completion)	17-Aug-13	17-Aug-13	●
Practical Completion (PCR) (CTS1 & CTS2A & B Barkingside to Newbury Park)	24-Aug-13	24-Aug-13	●
MR61 - Detail Design - Parapet and Bridge approaches replacement.	14-Sep-13	14-Sep-13	●
M032 EM10 Chalfont & Latimer to Chesham (Project Completion)	07-Dec-13	07-Dec-13	●
Covered Way Strengthening of CW101 (Practical Completion)	01-Mar-14	01-Mar-14	●
Bridge Replacement D76b - Possession	29-Mar-14	15-Dec-14	*

\* Milestone delay due to unavailability of possessions until December 2014 - revised schedule to be re-applied.

The programme involves the strengthening, renewal and refurbishment of the Bridges and Structures and Earth Structures assets. The works are required to reduce asset risk, lower whole life costs and to extend residual asset life.

The quarter one delivery programme is on plan. During the quarter, Civils achieved the following milestones and project scope: three embankments stabilised; three Bayswater girder areas strengthened with carbon fibre plating; one bridge parapet protected and two TfL milestones achieved as programmed.

## Rail and Underground Capital Programmes

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- Achieved practical completion of replacing long timber track supports across subways (MR99) at Chorleywood and at Chalfont and Latimer (MR107) with precast concrete units. The track was re-laid, removing redundant expansion switches and the asset successfully handed back into Asset Performance Directorate with significantly reduced costs for future maintenance.
- Civils works commenced on site at Hanger Lane to stabilise the embankment and are on schedule to achieve an LUL milestone as a key delivery within the programme of works.
- Started on site with scour works on bridge asset (MR80) to guard/protect the piles supporting the bridge by building barriers. The asset is located between Moor Park and Rickmansworth.
- Achieved Practical Completion on embankment stabilisation at Harrow-on-the-Hill to North Harrow (EM1 & EM2). Works are complete and the milestone delivered.
- Start on site achieved for bridge painting on the assets located between Watford and Croxley (MLNE 7, 9,10). Milestone achieved as programmed for the quarter.
- Practical completion achieved for strengthening three girder asset areas in the vicinity of Bayswater (G12, D89 & D88) with carbon fibre plating.
- Parapet of bridge asset (MR55), located at Pinner to Northwood, protected from vehicle incursion by the successful installation of Trief kerbs.
- The D76b Bridge replacement possession milestone is currently behind programme as there is no 76 hour possession, required for delivery, available for the next 18 months.

## Rail and Underground Capital Programmes

### Track (JNP)

Spend to end Q1 2013/14 £m	EFC £m
10.9	49.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete 1000 Mtrs of Track life extension (half year)	01-Oct-13	26-May-13	Complete
Complete 750 Mtrs of Track reconditioning (half year)	01-Oct-13	18-Jul-13	●
Complete 3no Ballast Track Replacement (BTR)	12-Oct-13	14-Sep-13	●
Complete 1500 Mtrs of UV Lining (Drainage)	05-Oct-13	07-Sep-13	●
Completion of 4000 Mtrs of UV Lining (Drainage)	30-Mar-14	30-Mar-14	●
Complete 1750 Mtrs of Track reconditioning (full year)	31-Mar-14	31-Mar-14	●
Complete 3600 Mtrs of Track life extension (full year)	31-Mar-14	31-Mar-14	●
Complete 4 no points renewal (full year)	31-Mar-14	31-Mar-14	●

The programme remit is to deliver track and associated drainage renewals and capitalised maintenance in the open, deep tube and depot environments across the JNP lines. The programme of works is prioritised by on-going condition assessments and whole life asset management decisions between Opex and Capex.

Within the quarter, JNP Track Delivery completed the 1000 metres of Track Life Extension milestone earlier than planned.

## Rail and Underground Capital Programmes

### Cooling the Tube Programme

Spend to end Q1 2013/14 £m	EFC £m
172.6	186.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Reinstatement of Out of Service Fans - Issue ITT for final design contract for next phase of fan upgrades	24-Jun-13	12-Apr-13	Complete
Issue ITT (QF - Design & Build)	24-Jun-13	12-Apr-13	Complete
Quick Win Fans Beneficial Use	13-Oct-14	01-Sep-14	●

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

Works progressed to plan. The current phase of fan replacements at Weston Rise, Clapham Substation and Old Ford Road were completed on time and under budget. The Invitation To Tender (ITT) for the design and build contract for the next phase of fan replacements at Redbridge and Cromwell Curve was issued, tenders received and evaluation is now underway. Tenders were received and evaluated for the controls system supply contract for the upcoming fan replacements. In addition, evaporative coolers were turned on for use over the summer at seven major stations, commencing on 6 June 2013.

Since the start of the programme, the investment in cooling and ventilation infrastructure has acted as an enabler for the upgrade of the Victoria Line, allowing for a 30 per cent increase in train services without impacting platform and tunnel temperatures. While the line upgrade is due to implement full train service capacity in 2014, platform temperatures are currently assessed to be around two degrees centigrade below their pre-line upgrade conditions.

The Cooling the Tube Programme in collaboration with the Railway Systems Group continue this work developing cost effective, targeted, cooling and ventilation solutions as the enablers to allow other deep tube programmes to increase service levels and implement new rolling stock to meet ever increasing customer expectations.

## Rail and Underground Capital Programmes

### SSR Major Power Works (Signalling)

Spend to end Q1 2013/14 £m	EFC £m
6.6	37.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Start of Construction - Cable Route and Transformer Rooms	29-Jul-13	10-Jun-13	Complete
Section 1 Substantial Completion (Part 8)	30-May-14	07-Apr-14	●
Section 2 Substantial Completion (Part 8)	28-Jul-14	10-Jun-14	●
Section 3 Practical Completion (Stepney Green Part 8)	28-Oct-14	03-Jul-14	●
Finish on Site - Cable Route & Transformer Rooms - All Sites	20-Nov-14	17-Oct-14	●
Project Financial Close	31-Mar-16	01-Mar-16	●

This project will provide the main power supplies for the SSR signalling (local distribution of signalling power is covered elsewhere) and associated station lighting mains.

Progress this quarter has been to programme, with Mile End Low Voltage Alternating Current (LVAC) switch-house upgrade being completed (a complicated commissioning process affecting a number of lines), the new transformer room providing power to Neasden Depot being energised, and the start of construction for the cable route and transformer room at Stepney Green.

## Rail and Underground Capital Programmes

### SSR Major Power Works (Traction)

Spend to end Q1 2013/14 £m	EFC £m
334.2	504.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Issue ITT for 132kV Cable Route to Neasden Bulk Supply Point	02-Apr-13	02-Apr-13	Complete
West Ham (New) - Building Brickwork Complete	08-Jul-13	17-May-13	Complete
Power Capacity to support Full S7 Fleet (pre-ATC) on Circle + Paddington - Hammersmith	30-Jul-13	19-Jun-13	Complete
Power Available for ATC mode north of Baker Street	20-Nov-13	20-Nov-13	●
Provision of (Firm) Power capacity to support 57S7D to Upminster	06-Dec-13	06-Dec-13	●
New Bulk Supply Point at Edgware Road	01-Mar-14	28-Feb-14	●
Power available to support full S7 stabling of trains (Ealing Common Depot).	05-Mar-14	08-Jan-14	●
Programme Stage Gate 6 Review (SSR PU Programme Close)	15-Jun-18	15-Jun-18	●

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

Works to support full performance of both S7 and S8 fleets in ATC mode continues to progress to plan with two off-traction rectifiers commissioned into service at Hornchurch.

Key achievements in the quarter saw the delivery of power availability to support the full S7 fleet in pre-ATC mode on the Circle Line and between Paddington and Hammersmith, thereby achieving a budget milestone, and the completion of the West Ham substation roof and suspended floor concrete pour.

The Office of Rail Regulation (ORR) has completed the investigation of the serious near miss at Earls Court substation in January 2013, where a track section was energised erroneously. LU has supplied the ORR with the evidence sought as part of this process and awaits formal notification of the ORR's findings.

## Rail and Underground Capital Programmes

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### *Victoria Line Upgrade*

Spend to end Q1 2013/14 £m	EFC £m
1009.0	1014.5

The Victoria line upgrade is a “total” line upgrade including new rolling stock, signalling, control equipment, depot and track works. The programme remains below authority and has been completed ahead of the contractual completion date of August 2013. System reliability, including mitigating the effect of passenger interactions, remains the primary focus. The programme is driving towards completion of the final snag, software update, provision of final maintenance documentation, and handover to Asset Performance Directorate (APD). Commercial close out has been reached in principle. Bombardier continues to address the agreed snagging programme of modifications to the 09 Tube Stock.

All required benefits have been delivered or exceeded. Financial close out is in progress. System reliability, sustaining an overall rising trend, continues to be driven to greater levels of performance, with the Victoria line being the second best line overall in period 2.

This is the last quarter in which the programme will be included in this report.

## Rail and Underground Capital Programmes

### Legacy Train Systems

Spend to end Q1 2013/14 £m	EFC £m
104.9	N/A

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Inner Inter Car Barriers - Bring In To Beneficial Use (Central & W&C Line)	09-May-13	09-May-13	Complete
Battery Loco Refurbishment - 7th Loco Complete	09-Aug-13	24-Jun-13	●
ATMS - In Service Audio Visual & Noise & Vibration	20-Sep-13	15-Aug-13	●
TCT - Motive Power Unit Ready for Railway Trials (Consent to Test in Acton Works)	15-Nov-13	25-Oct-13	●
ATMS - Acceptance of Automatic Track Monitoring System on Bakerloo Line	07-Feb-14	13-Dec-13	●
Battery Loco Refurbishment - Loco 9 Complete	10-Mar-14	07-Jan-14	●
92 Tube Stock Refresh - Finish on Site 218 CarBody Ends	31-Mar-14	31-Mar-14	●

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

#### '92 Tube Stock Refresh

558 body ends complete against a period target of 518 and a total quantity of 795 body ends.

#### Battery Loco Life Extension

Loco 7 returned to Transplant for service usage (ahead of target, TfL budget milestone), Locos 8 and 9 in work at Acton and on target. Loco 6 returned to service period 2.

#### New Tunnel Cleaning Train (TCT)

The TCT business case is currently being revisited in the light of various emerging requirement issues prior to a final decision on the future strategy being made.

#### Automatic Track Monitoring System – ATMS

Trade Union fleet and track consultations have been held and ATMS is now in service.

#### Central Line Bogie Modifications

Gearbox overhauls and associated bearing replacement progressing to programme at eight per week with completion of 1943 gearboxes by January 2016.

## Rail and Underground Capital Programmes

### New Tube for London

Spend to end Q1 2013/14 £m	EFC £m
12.2	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Proof of Concept Study for Saloon Air-Cooling in a Deep Tube Train Application - Complete	26-Jul-13	28-May-13	Complete
Commencement of the First Obstacle Detection Trial	19-Aug-13	18-Apr-13	Complete
Programme Feasibility Complete (Programme Gate B)	22-Oct-13	25-Sep-13	●
TfL to issue ITT for the first phase of a new generation of low-energy, high-capacity deep tube rolling stock which would ultimately be applicable to the Bakerloo, Piccadilly and Central lines	29-Dec-15	09-Dec-15	●

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

The NTfL will incorporate lessons learnt from Jubilee and Victoria line upgrades, specifically that many of the final cost and performance characteristics of an upgrade and subsequent operation and maintenance are determined by decisions / constraints made early in the programme lifecycle. Furthermore, understanding the interaction between different parts of the overall operation of the system is critical to achieving the high levels of performance and business case benefits.

The feasibility project is progressing to schedule with regular presentations to the Programme Board in line with the feasibility 'route map'. Proof of concept study for saloon air-cooling in a deep tube train has been completed. Contracts for the Platform Edge Doors (PED) enabling works study, life testing of gap fillers and an inverting regeneration trial were awarded. The design maturity of train systems continues to improve: 3/13 Critical Design Features are complete and the remainder are on plan for Gate B. Engagement with the Independent Investment Programme Advisory Group has commenced in advance of Stage Gate B.

## Rail and Underground Capital Programmes

### Crossrail

Spend to end Q1 2013/14 £m	EFC £m
185.5	276.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
LU Support Complete for Crossrail Trial Running Stations (Central Section)	28-Feb-19	31-Dec-18	●

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

LU approval was given for CRL tunnelling over the Victoria line (LU/08), Bakerloo line (LU/09) and Tottenham Court Road Station (LU/11). The crossings were successfully completed with minimal ground movement recorded and no adverse impacts to LU infrastructure.

Crossrail passes over, under or is adjacent to 31 LU locations. So far all 14 locations completed have occurred without issue.

It is the intention that LU delivers the Paddington/Bakerloo line link and final details are being agreed.

LU submitted the concept design statement for the Station Operations Room Integration for CRL approval.

CRL agrees to follow the TfL Pathway methodology for handover of the main works.

## Rail and Underground Capital Programmes

### Station Developments

Spend to end Q1 2013/14 £m	EFC £m
1217.5	1326.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bromley-by-Bow Step Free Access (SFA) - Commence Detailed Design	27-Jan-14	27-Jan-14	●
Gunnersbury Station Refurbishment - Bring into Beneficial Use	08-Nov-13	08-Nov-13	●

Optimising opportunities to work with third parties (property developers, business interest groups and local authorities) to identify opportunities for investment in station access and capacity. The aim is to be pro-active in seeking collaborative partnerships which both unlock investment and ensure operational objectives are effectively considered.

Earl's Court Development – following receipt of funding, LU designers are to develop the Transplant (relocation to Ruislip) depot design, based on the latest requirements.

Waterloo (Shell Centre) – a design review is underway with the developer. LU's architect is coordinating the design requirements as part of the S106 process.

Tower Hill (third party SFA) – the development agreement is now in place with Citizen M and enabling works have commenced.

Property development retail units – works are progressing to units at Stratford, Victoria, Euston and North Greenwich underground stations with the opportunity to progress schemes at a further 24 locations.

## Rail and Underground Capital Programmes

### Other Station Capacity

Spend to end Q1 2013/14 £m	EFC £m
51.1	73.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Vauxhall Station Capacity & SFA - Start on Site (Congestion Relief)	07-Feb-14	24-Dec-13	●
Vauxhall Station Capacity & SFA - Bring Into Use (SFA Lift and Stairs)	23-Oct-15	17-Sep-15	●
Vauxhall Station Capacity & SFA - Completion of all Site Works (including snagging)	04-Nov-15	24-Sep-15	●

Portfolio includes completed Games capacity schemes at Stratford and West Ham, together with a number of smaller capacity schemes at Highbury and Islington and Hammersmith (H&C). The most significant current project within this portfolio is Vauxhall Capacity and SFA project.

Vauxhall: The delivery programme and milestones are currently being reviewed to reflect the newly appointed main works contractors (Bechtel) post-contract programme. The contract completion date of 18 November 2015 remains unchanged. Initial meetings for detailed design have taken place.

A review of ticketing arrangements during the construction phase is currently being finalised with LU Revenue.

## Rail and Underground Capital Programmes

### Station Upgrades & Accommodation

Spend to end Q1 2013/14 £m	EFC £m
1314.2	1864.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bring in to use at four Depots (Barking, Upminster, Hammersmith, Ealing Common)	10-Jun-13	02-May-13	Complete
Earls Court Station Commence Detailed Design	12-Jun-13	16-Apr-13	Complete
South Kensington Station Start On Site	28-Oct-13	28-Oct-13	●
Paddington Station Start On Site	15-Nov-13	18-Oct-13	●
Earls Court Station Start On Site	23-Dec-13	25-Nov-13	●

LU's station Stabilisation programme will undertake station-wide asset stabilisation for 74 LU stations across BCV/SSR, providing interventions to; ensure station assets are brought up to a "fair for 10 years" condition; prevent degradation of the assets; and ensure safety critical systems are in full working/compliant order.

Four depots were brought into use ahead of plan and the detailed design at Earl's Court has commenced on plan.

The temporary decking to Farringdon train shed roof has been successfully completed with over 2000 square metres of decking installed.

At Baker Street, the Metropolitan line platforms 1-4 roof canopy works have been completed.

Staff accommodation at Neasden has been completed one month ahead of schedule and below budget.

Advanced surveys have been completed for the next tranche of station interventions at Chiswick Park, Parsons Green, Sloane Square, High Street Kensington, Euston Square and Greenford,

Advanced surveys have been commissioned at Chalfont & Latimer and West Kensington.

## Rail and Underground Capital Programmes

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### *Future Station Capacity*

Spend to end Q1 2013/14 £m	EFC £m
1.5	*

Programme focuses on planning for the future to understand station capacity constraints, their forecast impact on network performance and to identify and plan future station capacity schemes.

The first tranche of future station capacity feasibility studies is largely complete, with studies completed at Holborn, Paddington (Bakerloo), Camden Town, Victoria (District and Circle), Embankment, Kennington and Old Street.

Schemes at Holborn, Camden Town, Elephant and Castle, Old Street and Paddington Bakerloo are to be developed to the next stage of design.

The second tranche of feasibility studies at Baker Street, Piccadilly Circus, Moorgate, Harrow-on-the-Hill and High Street Kensington are about to commence.

## Rail and Underground Capital Programmes

### LU Lifts & Escalators (BCV/SSR)

Spend to end Q1 2013/14 £m	EFC £m
172.5	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Victoria Station Return To Service (RTS) - Escalator 4 Works	17-May-13	13-Apr-13	Complete
Hammersmith Station Lift Nos. 1 & 2 Refurbishment - Bring into Beneficial Use (Return to Service (RTS))	23-Dec-13	25-Nov-13	●
Edgware Road Station Lift Nos. 1 & 2 Refurbishment - Bring into Beneficial Use (Return to Service (RTS))	18-Jan-14	21-Dec-13	●

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; and
- Prevent the degradation of assets through whole life asset management decisions and modelling.

The pan-TfL Lift and escalator contractors (Kone and OTIS) have completed their mobilisation and have passed Pathway gate A, site works are scheduled to commence shortly.

Lift and escalator refurbishments are progressing well with all interventions being delivered on or ahead of programme. A notable achievement was at Victoria where escalator 4 was returned to service ahead of plan.

## Rail and Underground Capital Programmes

### Tottenham Court Road Station Upgrade

Spend to end Q1 2013/14 £m	EFC £m
302.7	486.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Section 1 Completion (Handover part Astoria site)	09-Oct-13	03-Jun-13	Complete
Start NL Concourse Fit Out	25-Nov-13	15-Oct-13	●
Completion of Goslett Yard Box	13-Feb-14	09-Dec-13	●
Section 3 Completion (Consolidated Piling)	19-Sep-14	05-May-14	●
Completion of Phase 1 (Partial Opening of the New Plaza Ticket Hall)	31-Mar-15	05-Jan-15	●
TCR - New Passenger Facilities Open - (Annex B: 2016)	20-Nov-16	06-Sep-16	●
Completion of the Project (Annex B:2016)	31-Dec-16	29-Dec-16	●

The project will provide:

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

The Secretary of State for Transport and the Mayor of London have visited the site to review the significant progress that has been made since their last visit almost two years ago,

A very positive article providing an update of the scheme has also appeared in "Construction News".

Section 1 Completion (Handover Astoria Site to CRL) has been achieved as planned and work to the new Over Station Entrance (OSE) canopy has commenced. Rendering to the new Ticket Hall is progressing ahead of plan.

## Rail and Underground Capital Programmes

### Paddington Station Upgrade

Spend to end Q1 2013/14 £m	EFC £m
45.9	56.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Lifts 3 & 4 Installed	02-Aug-13	19-Jun-13	Complete
Acceptance of Mandatory Asset Information Deliverables (MAID) by LU	08-Oct-14	07-Jul-14	●
LU Fit Out Work Complete ( <b>Annex B:2014</b> )	01-Nov-14	16-May-14	●
Paddington (H&C) Congestion Relief - Final Fit Out BIU (Practical Completion)	28-Jul-14	01-May-14	●

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

- a new ticket hall;
- significantly enlarged passenger concourse with three staircases to platform level;
- provision of new step-free access from street to platform level (H&C platforms); and
- the East and West Plazas have now been brought into use.

The third and final customer facing staircase (staircase 4) has been opened, together with an enlarged booking hall area at the end of the island platform.

Mechanical and Electrical Services are fully complete and both Lifts 3 and 4 have been installed and tested.

## Rail and Underground Capital Programmes

### Bond Street Station Upgrade

Spend to end Q1 2013/14 £m	EFC £m
157.4	290.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Demolition of sub-structure Complete	02-Feb-13	02-May-13	Complete
Start of main tunnelling operations (Annex B:2013)	14-Oct-13	05-Jul-13	●
Close escalators 1 & 2 for tunnelling	28-Apr-14	16-Feb-14	●
Early hand back Jubilee Line Platforms, Escs 6,7,&8, 3,4,&5, 4/092 into public use	02-May-15	08-Feb-15	●
Tunnelling Set Up Decommissioned	28-Sep-15	18-Dec-15	▲
SC03 OSD Frame to be handover to Developer - Planned Date	06-May-16	05-May-16	●
Bond St Station Upgrade - Practical completion (Annex B:2017)	28-Apr-17	10-Mar-17	●

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

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

The project has been presented with a gold award in the Considerate Contractor Scheme for the second year running. Demolition of the 1.5 metre thick sub-basement is now complete and construction of the new station sub basement slab is underway. The start of tunnelling has been brought forward to mitigate residual project delay. An holistic review of closure requirements for the Bond Street project, Tottenham Court Road project and Baker Street tunnel project is underway, so that disruption can be minimised and efficiencies maximised.

## Rail and Underground Capital Programmes

### Bank Waterloo & City

Spend to end Q1 2013/14 £m	EFC £m
16.1	*

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Contract Award for Implementation Works	03-Feb-14	19-Dec-13	●
Bank Stn (W&C) - Bring Into Use (Stage 5) (Annex B:2015)	31-Dec-15	23-Dec-15	●

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

Bloomberg is progressing with construction of the LU station box as part of its Bloomberg Place development.

The final early contractor engagement session (of six) for station fit-out has been successfully completed. The design of escalators and lifts is to be brought forward to be completed ahead of the contract award for the fit-out works.

The Power concession for two Distribution Network Operator (DNO) supplies has been granted, saving the project over £300,000.

## Rail and Underground Capital Programmes

### Victoria Station Upgrade

Spend to end Q1 2013/14 £m	EFC £m
258.7	589.2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete PAL 1618 Squarework Tunneling	12-Jul-13	01-Jul-13	●
Commence South Ticket Hall Demolition	07-Aug-13	08-Jul-13	●
Complete North Ticket Hall Piling	06-Dec-13	22-Nov-13	●
Shaft 29 (Allington Street) complete	13-May-14	07-Nov-13	●
Ground Treatment Complete	11-Nov-14	19-Mar-14	●
North Ticket Hall Civils Complete (inc removal of Traffic Management)	13-Mar-15	26-Nov-14	●
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) - DIS ( <b>Annex B:2016</b> )	23-Oct-16	28-Nov-16	▲
VSU - South Ticket Hall and remainder of VSU works (Sectional completion S2) - DIS ( <b>Annex B:2018</b> )	04-Jun-18	11-Jul-17	●

The Victoria Station Upgrade project will deliver:

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

70 per cent (of 2,200) of the jet grout columns have now been installed around the station. This quantum of jet grouting is a first in the UK. Cast iron tunnel rings to the paid area links (PAL) have been successfully removed and the design for the District and Circle refurbishment has commenced. The sewer diversion in terminus place has been completed.

## Rail and Underground Capital Programmes

### Bank Station Capacity

Spend to end Q1 2013/14 £m	EFC £m
68.4	625.1

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

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

Full project funding and the appointment of the winning contractor, following the innovative contractor engagement (ICE) procurement process, have been confirmed.

A number of the innovations proposed by unsuccessful bidders will be purchased by LU, as was envisaged by the ICE process.

Very substantial savings over the budgeted project cost have been achieved and the ICE process is seen by government (Infrastructure UK – part of HM Treasury) and wider industry as having been highly successful.

There has been significant and generally positive trade press coverage e.g. in New Civil Engineer and Construction News.

## Rail and Underground Capital Programmes

### Lifts and Escalators (JNP)

Spend to end Q1 2013/14 £m	EFC £m
4.6	22.8

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bring Into Use (BIU) Canary Wharf Escalator 4	08-May-13	24-April-13	Complete
Bring Into Use (BIU) Westminster escalator E14	08-May-13	24-April-13	Complete
Bring Into Use (BIU) Green Park Lift 2	07-Jun-13	13-May-13	Complete
Bring Into Use (BIU) Westminster Escalator 11	21-Jun-13	07-Jun-13	Complete
Bring Into Use (BIU) Leicester Square Escalator 6	24-Jun-13	10-Jun-13	Complete
Bring Into Use (BIU) Waterloo Escalator 9	27-Jun-13	06-Jun-13	Complete
Bring Into Use (BIU) Hampstead Lifts 3 & 4	11-Jul-13	03-Jul-13	●
Bring Into Use (BIU) Old Street Escalator 3	21-Mar-14	07-Mar-14	●

The Lift and Escalator portfolio delivers the cyclical renewal of our lifts and escalators to; ensure safety critical systems are functional and compliant with standards and legislation and prevent the degradation of the assets through whole life asset management decisions and modelling.

Within the quarter, BIU status was achieved on escalators, located at Canary Wharf, Westminster, Leicester Square, Waterloo and Highgate, along with a lift at Green Park.

## Rail and Underground Capital Programmes

### Jubilee Line Upgrade (JNP)

Spend to end Q1 2013/14 £m	EFC £m
37.5	59.0

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete Axle Counter Block modification	30-Nov-13	30-Nov-13	●
Decommissioning and removal of old assets	30-Jun-14	30-Jun-14	●

To upgrade the Jubilee line with new signalling systems and other asset improvements to provide faster journey times for customers, enabling a 30 trains per hour peak service.

Within the quarter performance of the new signalling system remained strong. Enhancements to the signalling software have supported the improvement to reliability which has seen a positive trend in reducing service disruption from its recent peak of five minutes per day, monitored over a 28 day period.

On-site decommissioning activities have also progressed along with enabling works to support the tunnel relining works between Baker Street and Bond Street.

## Rail and Underground Capital Programmes

### Northern Line Upgrade (JNP)

Spend to end Q1 2013/14 £m	EFC £m
201.5	421.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Commence ML3 System Testing NMA3 (Archway/Chalk Farm to Angel/Euston)	13-Jun-13	22-May-13	Complete
Commence ML3 System Testing NMA4 (Old Street/Euston to Oval)	12-Jul-13	05-Jul-13	●
Commence ML3 System Testing NMA5 (Stockwell to Morden)	19-Jul-13	11-Jul-13	●
Ready for Operational Proving NMA2 (Mill Hill East to Highgate)	27-Jul-13	12-May-13	Complete
Commence ML3 System Testing NMA6 (Edgware to Belsize Park)	02-Oct-13	06-Sep-13	●
In Revenue Service NMA2 (Mill Hill East to Highgate)	25-Nov-13	23-Jun-13	Complete
Ready for Operational Proving NMA3 (Archway/Chalk Farm to Angel/Euston)	30-Nov-13	05-Sep-13	●
Northern line upgrade complete, delivering 20% increase in capacity ( <b>Annex B: 2014</b> )	31-Dec-14	31-Dec-14	●

The Northern line Upgrade 1 (NLU1) involves the replacement of life-expired signalling assets that date back to the 1960s. As well as re-signalling the line with a moving-block Automatic Train Control (ATC) signalling system, the programme also includes the replacement of some conductor rail and track.

A major milestone was achieved on 23 June when the Northern Migration Area 2 (NMA2) was handed over to LU, meaning that High Barnet to Highgate, including the Depot, entered Revenue Service. Reliability of the signalling system continues to be good and is currently better than predicted target levels.

System testing with trains has commenced in the next migration (NMA3) area which includes Camden Town and important commissioning work to get ready for system testing in NMA4 (including Kennington) has been completed. Good progress has also been made in closures on the Edgware branch (NMA6) to commission plate-racking for system testing later in the year.

The programme continues to remain ahead of schedule and under budget.

## Rail and Underground Capital Programmes

### Jubilee & Northern Line Mid Life Refurbishment (JNP)

Spend to end Q1 2013/14 £m	EFC £m
2.5	64.8

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Northern Line Mid-life refurbishments complete	31-Dec-14	31-Dec-14	●
Jubilee Line Mid-life refurbishments complete	05-Feb-17	05-Feb-17	●

This Project will deliver the Mid Life Refurbishment of the 63 Trains on the Jubilee line and 106 Trains on the Northern line. The Mid-life refurbishment is required to preserve fleet saloon condition and to meet residual life, performance (ambience) and Rail Vehicle Access Regulations (RVAR) 2010 requirements.

On the Northern line mid-life refurbishment, fit-out of the pilot train is complete and has returned to service along with train 2. Initial feedback from all stakeholders has been very positive, particularly around the external finishes. Trains 3 and 4 are in fit out at Morden and are both progressing to schedule.

During the Spring Bank Holiday weekend, full regenerative braking was introduced onto the Northern Line Fleet. This will reduce wear on friction braking systems and make considerable savings on the energy bill and carbon footprint of the line.

## Rail and Underground Capital Programmes

### *Bond Street to Baker Street Tunnel Lining (JNP)*

Spend to end Q1 2013/14 £m	EFC £m
12.1	40.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Start on Site (SOS) Specialised Segment Removal Plant - Baker Street to Bond Street Tunnel Relining	16-Jun-13	16-Jun-13	Complete
Replace 25 No of Baker Street to Bond Street Tunnel rings (mid year)	15-Nov-13	15-Nov-13	●
Replace 50 No of Baker Street to Bond Street Tunnel rings (full year)	30-Mar-14	30-Mar-14	●

To remediate 215 metre length of concrete tunnel lining rings that are showing signs of deterioration on the Jubilee line between Bond Street and Baker Street.

On 16 June works commenced on removing and replacing the first of 357 lining rings. The work is very complex and challenging and requires using specialised equipment which has gone through a series of trials. The first ring was completed successfully with 17 segments (total in a ring) being removed and replaced. There were some technical challenges which were overcome.

## Rail and Underground Capital Programmes

### Northern Line Extension (JNP)

Spend to end Q1 2013/14 £m	EFC £m
7.8	1021.3

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Architects (RIBA) stage "C" design	30-Apr-13	30-Apr-13	Complete
Define Programme Management methodology	30-Apr-13	30-Apr-13	Complete
Issue Invitation to Tender (ITT) for Innovation Contractor Engagement contract	30-Sep-13	30-Sep-13	●
Define Delivery Model for non-civils works	20-Dec-13	20-Dec-13	●

The Northern Line Extension (NLE) will extend the Northern line Charing Cross branch from Kennington to a new southern terminus within the Battersea Power Station site with an intermediate station within south Lambeth.

The public objection period has formally closed (with fewer objections than expected) and responses are being evaluated. A public inquiry has now been called prior to the approval of the Transport and Works Act Order.

Four potential joint venture suppliers have been shortlisted and a technical dialogue phase has commenced which will facilitate the tender process for the main construction works.

## Rail and Underground Capital Programmes

### Infrastructure and Special Projects (JNP)

Spend to end Q1 2013/14 £m	EFC £m
97.9	485.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete painting works on 20 no bridges	30-Apr-13	30-Apr-13	Complete
Bring into use (BIU) Northfields Train Crew Accommodation	10-May-13	10-May-13	Complete
Complete painting works on 26 no bridges	31-Jul-13	03-Sep-13	▲
Complete painting works on 29 no bridges	14-Sep-13	14-Sep-13	●
Start On Site (SOS) Structural Bolting to Vent Shaft openings (JNP)	30-Sep-13	02-Sep-13	●
Finish On Site(FOS) at Canons Park Northbound Embankment	14-Jan-14	17-Dec-13	●
Start On Site (SOS) Queensbury embankments - earth structure refurbishment (EM2 and EM3) works	06-Feb-14	09-Jan-14	●
Bring into Use (BIU) 23 no Depot Track Isolation Switches	31-Mar-14	31-Mar-14	●

Programme works to remediate the JNP Civils assets, principally earth structures, track drainage, deep tube tunnels and bridges and structures, prioritised by detailed condition assessments.

The piling platform at Canons Park was constructed which has allowed the piling installation activities to commence.

An investigation has been carried out to establish the cause of substandard painting on a number of bridges. The likely outcome is that, in future, bridges will now take longer to paint (revised method) which will impact the milestone completion date.

## Rail and Underground Capital Programmes

### Wimbledon Line Enhancements

Spend to end Q1 2013/14 £m	EFC £m
1.1	30

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Issue Invitation to Tender for twin tracking	10/12/13	10/12/13	●
Place order for additional trams complete	31/03/14	31/03/14	●

The Wimbledon Line Enhancement Programme is a programme of works to address congestion on services between Therapia Lane and Wimbledon. To provide these improvements, the programme comprises three work streams:

- twin tracking of existing single track sections of the Tramlink network between Beddington Lane and Mitcham Junction and associated infrastructure enhancements;
- delivery of an additional platform and new tram infrastructure at Wimbledon Station, including extension of running rights at the station; and
- procurement of four additional trams to facilitate the increased services in to Wimbledon Station.

The programme is progressing as planned with key focus on the completion of the commercial agreements with Network Rail and the preparation for the procurement of the new tram vehicles.

The preliminary surveys to explore drainage and other environmental conditions prior to the twin tracking works are progressing well.

## Rail and Underground Capital Programmes

### Overground Capacity Improvement

Spend to end Q1 2013/14 £m	EFC £m
12.0	186.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Award ELL Stabling infrastructure contract	01-Oct-13	15-Aug-13	●
Completion of ELL Stabling enabling works	01-Nov-13	01-Nov-13	●
Completion of ELL Depot enabling works	01-Mar-14	01-Mar-14	●

The London Overground Capacity Improvement Programme is a programme of works addressing the increasing demand on the London Overground network. It includes conversion of the existing fleet of 57 London Overground Class 378 four car trains to five car trains on all routes. To achieve this increase in capacity, a series of infrastructure enhancements are required including:

- additional stabling at Silwood Triangle and Willesden and the associated connections to the network;
- reconfiguration of New Cross Gate Depot and Willesden Train Maintenance Depot to enable maintenance of the five car fleet;
- platform extensions, signalling and associated systems works;
- infrastructure changes to support additional capacity (including enhancement of existing turn-back sidings); and
- procurement of 57 new Class 378 rolling stock cars to extend the existing four-car units to five-car units plus potentially two additional five-car units to increase peak service frequency.

All procurement activities are progressing to programme. Tenders have been returned for the Silwood works contract and the East London Line (ELL) signalling works contract with the contract award planned for July 2013. Tenders for both the New Cross Gate depot and ELL platform extension works are due back in July 2013 with contract award expected in August 2013.

The East London Line enabling works have commenced at Silwood and are progressing well on site.

## Corporate

### Integrated Transport Smartcard Organisation

Spend to end Q1 2013/14 £m	EFC £m
58.2	65.9

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Reader hardware rollout complete	30-Apr-13	30-Aug-13	■
ITSO on Prestige (IoP+) Stage 3 certification	30-Sep-13	29-Nov-13	▲
ITSO on Prestige Project Complete	24-Dec-13	24-Dec-13	●

ITSO (Integrated Transport Smartcard Organisation) is the smartcard specification mandated by the DfT for rail franchises and for the national bus concessionary scheme. Enabling the acceptance of ITSO specified tickets requires changes to TfL's ticketing systems, including a card reader capable of processing both Oyster and ITSO tickets, establishment of a Head Office Processing System (HOPS), new and upgraded communications links and other system changes. The project is responsible for the technical changes required to support ITSO acceptance on the TfL controlled reader estate but a live operational system is dependent on TOCs being capable of integrating with the system and appropriate commercial agreements. The project is being funded by the DfT under an agreement with TfL dated 28 May 2009.

Good progress continues with deployment of reader hardware and the Ethernet comms. These activities continue to schedule against the revised dates.

The TfL HOPS is working in the live environment and is successfully communicating with the Southern HOPS. Live testing of Stage 2 software had been undertaken at four stations: Purley, Coulsdon South, East Croydon and Victoria. Journeys by the test team are being successfully completed from outside to inside London and vice versa. Southern plans a customer launch in August and the project will be able to support that assuming all commercial documentation is agreed.

Stage 3 software development remains on schedule for delivery and Stored Travel Rights functionality has been agreed as removed from scope of the project.

The project has engaged with other parties and the DfT to discuss deployment options across the rail industry once the project is complete. Central to delivery of live operational schemes is agreement of the Commercial Agreements that are being progressed by the Association of Train Operating companies (ATOC) outside the scope of this project.

## Corporate

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### Future Ticketing Project

Spend to end Q1 2013/14 £m	EFC £m
46.0	68.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Phase 2 - start of integration of TfL and 3rd party back office systems	14-Jun-13	14-Jun-13	Complete
Phase 2 - introduction of contactless bank card acceptance for multi-modal daily travel, with daily and 7 day capping ( <b>Annex B: 2014</b> )	31-Jan-14	15-Nov-13	●

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

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

Phase 2 – TfL’s software development for launch capability has been completed and following internal testing, has been delivered to TfL’s contractor and is being integrated with the remaining components.

## Surface

### Barclays Cycle Hire Scheme

Spend to end Q1 2013/14 £m	EFC £m
112.0	144.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
CHEI: Contract variation signed	15-May-13	09-May-13	Complete
CHEI: Start of construction programme	03-Jun-13	04-Apr-13	Complete
CHEI: Start of installation programme	30-Aug-13	30-Aug-13	●
CHEI: Operational commencement	13-Dec-13	13-Dec-13	●
Phase 2: Start of Phase 2 Close (Gate 2)	20-Jan-14	20-Jan-14	●
CHEI: All sites complete	31-Mar-14	31-Mar-14	●
Phase 2: End of Phase 2 Close (Gate E)	30-Apr-14	30-Apr-14	●
CHEI: Project closure approved	31-Jul-14	31-Jul-14	●

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

**Phase 1** – launched in July 2010 and the project formally concluded on 4 July 2012.

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

**Cycle Hire Expansion and Intensification (CHEI)** – takes Cycle Hire west and south-west into areas of anticipated high demand including parts of Wandsworth, Hammersmith and Fulham, and the additional areas of Lambeth, and Kensington and Chelsea. This will increase the number of bicycles to around 11,000 across the whole scheme, supported by approximately 5,000 docking points. The scheme is due to launch in December 2013 with full completion by spring 2014. Planning consent issues with a cluster of sites are being resolved. Priority sites are being appealed and additional sites identified, to improve the network for delivery in early 2014.

## Surface

### New Investment SCOOT

Spend to end Q1 2013/14 £m	EFC £m
16.9	17.2

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

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

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

The remaining 115 sites have been installed in the 2012/13 financial year, taking the total to the full 1,000 sites. At the end of the fourth quarter, 115 design briefs had been completed, 115 detailed designs completed, 115 civil engineering sites completed, 115 SCOOT loops installed and 115 sites commissioned. These sites are currently in the process of being enabled to complete the planned 1,000 sites by 31 July 2013. Currently 893 sites have been enabled, and the remaining 107 are in progress.

## Surface

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### SCOOT 1500 Programme

Spend to end Q1 2013/14 £m	EFC £m
0.0	57.1

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Feasibility approved	30-Jul-13	30-Jul-13	●

The Road Space Management SCOOT delivery portfolio will upgrade the traffic signal technology at a further 1,500 sites. This will allow TfL to manage traffic in a more policy responsive manner.

The delivery portfolio is currently progressing through the approvals process. It is anticipated that approval to deliver the first two years (600 sites) will be granted in mid July 2013. At the completion of this rollout, 75 per cent (a total of approximately 4,500 out of 6,000 locations) of London's traffic signals will be operating SCOOT.

## Surface

### Cycle Superhighways

Spend to end Q1 2013/14 £m	EFC £m
27.2	113.6

Programme level	Current Plan Date	Actual/Forecast Date	RAG
CS2 Extension – preliminary design complete	31-Jan-13	07-Jan-13	Complete
CS2 Extension – detailed design complete	30-Apr-13	30-Jun-13	▲
CS Route 5 – construction started *	31-May-13	30-Jun-13	▲
CS Route 2 Extension – route open	31-Aug-13	31-Oct-13	▲

The Cycle Superhighways project is delivering radial cycle commuter routes from outer to central London. The first four routes (CS2, CS3, CS7, and CS8) were opened in 2010 and 2011. The next stage of delivery is now underway with an extension of CS2 from Bow to Stratford, and the first phase of CS5 from New Cross to Oval, both due to be completed by the autumn.

The remainder of the forward programme is being reviewed following the publication of the Mayor's Cycling Vision in March 2013. The revised programme will be confirmed during the next quarter and will include upgrades to the existing routes and a number of new routes delivered during the current mayoral term, sitting alongside the east-west and north-south Cycle Superhighways through central London.

*\*The first phase of CS5 will be delivered in 2013. The next phase (Oval to Victoria) will be delivered during 2014.*

## Surface

### Hammersmith Flyover Phase 2

Spend to end Q1 2013/14 £m	EFC £m
1.9	77.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Phase 2: Corp Gate A project commencement approved	31-May-12	06-Jun-12	Complete
Award of framework agreement or contract	31-Mar-13	28-Mar-13	Complete
Approval of concept design (design stage 2)	28-Jun-13	28-Jun-13	●
Approval of detailed design (design stage 3)	03-Sep-13	03-Sep-13	●
Approval to Award Design and Build Work Package	17-Oct-13	17-Oct-13	●
Possession of site	04-Nov-13	04-Nov-13	●
Construction complete	21-Apr-15	21-Apr-15	●
Project close	09-Oct-15	09-Oct-15	●

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

The first phase of works, addressing immediate risks to the safety of the structure, was completed in May 2012. The second phase of works, developing and implementing a long-term strengthening solution, commenced shortly thereafter and design activities have been progressed following the appointment of the designer, Ramboll, in October 2012.

Following successful completion of the tender process and evaluation results in March 2013 the contractor, Costain, has been awarded the Framework Agreement for Early Contractor Involvement. The contractor is engaged through a call-off contract and will work with the designer to progress concept and detailed design phases to allow construction works to commence in October 2013.

## Surface

### London Road User Charging and Traffic Enforcement Notice Processing Contract re-let Project

Spend to end Q1 2013/14 £m	EFC £m
1.9	98.1

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Invitation to Participate issued	18-Feb-13	18-Feb-13	Complete
Invitation to Submit issued	20-Aug-13	20-Aug-13	●
Evaluation of ITS bids complete	23-Oct-13	23-Oct-13	●
Approval to award contract	19-Nov-13	19-Nov-13	●
Contract signed	13-Jan-14	13-Jan-14	●
Traffic Enforcement Notice Processing go-live	21-Jun-15	21-Jun-15	●
Business Operations service go-live	01-Nov-15	01-Nov-15	●

The upcoming expiry of both the London Road User Charging (LRUC) and Traffic Enforcement Notice Processing (TENP) contracts provides TfL with an opportunity to maximise efficiency by grouping common activities while enhancing customer satisfaction. These contracts contribute to smoothing traffic flows and improving bus journey time reliability on the Transport for London Road Network (TLRN). LRUC includes the central London Congestion Charging and Greater London Low Emission Zone and TENP provides the notice processing services for decriminalised traffic offences on the TLRN.

This project will be delivered by undertaking a 12 month extension to the current LRUC contract with IBM from 1 November 2014, to align the LRUC and TENP contracts. A procurement process has commenced with the objective of the new services having a staggered go-live in 2015, with the new TENP service coming on line in June 2015 and the LRUC service in November 2015.

Currently, all milestones remain on track and the Invitation to Participate (ITP) phase is currently underway with positive engagement with the bidders. Once the Competitive Dialogue Phase is completed, the Invitation to Submit (ITS) will be issued to those organisations still involved in the process in August 2013 with evaluation from mid September.

## Surface

### Transport for London Road Network Capital Renewal Programme

Spend to end Q1 2013/14 £m	EFC £m
6.3	57.6

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

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

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

#### Programme outputs

Output	Unit	Annual target	YTD actual	YTD forecast	Commentary
Carriageway resurfacing	m <sup>2</sup>	650,000	121,148	86,112	19% of annual target achieved - on course to achieve full year target.
Footway resurfacing	m <sup>2</sup>	58,000	2,240	3,633	4% of annual target achieved - on course to achieve full year target.
Lighting columns	Nr.	900	0	166	0% of annual target achieved - the delivery of Q1 schemes was deferred so they could be designed to the new British Standard which allows lower lighting levels for the TLRN. Designs are now complete and delivery will start in Q3. On course to achieve full year targets.
Vehicle restraint barriers	m	5,000	0	0	0% of annual target achieved - sites identified and investigations and designs progressing; delivery planned to start in Q2. On course to achieve full year targets.
Pumping station upgrades	Nr.	7	0	0	0% of annual target achieved - sites identified and investigations progressing; designs to start in Q2 with delivery planned to start in Q3. On course to achieve full year targets.
Expansion joints replaced	Nr.	6	0	0	0% of annual target achieved - sites identified and designs progressing; delivery planned to start in Q2. On course to achieve full year targets.

## Surface

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### **Better Junctions**

Spend to end Q1 2013/14 £m	EFC £m
6.9	17.7

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Top 100 reviews completed	31-Dec-13	Under review	n/a
First 50 schemes delivered	31-Dec-13	Under review	n/a

The programme comprises a set of high-profile junctions which are recognised barriers to walking and cycling, and where substantial changes could be made to improve vulnerable road user safety and utility. The junctions are typically complex with either high cyclist/pedestrian flows or recognised as having suppressed demand. In line with TfL's target to increase cycling 400 per cent by 2026, the programme is currently being reviewed to focus resources on tackling priority, key junctions.

## Surface

### New Bus for London (NBfL) Vehicle Purchase

Spend to end Q1 2013/14 £m	EFC £m
12.9	230.8

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Conversion of first route completed	30-Jun-13	22-Jun-13	Complete
Conversion of second route completed	31-Oct-13	21-Sep-13	●
Delivery of 600 buses into service	30-Apr-16	30-Apr-16	●

This programme will deliver 600 NBfL buses into London by the end of April 2016. The buses will be built by Wrightbus in Ballymena, Northern Ireland, to the same generic design as the prototypes that were introduced onto route 38 in February 2012.

The fixed price contract with Wrightbus is for £212.7m equating to an average price per vehicle throughout the contract of £354,500. This price includes upgrade requirements to Euro VI engines from 2014.

The first route to be converted was route 24 on 22 June 2013, operated by Metroline with the second route, route 11, operated by Go Ahead, scheduled for conversion on 21 September. Other routes are being evaluated and negotiations are taking place with a number of operators. Further routes for conversion will be announced in due course.