

**Meeting:** Board

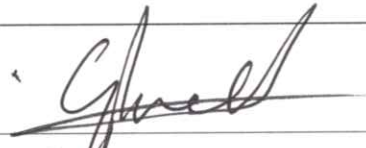
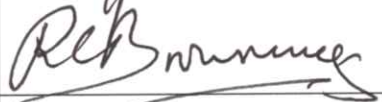
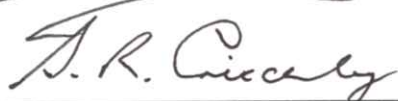
**Date:** 7 December 2006

**Title:** TfL Operational, Financial And Investment Programme Reports – Second Quarter 2006/07

**Version:** 1

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# **TRANSPORT FOR LONDON**

## **STAFF SUMMARY**

### **BOARD**

**SUBJECT:** TfL Operational and Financial Performance, and Investment Programme Reports – Second Quarter 2006/07

**MEETING DATE:** 7 December 2006

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#### **1. Purpose**

- 1.1 To inform the Board of TfL's performance over the second quarter of 2006/07 (25 June 2006 to 16 September 2006).

#### **2. Introduction**

- 2.1 Attached are two reports which detail TfL's performance over the second quarter of 2006/07. They are as follows:

- The TfL Operational and Financial Report – Appendix One Page 5
- The TfL 5-year Investment Programme Report – Appendix Two Page 37

- 2.2 The most recent copy of the Olympic Transport Portfolio Executive Report is also attached at Appendix Three.

- 2.2 The format of the attached reports has been enhanced from previous versions reported to the Committee with the following aims:

- To provide a report that, whilst continuing to meet the needs of the Finance Committee and TfL Board, is also capable of being a stand alone performance report outside of the Board papers;
- To ensure that report is understandable and accessible to a wide range of stakeholders and the public, and is capable of being more widely promoted via the TfL website.

- 2.3 In response to feedback at the Board meeting the content has been enhanced to include

- Commentary on the percentage of disabled people within TfL's senior management



- Statistics and associated commentary related to the age profile of TfL's workforce and arrangements concerning compliance with the new Age Discrimination regulations which have recently come into force.

2.4 It is envisaged that this report, once received by the Board, would be made available separately via the website under a 'TfL performance' section or similar, and circulated to stakeholders as requested. Any feedback on the revised format of the report would be very welcome.

### **3. Recommendations**

3.1 The Board is asked to:

**Note** TfL's operational and financial performance over the second quarter, 2006/07;

**Note** TfL's progress on the Investment Programme over the second quarter, 2006/07; and

**Forward** feedback on the revised format of the report to the contacts below

### **4. Contacts**

4.1 For detailed enquiries on the content of these reports, please contact:

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## Appendix One:

### **Transport for London Operational and Financial Report Second quarter, 2006/07**







# Operational and Financial Report

Second quarter, 2006/07





Cover Image: The Tour of Britain in full flight outside Buckingham Palace, 20 September 2006



## Transport for London

### Operational and Financial Report

### Second quarter, 2006/07

#### Performance highlights

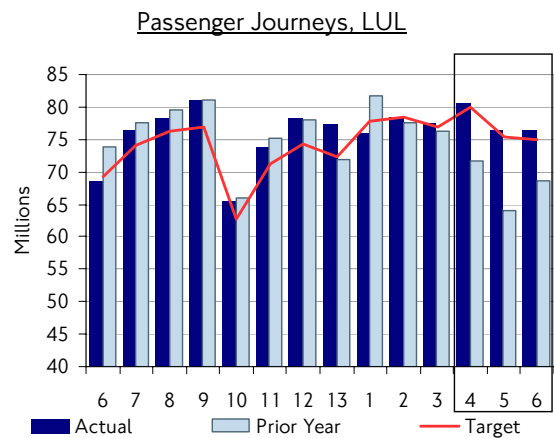
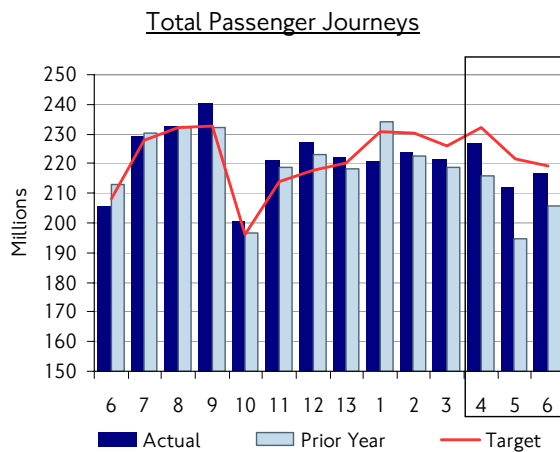
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- 1.1 Key highlights and performance issues in the second quarter of 2006/07 were as follows:
- Overall passenger demand continues to grow year on year, although direct comparisons with the second quarter of 2005/06 are not possible due to the tragic events of July last year. The growth in demand was led by passenger journeys on the Underground that were ahead of target.
  - Service provision this quarter improved compared to the first quarter and the previous year, and was close to target across the business overall. Reliability and service provision on the Docklands Light Rail (DLR) were at record high levels.
  - Transport for London scooped a number of awards at the National Rail Awards in September. The Central Line was awarded “Best London Suburban Operator” and the Network Recovery Team was awarded the “Judges Award for Dedication to Duty” in recognition of the excellent teamwork in the response to, and recovery from, the 7 July bombings.
  - The 2006 Tour of Britain (see cover image), sponsored by TfL, arrived in London on Sunday 3 September, with large crowds attending to watch the final 20 laps around St James’ Park. TfL staff worked closely with the Metropolitan Police to safely escort the riders from the start in Greenwich to the finish. The experience gained in the course of the event will be invaluable when the Tour de France starts in London in July 2007
  - From the beginning of September around 130,000 16 and 17-year-olds living in London, and in full-time education or unwaged training, became eligible for a 16 to 17-year-old Oyster photocard, offering them free travel on London’s buses and Croydon Tramlink.
  - Oyster cards became available for overseas visitors to buy before they arrive in England. The cards are on sale in India, Hong Kong, Singapore, Spain, Portugal and the USA, and will be available in 12 more countries by March 2007.
  - As part of a strategy to consolidate accommodation, TfL completed an agreement to lease 190,000 square feet of “The Shard”, scheduled for occupation in 2011, on 5 August and on 11 August signed an agreement to take an overriding lease of the Palestra building, scheduled for occupation from December 2007.
  - A mentoring programme to help staff progress through the organisation began in July 2006 with significant participation from Black, Asian and Minority Ethnic (BAME) staff. One aim of the programme is to increase the number of BAME staff in senior management which currently stands at 10.6 per cent.
- 1.2 A summary of TfL’s performance over the quarter against key indicators is provided in Annex One.

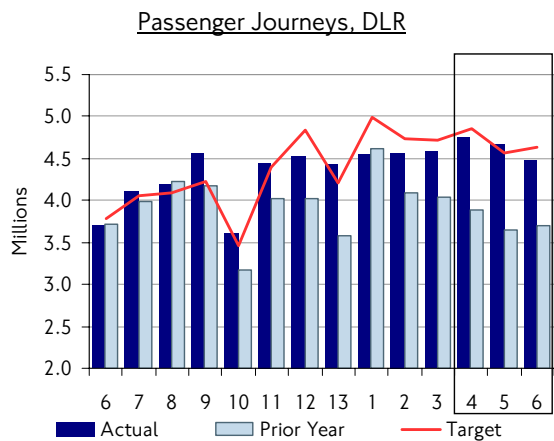
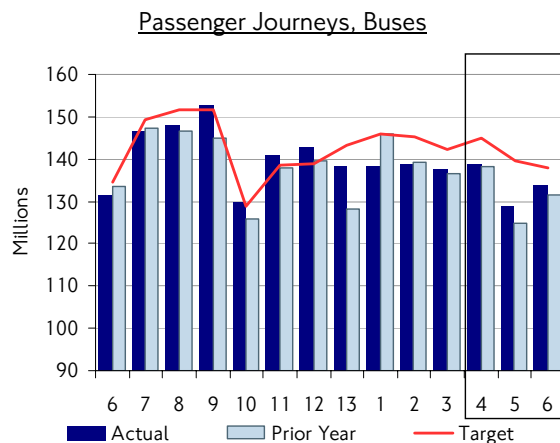


## Service demand

- 2.1 There were 656m passenger journeys on the TfL network in the second quarter of 2006/07, a performance improvement compared to the first quarter. Although performance improved, there was a shortfall of 17m journeys compared to target, primarily a result of lower journey numbers on the bus network.
- 2.2 Unusually low passenger journey numbers in the second quarter of 2005/06 as a result of the July 2005 bombing attacks mean direct comparisons with the previous year are not possible. However, since the events of July 2005 there has been a sustained recovery in ridership across the network.



- 2.3 On the Underground there were 234m passenger journeys in the second quarter, 3m more than target. These high levels of demand are expected to continue, with passenger journeys forecast to exceed 1 billion for the first time by the end of the year.



- 2.4 Passenger numbers on the Bus network recovered strongly at the end of the quarter to end at 402m, down five per cent against target. A re-examination of the effects of the under 16 free travel initiative using the Greater London Bus Passenger Survey (GLBPS) has indicated that the target had overestimated the increase in demand due to the policy. This overestimation is the primary reason for the shortfall against target, and the effect is expected to continue for the rest of the year. After adjusting for this overestimation, the year to date result is slightly ahead of target.



- 2.5 There were 14m passenger journeys on the DLR this past quarter, only marginally lower than targeted levels. Stronger than target demand on the Lewisham line and the Airport extension was offset by weaker demand on the remaining section of the network resulting in the 0.2m shortfall in journeys. These trends are forecast to continue, with strong performance on the London City Airport Extension offset by lower than target performance on the other lines leading to a year end shortfall of 0.9m journeys compared to target.

### **Dial a Ride**

- 2.6 The number of trips provided through the Dial a Ride service this quarter was 84,000 below the target of 350,000 trips due to driver shortages and slower than expected implementation of new scheduling systems. A recruitment drive is underway to address the shortage of drivers, and the improved scheduling system is expected to be in place by the end of 2007. An update on progress in this area will be provided in the next quarterly report.

### **Cycling & Walking**

- 2.7 Levels of cycling on the TLRN are continuing to grow, with flows now twice what they were when the baseline was measured in March 2000. The full year forecast is for levels of cycling to remain high on the TLRN, though not as high as in the previous quarter due to seasonal patterns.
- 2.8 During the second quarter a number of walking improvement schemes on both the TLRN and borough roads were completed. One example of such, Streetscene Improvements at Coventry Street, Westminster, involved upgrading pavements, installing pedestrian crossings, and removing traffic through road closures to make the environment a better place for walking.
- 2.9 To determine the best location for future programmes, a number of walking studies on the TLRN were also completed during the quarter. The Central London Pedestrian Study assessed pedestrian flow and behaviour, and Pedestrian Environment Review System audits of the pedestrian environment were completed to assess where there is a need for improvement. Data from these studies will be used to target future investment in walking improvement schemes.

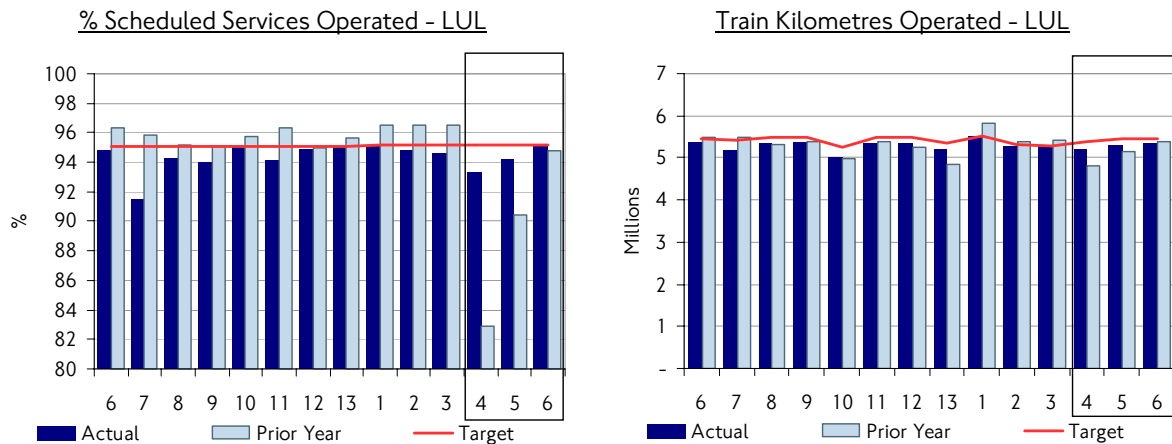
### **Fare Trends**

- 2.10 Oyster single fare journeys rose steadily this quarter and by the end accounted for 19 per cent of all Underground journeys and 13 per cent of all Bus journeys. Across all types of travel, Oyster use appears to have levelled off at 60 per cent of all journeys. This plateau is related to the holiday period when the proportion of local residents using the transport system naturally declines. As visitors become more aware of the benefits of Oyster, particularly now that overseas distribution has begun, this effect is expected to weaken.
- 2.11 In other fare categories, Travelcard sales, both day and season, are significantly up on the same quarter last year, while bus pass sales are continuing to fall.
- 2.12 The use of cash on the Bus and Underground, which was falling, appeared to stabilise during the quarter for the reasons noted in 2.10 above, and made up 5.5 per cent of all on-bus fares and 6.3 per cent of all Underground fares by the end of the quarter. As the seasonal effects of higher tourists and fewer commuters decline, cash use as a percentage of all fares is forecast to continue to decline. In addition, the 2007 fares package recently announced by the Mayor is also expected to further encourage more passengers to switch to Oyster Pay as You Go to benefit from the lower single journey fares.



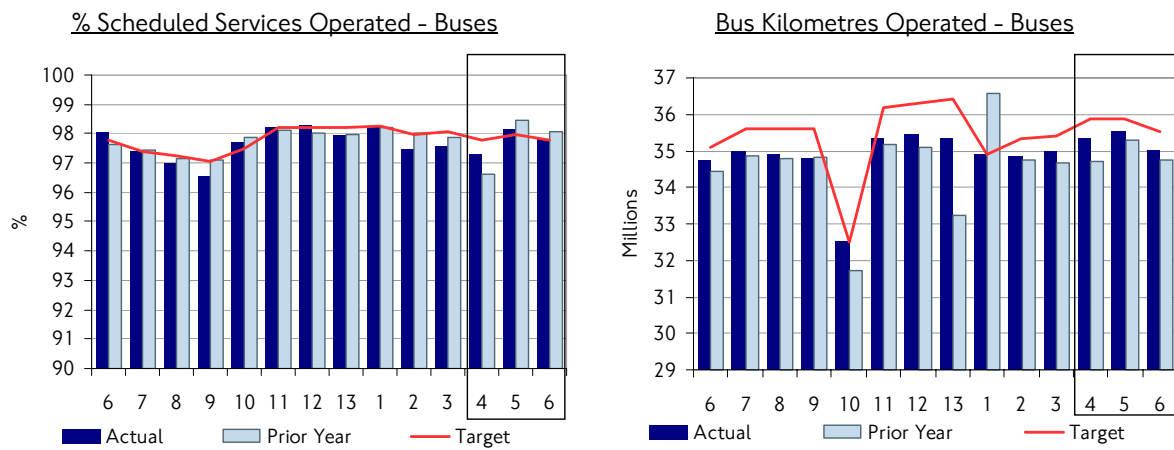
## Service provision

- 3.1 Across the business, service provision levels were very close to target this quarter and consistent with first quarter results.

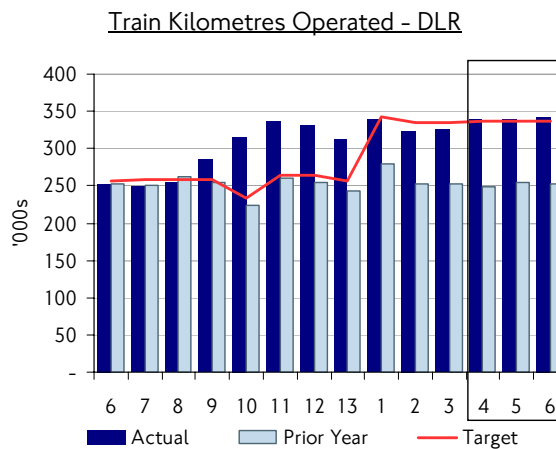


- 3.2 Train kilometres operated on the Underground, at 15.9m, and the percentage of scheduled services operated this quarter, at 94.2 per cent, were below target overall. While scheduled services operated were much higher than the previous year, as discussed in 2.2, this is principally related to the impact of the events of July 2005 on services in the second quarter of 2005/06.
- 3.3 High temperatures at the beginning of the quarter, as in the first quarter, caused disruptions to service with some temporary speed restrictions still necessary due to Metronet's earlier failure to undertake the necessary preparatory maintenance work. Signal problems were the other significant factor that led to performance shortfalls, particularly on the Northern and Victoria lines. Peak hour train cancellations due to signal failure reached a ten year high in period five at 270, and although this measure fell to 152 in period six, this was still somewhat higher than recent years' averages. These failure trends are being reviewed by London Underground engineers and their Infracore counterparts at regular Asset Performance Review Meetings.
- 3.4 The Central line remained the best performing line this quarter, operating 97.7 per cent of its scheduled services for the year to date, 2.1 per cent higher than target. In contrast, difficulties on the Northern line continued this quarter with intermittent staff shortages in addition to the signalling issues mentioned above depressing performance.





- 3.5 The percentage of scheduled services operated on the bus network improved this quarter to 97.8 per cent, only 0.1 per cent below the target of 97.9 per cent due to lower than target performance in period four. At 106m, kilometres operated were higher than last year, though slightly below the target of 107m kilometres.
- 3.6 The main causes of service losses in the quarter were traffic delays (including a number of traffic accidents causing road closures), localised flooding in July, emergency roadworks in places, and public demonstrations. Losses due to staffing were exceptionally low over the quarter, despite the late summer period usually being one of the worst for staff shortage. Kilometres lost for mechanical reasons were better than the previous quarter, and declined over the course of the quarter as the weather cooled.

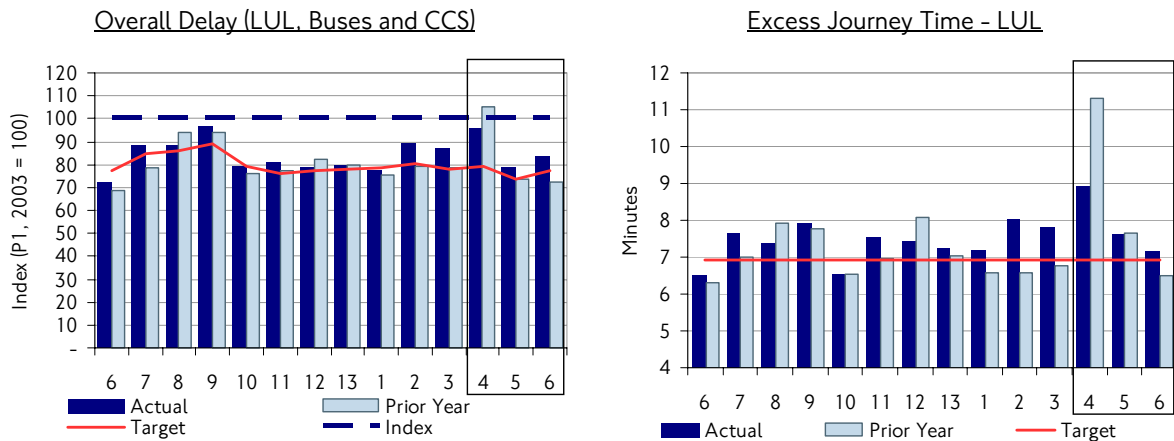


- 3.7 DLR performance continued to improve this quarter. Kilometres operated were 8m better than the target of 1,011m, and due to the opening of the London City Airport extension were well ahead of the prior year's second quarter result of 754m kilometres operated.

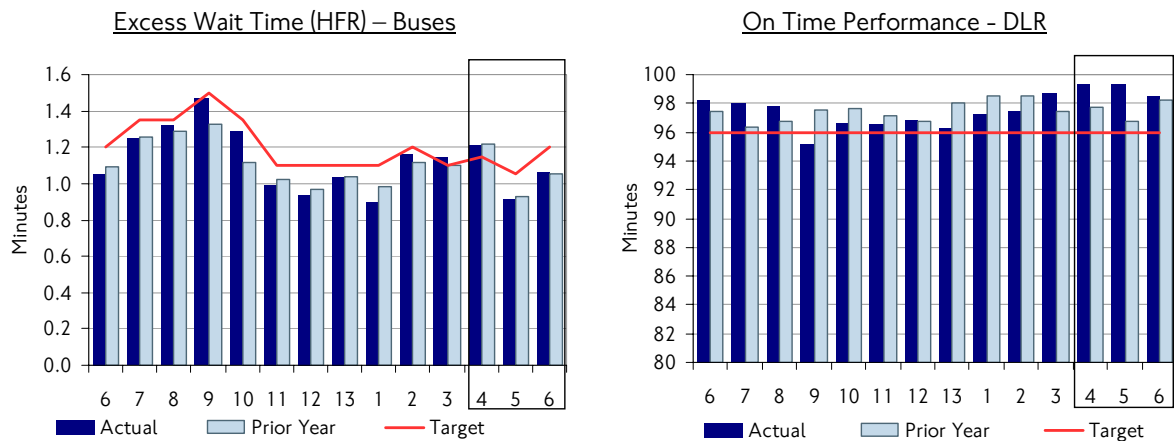


## Service reliability

- 4.1 The overall delay index (Period 1, 2003 = 100) improved compared to target during the quarter, but on average was 2.2 points worse than the same period last year, and 9.2 points down on target. The most significant contributing factor was higher than target excess journey time on the Underground.



- 4.2 On the Underground excess journey time was almost 1 minute worse than the target of 6.92 minutes, but as the quarter progressed excess journey time fell, and by the final period of the quarter more than half of Underground lines performed within their targets. The key factors were high levels of fleet failure and unplanned closures. The signal failures discussed under service provision above also contributed to the result.



- 4.3 Excess wait time on high frequency bus routes (HFR) fell compared to the first quarter and was slightly better than the target for the quarter at 1.1 minutes. The ongoing expansion of Quality Incentive Contracts was the most significant element that contributed to the good performance in this area.
- 4.4 On time performance on the DLR was again excellent, the result of 99 per cent exceeded both target and the prior year's result. Of particular note was the performance in the middle of the quarter with record high levels of reliability in period five when 99.3 per cent of services ran to schedule against a target of 96 per cent.



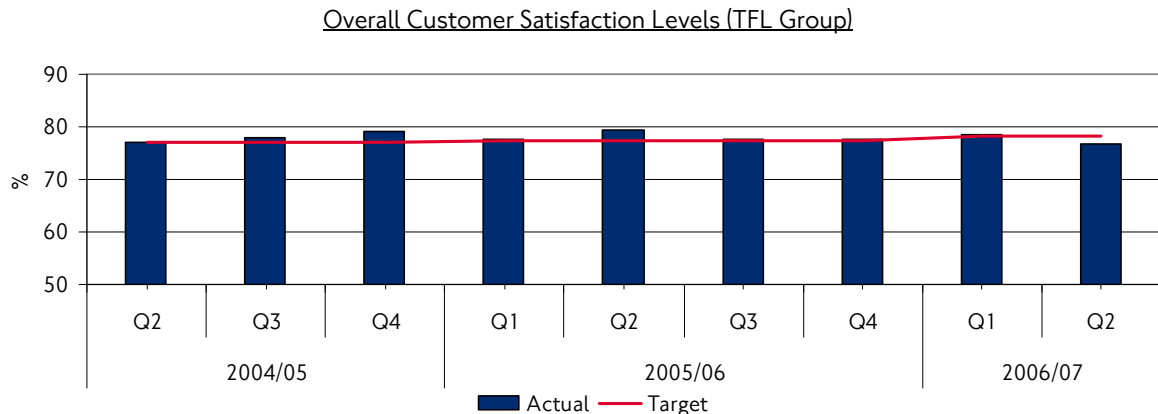
- 4.5 Congestion within the central London charging zone increased this quarter to 2.1 minutes per kilometre, possibly reflecting in part the temporary closure of the Strand Underpass from Waterloo Bridge. Following a discussion of congestion trends in the Congestion Charging Fourth Annual Monitoring Report, investigations are continuing into the factors affecting traffic conditions within London.



## Customer

### Customer Satisfaction

- 5.1 After an extended period of sustained high performance, overall customer satisfaction levels fell slightly this quarter to 76.8 points, following falls in customer satisfaction levels on the Underground and London Buses.



- 5.2 London Underground has seen consistently high customer satisfaction survey results over the past two years, scoring 78 out of 100 or more for each of the past seven quarters, reflecting improved operational performance and improvements in information and staff helpfulness. This quarter's result followed earlier seasonal patterns and declined, but by more than in past years, down three points to 75. It is believed this result was due to the effects of record high temperatures over the summer combined with speed restrictions following Metronet's failure to complete the necessary maintenance actions.
- 5.3 On London Buses, overall satisfaction levels for safety and security and crowding levels were high at 81 and 78 points respectively. However, overall satisfaction levels dipped 1 point to 77, under target but in line with results from the second half of 2005/06.
- 5.4 DLR customer satisfaction increased again this quarter to 96.9 points, above both the quarterly target and the same quarter last year.

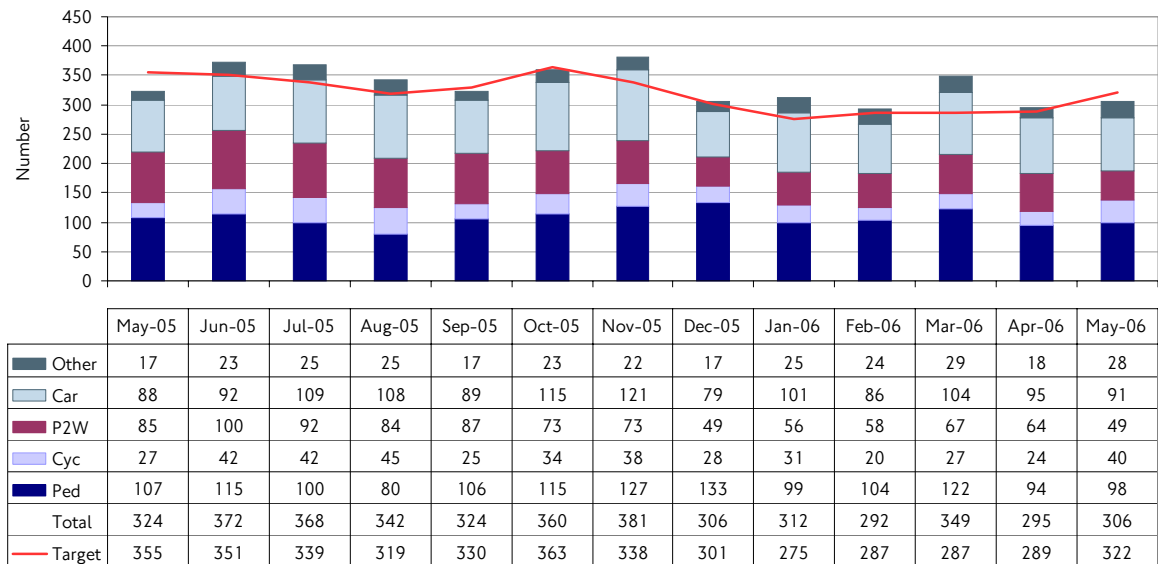
### Safety

- 5.5 On London Roads the number of killed and seriously injured casualties from March to May 2006 (the latest data available) fell over the course of the period to be better than expected by May. However, due to unusually high casualty numbers in March the result of 950 casualties across the three months was worse than the target of 898. The spike in March was due to pedestrian incidents that were some 27 per cent higher than the average for the other four months of the year.



- 5.6 For the year to date, the result of 1,554 serious casualties was 357 higher than the result for the same period in 2005. It is believed that this result is partly due to abnormally low results in the period November 2004 to April 2005. The London Road Safety unit is working closely with the Metropolitan Police Service to determine whether there are any anomalies with the data from this period. Despite this, long-term trends are still declining and the 50 per cent casualty reduction target is expected to be met by 2010.

Number of Killed or Seriously Injured (KSI) on London Roads



Note: Due to reporting processes and the nature of road traffic accident data results are reported 4 to 5 months in arrears. The most recent data available is for May 2006. Results are also subject to retrospective adjustments.

- 5.7 The overall number of major injuries and fatalities across the TfL modes is unable to be reported this quarter as there have been implementation issues with the new system for collecting and recording major fatality and injury data on the Bus network. Group Safety Services and Group Information Management in Surface Transport are in the process of addressing these issues, and subsequent quarterly data will be reported as planned.



## Delivery of pan-TfL priorities

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### Sustainability

- 6.1 A Group-level sustainability unit with three staff became operational in September. This small unit sits in Group Health Safety and Environment in General Counsel and will provide support on sustainability matters across the business, in a way similar to that currently employed in the areas of Health, Safety and the Environment, and Resilience. The sustainability unit will be responsible for co-ordination on key aspects of sustainability across TfL including climate change, the environment, demand management, walking and cycling. Activities will include performance monitoring and reporting, responding to consultation processes, and ensuring sustainability considerations are incorporated in business planning and business case development.
- 6.2 Highlights of TfL initiatives with environmental or social benefits in the second quarter were:
- TfL continued to pursue several initiatives to accelerate carbon emission reduction across London's transport sector, including a plan for a climate change fund to finance some of the work. The fund would aim to deliver initiatives that contribute to the Mayoral objectives and targets on climate change mitigation but that are not yet sufficiently developed to be included in individual business plans.
  - For the year to date, London Underground stations were well ahead of their energy reduction targets. By the end of the quarter total savings were 26.2 per cent, 3.7 per cent higher than the target of 22.5 per cent for 2006/07. This substantial reduction corresponds to a saving of 13.4 per cent in real terms since 2000/01.
  - In September, TfL launched a cycle training programme for school students ("Bikeability") and the "Share the Road" campaign, aimed at instilling mutual respect in road users.
  - Smarter Travel Sutton, TfL's flagship travel demand management project in partnership with the London Borough of Sutton, was launched in September supported by £5m investment from TfL over three years. The project will aim to assess the impact of heavily concentrated soft travel demand management measures in schools, workplaces and households.

### Section 17 of the Crime and Disorder Act

- 6.3 As discussed in the first quarter report, the TfL Board agreed to voluntarily adopt Section 17 of the Crime and Disorder Act on 24 May 2006. This decision reflects TfL's commitment to improve safety and security on the transport network and across London. TfL already makes a considerable contribution to community safety through its significant investment in transport policing and the work of the Transport Policing and Enforcement Directorate (TPED).
- 6.4 TfL's implementation of Section 17 will be incremental. TPED expects that it will take up to 18 months before Section 17 is fully implemented across the organisation. The implementation of Section 17 provisions across TfL has so far included:
- An extensive audit of crime and disorder across TfL's services and identification of priorities;
  - Development of TfL's first Crime and Disorder Strategy to be presented to the TfL Board on 7 December 2006;



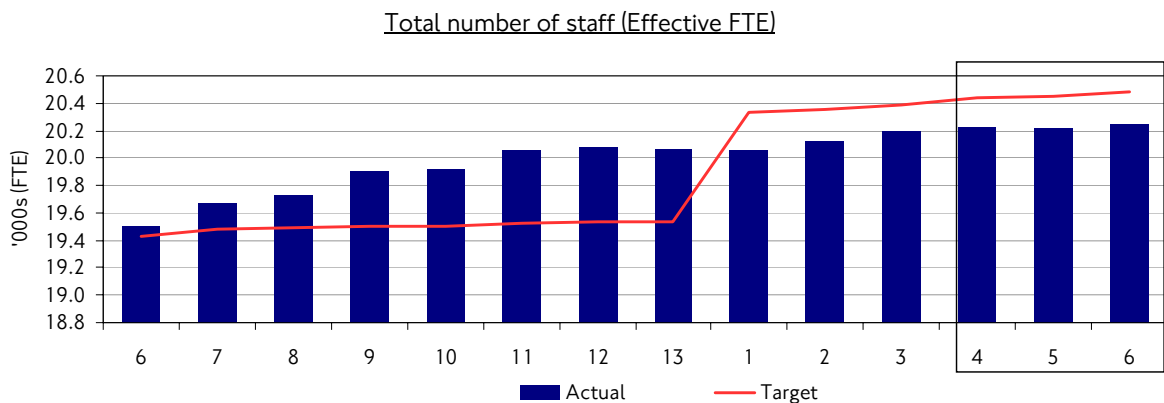
- Crime and disorder impact assessments in policy development: From September 2006, all papers and reports submitted to the TfL Board, committees or panels must demonstrate that due consideration has been given to the impact of the activity / policy on crime and disorder.
- Specialist advice to support policy analysts: The Crime and Disorder Partnership team in the Transport Policing and Enforcement Directorate are now available to assist staff undertaking crime and disorder impact assessments. Administrative processes are being developed to track such requests for advice and associated feedback to ensure TfL is meeting its requirements under the Act, and to minimise any risks of legal challenge when section 17 becomes a statutory requirement.



## People

### Staff Numbers

- 7.1 At the end of the second quarter TfL had 20,250 full time equivalent staff (FTE) across the business, 237 FTE below targeted numbers. This was a result of below target staff numbers in London Underground, offset by higher numbers in Group Directorates and Surface Transport.

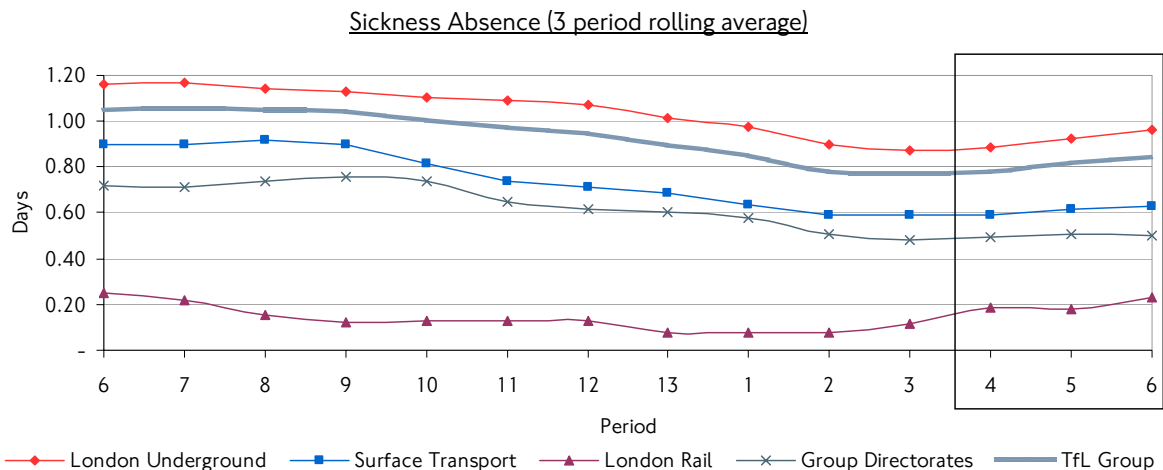


- 7.2 Staff numbers within London Underground were 473 below budget this quarter at 13,666. The shortfall was greatest in Customer Services, mainly in Customer Service Assistants and in Programmes where new positions remain unfilled. A recruitment drive is underway to fill these vacancies.
- 7.3 In Surface Transport, staff numbers at 4,438 were 153 more than budget due to higher numbers in Road Network management projects and extra staff on East Thames Buses to operate a bus route formerly run by the now defunct Centra company.
- 7.4 Staff numbers in London Rail this quarter were 21 below the target of 195. The biggest challenge facing London Rail in filling these vacancies is its ability to attract quality candidates into engineering positions.
- 7.5 Within the Group Directorates, staff numbers were 170 FTE higher than budgeted primarily due to additional staff on the Oyster help desk to ensure that service targets continue to be met, and some unbudgeted staff in Group IM to mitigate service delivery issues.



## Sickness

- 7.6 TfL's average sickness absence per employee over the past quarter was 2.54 days, 0.13 days better than target. Rates of sickness absence remained better than target for the majority of the business, apart from London Underground which was only marginally worse than target (0.03 days). Although there was a slight upturn in moving average trends over the past quarter this was in line with expected seasonal patterns and the longer-term trends show an encouraging decline across all of TfL.



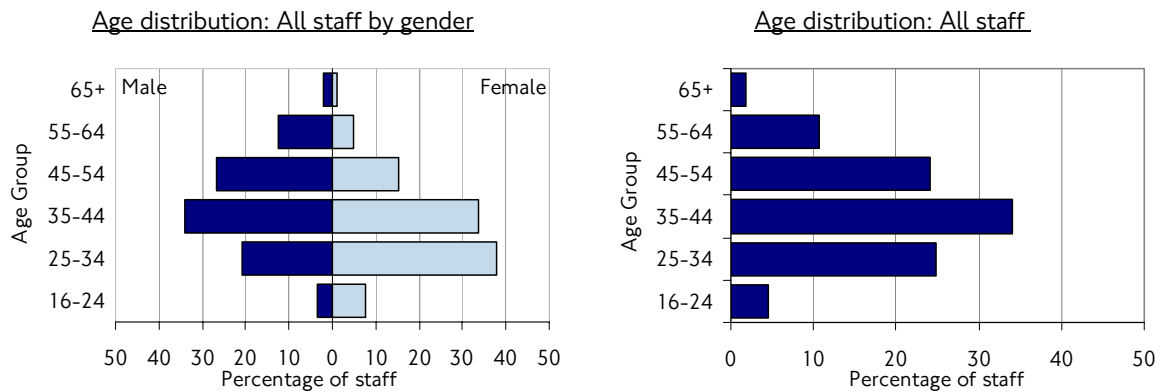
## Workforce Composition

- 7.7 The percentage of women employed by TfL at 22.6 per cent has increased by 0.3 per cent since last quarter. Similarly, the percentage of women in senior management at 19.5 per cent has increased by 0.7 per cent on last quarter. Although both results were behind the stretching targets set, the continuing positive increase is encouraging.
- 7.8 There are a number of initiatives in place to further improve the above results. Facilities at bus depots and London Underground stations are being improved; improvements are being made to enhance the recruitment and retention of women Revenue Protection Inspectors; flexible rostering systems are being developed within East Thames Buses to improve work-life balance for all employees; London Rail are working with Group Equality and Inclusion to attract applicants from diverse backgrounds; and Group Directorates are working on action plans focused on attracting and retaining women.
- 7.9 The percentage of Black, Asian and Minority Ethnic group (BAME) staff across TfL at 32.9 per cent remained well above target. The percentage of BAME staff in senior management at 10.6 per cent was well up on the same quarter last year, but is unchanged on the first quarter of this year and below the target of 12.2 per cent. To improve the representation of BAME staff in Senior Management a mentoring programme for all TfL employees (with 48 per cent BAME participation) is underway to help staff progress through the organisation.
- 7.10 The percentage of disabled staff and the percentage of disabled staff in senior management were 0.2 per cent and 0.4 per cent below target this quarter. Representation of disabled people in senior management roles has remained static throughout this financial year and represents a shortfall of two disabled staff members in senior management compared to target (assuming no turnover of existing disabled senior managers). Ensuring that disabled people are aware of senior opportunities in TfL has been identified as a key activity and will form an integral part of our attraction strategy for senior roles. In addition, the mentoring programme discussed above currently has nine disabled mentees out of a total of 122.



## Employment Equality (Age) Regulations

- 7.11 The Employment Equality (Age) Regulations came into force on 1 October 2006 to protect workers from unlawful discrimination on the basis of age. It is now illegal for employers to discriminate against employees, trainees or job seekers because of their age. Further, employers are required to ensure that all workers, regardless of age, have the same rights in terms of training and promotion.



- 7.12 A brief review of the age distribution of staff in TfL demonstrates that we have a diverse and balanced workforce. 83 per cent of staff are in the 25 – 54 age group, and the organisation has slightly higher numbers of staff under the age of 44 than over 45. As can be seen in the above graph, across the organisation female staff are relatively younger than male staff. The higher proportion of older male staff is due to Transport being an historically male dominated profession, while the higher proportion of younger female staff reflects recent efforts by TfL to attract female staff.
- 7.13 This age distribution varies across TfL, with Group Directorates having the greatest proportion of staff under the age of 44, and London Underground having the highest proportion of staff over the age of 45.
- 7.14 Before the regulations came into force TfL reviewed all HR processes, policies and procedures in consultation with recognised trade unions to ensure they complied with the regulations. Human Resources staff received briefings on the new policies and the impact of age regulations, including the process to request to work past the age of 65. Further communication on the age regulations is planned for roll out during October and November.



## Efficiencies

- 8.1 The efficiencies programme full year target is £170m. This includes £132m of savings sustained from previous years with £38m to be delivered within the 2006/07 financial year.
- 8.2 At the end of period 6, the full year forecast is £187m, £17m above target, up from £175m in the first quarter. This has been achieved through greater than expected in-year efficiencies that have more than offset the loss of some recurring efficiencies from previous years.

Efficiency Initiatives £ m	Full Year (Sustained)		Full Year (In Year)		Total	
	Forecast	Var to Budget	Forecast	Var to Budget	Forecast	Var to Budget
Procurement	48	(5)	24	18	72	13
Staff & BIP	24	(1)	2	1	26	-
Marketing	1	(11)	3	3	4	(8)
Other	8	-	8	3	16	3
<b>Total Back Office</b>	<b>81</b>	<b>(17)</b>	<b>37</b>	<b>25</b>	<b>118</b>	<b>8</b>
Rail	-	-	1	-	1	-
Bus Network	34	4	10	6	44	10
Tube Lines refinancing	-	-	2	-	2	-
LUL Operational Efficiencies	4	-	11	-	15	(1)
LUL Communication Infrastructure	-	-	7	-	7	-
<b>Total Operations</b>	<b>38</b>	<b>4</b>	<b>31</b>	<b>6</b>	<b>69</b>	<b>9</b>
<b>Total Cashable (lower than budget)</b>	<b>119</b>	<b>(13)</b>	<b>68</b>	<b>31</b>	<b>187</b>	<b>17</b>

Tables may be subject to rounding errors

- 8.3 In-year savings are forecast to come to £68m, £31m higher than target. This is mainly due to:
- An overall increase of £13m in procurement efficiencies;
  - New marketing efficiencies of £3m due to a refocusing of TfL's marketing strategy which is now based on customer needs rather than operational expectations, and a review of TfL's media buying;
  - A one-off 'other' saving of £3m in respect of reduced insurance costs following annual review; and
  - Increased savings through the contracting arrangements relating to the bus network, and additional operational efficiencies as a result of reducing cash on buses
- 8.4 Following review, the efficiencies forecast to be sustained from previous years has been reduced by £16m:
- Procurement has removed £5m from the reporting system where contracts delivering efficiencies have ended; and
  - Sustained efficiencies in marketing have reduced by £11m due to higher expenditure on public information and awareness campaigns including road safety and ticketing.
- 8.5 In addition to the claimable efficiencies, Group Procurement expects to deliver a further £8m of cashable benefits through increased revenue income. TfL does not presently permit additional revenue to be counted towards its efficiency target.



## Financial performance

### Group Highlights

- 9.1 Operating income at the end of the quarter was £27m better than budget, primarily due to higher than expected fares income on the Underground. For the full year this variance is forecast to remain relatively unchanged at £28m better than budget. Operating expenditure was £144m lower than budget for the quarter. This variance is forecast to decrease to £132m lower than budget by year end.
- 9.2 Net capital expenditure at the end of the quarter was £22m lower than budget after taking into account overprogramming reductions and capital receipts and reimbursements from third parties. Forecast net capital expenditure for the full year after overprogramming is forecast to be £8m over budget, reflecting good forecasts of project delivery. Further detail regarding investment activity is available in the quarterly Investment Programme Report.
- 9.3 Net interest income at the end of the quarter was £7m better than budget and is forecast to increase to £33m better than budget by year end. This favourable position reflects both higher interest earned and lower interest payments as a result of the value and timing of borrowing.

Net Service Expenditure £m	Year to Date		Full Year		
	Actual	Variance to Budget	Forecast	Budget	Variance to Budget
<b>Operating Budget</b>					
Income	(1,336)	(27)	(2,967)	(2,939)	(28)
Operating Expenditure	2,287	(144)	5,269	5,402	(132)
<b>Net Operating Expenditure</b>	<b>951</b>	<b>(171)</b>	<b>2,303</b>	<b>2,463</b>	<b>(160)</b>
<b>Capital Budget</b>					
Capital Expenditure	293	(81)	734	840	(106)
Capital Receipts & Reimbursements	(62)	27	(185)	(229)	44
Overprogramming	-	32	-	(70)	70
<b>Net Capital Expenditure</b>	<b>231</b>	<b>(22)</b>	<b>549</b>	<b>541</b>	<b>8</b>
<b>Interest Income</b>					
Interest Income	(31)	(3)	(59)	(53)	(6)
Debt Serving Payments	27	(4)	58	85	(27)
<b>Net Interest Income</b>	<b>(4)</b>	<b>(7)</b>	<b>(1)</b>	<b>32</b>	<b>(33)</b>
<b>Contingency</b>					
Contingency	-	-	26	26	-
<b>Net Service Expenditure</b>	<b>1,177</b>	<b>(200)</b>	<b>2,876</b>	<b>3,062</b>	<b>(186)</b>

- 9.4 A modal summary of financial performance is provided in Annex Two.



## Revenue Income

- 9.5 Total income for the first half year at £1,336m was £27m better than budget, up 6 per cent on the same period last year, driven by higher London Underground income. Overall income for the full year is forecast to remain largely unchanged compared to budget, at £28m higher than budget by year end.

Prior Yr YTD	Income £m	Year to Date		Full Year		
		Actual	Variance to Budget	Forecast	Budget	Variance to Budget
(585)	Underground Fares Income	(641)	(30)	(1,417)	(1,372)	(45)
(427)	Bus Network Fares Income	(450)	(2)	(1,004)	(1,004)	-
(115)	Congestion Charging Income	(114)	3	(258)	(260)	2
(138)	Other Income	(131)	2	(288)	(303)	15
<b>(1,265)</b>	<b>Total Income</b>	<b>(1,336)</b>	<b>(27)</b>	<b>(2,967)</b>	<b>(2,939)</b>	<b>(28)</b>

Table may be subject to rounding errors

- 9.6 Fares income on the Underground rose again this quarter to be £30m better than budget for the year to date, driven by strengthening passenger demand across the network. This favourable variance is expected to increase to £45m by the end of the year in line with higher passenger numbers.
- 9.7 Bus network fare income was in line with budget and up 5 per cent on the same period last year despite passenger numbers over the past two quarters falling below target. Because the drop in demand largely reflected lower than anticipated growth in under 16s free travel, it did not affect fares income. In addition, the number of passengers using cash fares, which are more expensive than Oyster single fares, was slightly higher than anticipated. For the full year fares income is forecast to remain in line with the budget of £1,004m.
- 9.8 Conversely, congestion charging income at £114m was down £3m against budget and was largely unchanged on last year. The effect of the introduction of Pay Next Day on congestion charging income is twofold. On the one hand, enforcement income has reduced by 15 per cent as expected, although the effect of Pay Next Day on the number of penalty charge notices appears to be diminishing over time. On the other hand, charge income has increased as both penalty charge income and standard charges switch to Pay Next Day. This will continue to be monitored over the next quarter.
- 9.9 In other income, £131m for year to date was £2m lower than budget, predominantly a result of lower advertising income, depressed Victoria Coach station ticket sales and lower DLR fares income. The variance for the full year is forecast to increase to £15m worse than budget, with over half of this relating to different phasing of revenue from the new advertising contract than was anticipated at the time the budget was set and lower Transport Policing enforcement income.

## Operating Expenditure

- 9.10 Total operating expenditure at the end of the second quarter was £144m lower than budget. This result was due to lower expenditure in London Underground, and to a lesser extent Surface Transport, offset by higher than budgeted expenditure within the Group Directorates.
- 9.11 For the full year the variance is forecast to decrease to be £132m lower than budget. The estimated outturn is a combination of lower forecast expenditure within London



Underground and Surface Transport offset by some increases in expenditure in the Group Directorates (Group Services and Finance & Planning)

Prior Yr YTD	Operating Expenditure £m	Year to Date		Full Year		
		Actual	Variance to Budget	Forecast	Budget	Variance to Budget
1,089	London Underground	1,114	(102)	2,541	2,655	(114)
946	Surface Transport	1,023	(27)	2,336	2,388	(52)
42	London Rail	55	(1)	134	126	8
85	Group Directorates	95	(13)	258	233	25
<b>2,162</b>	<b>Total Operating Expenditure</b>	<b>2,287</b>	<b>(144)</b>	<b>5,269</b>	<b>5,402</b>	<b>(132)</b>

Table may be subject to rounding errors

- 9.12 Year to date expenditure in London Underground was £102m lower than budget. The result reflected reduced performance and other payments to Infracos, down £48m against budget, non-materialisation of risk resulting in a favourable variance of £33m, and savings in insurance and other costs. These variances are also reflected in the full year result, which is forecast to be £114m below budget.
- 9.13 Within Surface Transport expenditure for the year to date was £27m below budget. The majority of this variance, £19m, reflected lower than expected contract price increases from re-tendering or route revisions on the bus network reflecting in part the on-going realisation of operating efficiencies from Oyster card and Congestion Charging. The variance is forecast to increase to £52m better than budget by year end due to further lower expenditure on the bus network and the rephasing of expenditure on Congestion Charging projects.
- 9.14 Operating expenditure in London Rail was broadly in line with budget at the end of the quarter. However, the outturn at year end is forecast to be £8m higher than budget due to higher than anticipated spending on Stratford international, DLR administration, and higher London Rail Concession costs, partially offset by lower expenditure on North London Railway station improvement projects.
- 9.15 Expenditure within the Group Directorates was £13m lower than budget for the first half of the year, mainly reflecting the phasing of spend on Borough partnership projects. The forecast increase in expenditure to £25m above budget is due to higher costs associated with the IM service delivery contracts, additional accommodation strategy costs, major projects modelling costs partially arising from recent Public Inquiries, and Oyster call centre staff to raise customer service levels.

### Capital Expenditure

- 9.16 Capital expenditure, before group overprogramming, for the first half of the year was £293m, £81m lower than budget, with lower expenditure predominantly in London Underground. Net capital expenditure for the year to date, after group overprogramming and receipts and reimbursements, was £231m, £22m lower than budget.



- 9.17 At year end net capital expenditure is forecast to be £8m higher than budget. However, this outturn assumes delays of £63m that are yet to be identified in any one project. If project delivery continues to be better than expected the final result may be slightly higher.

Prior Yr YTD	Capital Expenditure £m	Year to Date		Full Year		
		Actual	Variance to Budget	Forecast	Budget	Variance to Budget
136	London Underground *	109	(62)	296	383	(87)
97	Surface Transport *	98	4	227	246	(20)
35	London Rail	76	(21)	170	182	(12)
3	Group Directorates	10	(3)	41	28	13
<b>271</b>	<b>Capital Expenditure</b>	<b>293</b>	<b>(81)</b>	<b>734</b>	<b>840</b>	<b>(106)</b>
(49)	Receipts & Reimbursements	(58)	31	(151)	(196)	45
-	Property Sales	(4)	(4)	(34)	(33)	(1)
-	Overprogramming (Group Level)	-	32	-	(70)	70
<b>222</b>	<b>Net Capital Expenditure</b>	<b>231</b>	<b>(22)</b>	<b>549</b>	<b>541</b>	<b>8</b>

\* Shown after delegated overprogramming

Table may be subject to rounding errors

- 9.18 In London Underground, capital expenditure after overprogramming for the year to date was £62m lower than budget; with this difference forecast to widen to £87m lower than budget by year end. The primary causes of the year to date result were lower than budget spending on the Channel Tunnel Rail Link (CTRL) works at Kings Cross after delays on phase 2 (offset by lower capital receipts), lower spending on London Underground managed major power works due to the scoping phase being incomplete, and lower spending on station congestion relief projects. The variance at year end is forecast to increase due to lower expenditure on station accessibility and congestion relief projects, slightly offset by accelerated expenditure on major power works.
- 9.19 Capital expenditure after overprogramming in Surface Transport was £4m higher than budget for the year to date and is forecast to be £20m lower than budget by year end. For the year to date, although some Surface Transport capital projects such as TLRN improvements were behind budget, these were offset by other projects that were on schedule and an overprogramming reduction of £23m, leading to the position of £4m higher than budget after overprogramming. The full year result is £20m lower than budget and assumes £43m of slippage in project delivery that is yet to be identified in any one project.
- 9.20 London Rail capital expenditure was £21m below budget for the year to date, though this variance is expected to narrow to £12m lower than budget by year end. The shortfall against budget for the first half of the year was due to lower expenditure on DLR upgrades and the East London Line Extension. Expenditure will be higher than budget in the second half of the year due to a rephasing of East London Line expenditure, and expenditure on Olympic railcars that has been brought forward from future years.
- 9.21 Group directorate capital expenditure was £3m below budget for the year to date, and is forecast to increase to £13m higher than budget at year end partly due to higher than budget expenditure on the Customer Services Integration Project.



## Balance sheet

Transport for London Group Balance Sheet at end of Period 6 £m	Variance to Budget
Fixed Assets (lower than budget)	99
Debtors and Payments in Advance (higher than budget)	(137)
Cash (higher than budget)	(150)
Creditors (higher than budget)	68
Prudential Loans	-
Deferred Capital Grant (lower than budget)	(59)
Provisions (lower than budget)	(12)
<b>Total Net Assets (higher than budget)</b>	<b>(191)</b>

- 10.1 Fixed asset additions are covered in detail in the **Investment Programme Report**. There are no major variances for disposals.
- 10.2 Year to date debtor balances are higher than budget. Included in the corporate centre is an additional £30m for accrued interest (on investments which have not yet matured) and £18m for insurance, rent and rates prepayments. Also included is an amount of £32m representing a prepayment for railcars for London Rail. Debtor balances in London Underground are £33m higher than budget due to the delay in finalising the settlement with the Infracos of the Working Capital Debtor adjustment under the Share Purchase Agreement.
- 10.3 Creditor balances of £68m higher than budget include a £54m higher than budget accrual in the corporate centre mainly from Borough expenditure where there has been a later than expected receipt of invoices. In addition creditors in London Underground are higher than anticipated due to the later than expected resolution of the Connect PFI delay and disruption claim. These are partially offset by lower than budgeted creditors in London Buses reflecting lower bus network contract costs.

Transport for London Group Balance Sheet Forecast for the Year End £m	Variance to Budget
Fixed Assets (lower than budget)	53
Debtors and Payments in Advance (higher than budget)	(40)
Cash (higher than budget)	(264)
Creditors (higher than budget)	178
Prudential Loans	-
Deferred Capital Grant (lower than budget)	(227)
Provisions (higher than budget)	12
<b>Total Net Assets (higher than budget)</b>	<b>(287)</b>

- 10.4 The second quarter forecast closing balance sheet reflects the trends seen to date, with lower fixed assets, higher than budget debtors, and higher year end creditor balances. Total forecast working capital is higher than budget, representing a cash inflow. In addition, net service expenditure is below budget. Consequently year end cash balances are expected to be some £264m above budget.



## Cash summary

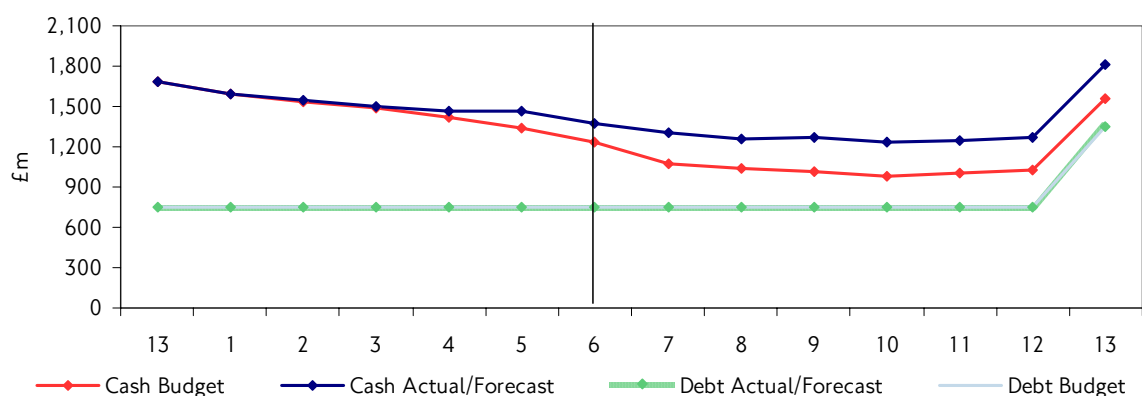
### Cash Balances

- 11.1 Cash balances have consistently been close to budget. Refer to Annex Five for periodic cash balances over the quarter.

### Cash Balances and Debt

- 11.2 Net cash at 16 September 2006 amounted to £634m comprising £1,380m cash balances less outstanding debt of £746m. This is a reduction of £307m compared to last year end.
- 11.3 Year-end net cash is forecast at £467m comprising £1,817m cash balances against a budget of £1,553m, less debt of £1,350m – equal to the budget of £1,350m. Of the forecast/budgeted £604m debt increase, £540m is to be raised from sources yet to be determined and £64m in March from the committed EIB credit line.
- 11.4 The graph below shows the actual/forecast cash balances and debt compared to budget at each period end throughout the year.

Cash and Debt Balances 2006/07



### Performance

- 11.5 Performance against the earnings benchmark (the average of 3 month's LIBOR minus 15 basis points) is tabled below. TfL has performed above this benchmark in the last three periods, within a range of 4 – 7 basis points. The average yield for the year to date is 4.62%, 8 basis points above benchmark.

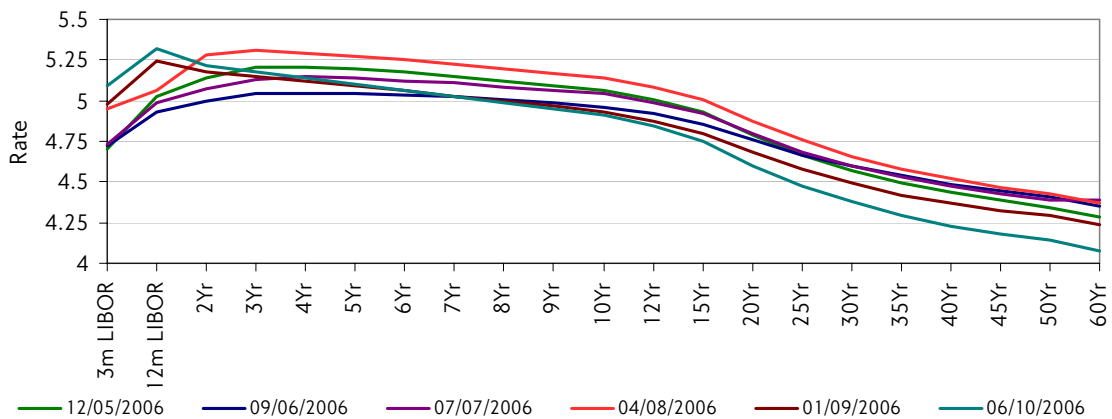


11.6 Results for the last three periods are noted in the table below:

Treasury Management Yield %	Period 4	Period 5	Period 6	Year to Date Actual	Year to Date Budget
Period End:					
Benchmark	4.55	4.59	4.66	4.54	
Average Rate of Return	4.62	4.65	4.70	4.62	4.59
Excess over Benchmark	0.07	0.06	0.04	0.08	
Interest Earned, Period	£5.1m	£5.1m	£4.8m		
Interest Earned, Year to Date	£21.5m	£26.6m	£31.4m	£31.4m	£28.5m

- 11.7 The yield curve reflects the 2 August Base Rate increase of 25 basis points, peaking at the 12 months point and dropping steeply thereafter to a low of 4.08% for 60 year money. This indicates the market's continuing uncertainty of the direction of future rates. Where rates are above the benchmark and short-term liquidity allows, TfL is investing up the curve for periods of less than 364 days. Investment beyond 12 months yields no increase and risks losing the benefit of future rate increases.

Yield Curve: Week ending 12 May 2006 to week ending 6 October 2006





## Annex One: Performance summary

2006/07		Quarter 2				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	F'cast	Target	Var	PY
SERVICE DEMAND									
Passenger Journeys - TfL Group	m	656.0	673.2	(17.3)	616.1	2,965.8	2,945.4	20.4	2,865.5
Passenger Journeys - LUL	m	233.6	230.3	3.3	204.4	1,020.5	980.0	40.5	971.1
Passenger Journeys - Buses	m	401.6	422.3	(20.7)	394.8	1,859.0	1,876.0	(17.0)	1,815.7
Passenger Journeys - DLR	m	13.9	14.1	(0.2)	11.2	61.0	64.2	(3.2)	53.9
Passenger Journeys - Trams	m	5.6	5.0	0.6	4.5	21.5	22.6	(1.1)	20.8
Passenger Journeys - Victoria Coach Station	'000s	45.4	46.4	(0.9)	47.8	195.0	195.0	-	198.6
Passenger Journeys (excl multi stop) - River Services	'000s	814	805	9.2	678	1,936	1,900	35.5	1,849
Passenger Journeys (multi stop) - River Services	'000s	185	130	54.9	170	561	500	60.7	524
Total Trips - Dial a Ride	'000s	266	350	(83.8)	281	1,273	1,519	(246.5)	1,234
Cycle usage on TLRN (Index = 100) - Road Network	Index	200	201	(1.0)	204	180	185	(5.0)	172
Traffic into Central London - Road Network	Index	98	No Target	-	n/a	**	No Target	-	n/a
SERVICE PROVISION (SUPPLY)									
% Scheduled Services Operated - LUL	%	94.2	95.2	(1.0)	89.4	94.9	95.2	(0.3)	93.6
% Trains Operated in Peak Hours - LUL	%	96.8	96.7	0.0	90.4	**	96.7	-	95.2
Train Kilometres Operated - LUL	m	15.9	16.3	(0.4)	15.3	70.5	70.9	(0.4)	68.8
% Scheduled Services Operated - Buses	%	97.8	97.9	(0.1)	97.7	97.5	97.8	(0.3)	97.7
Bus Kilometres Operated - Buses	m	105.9	107.3	(1.4)	104.7	459.1	465.6	(6.5)	454.1
% Scheduled Services Operated - DLR	%	98.6	98.0	0.6	98.7	98.0	98.0	-	98.7
Train Kilometres Operated - DLR	'000s	1,019	1,011	7.6	756	4,350	4,350	-	3,629
% Scheduled Services Operated - Trams	%	98.7	98.0	0.7	95.8	98.0	98.0	-	97.4
% Scheduled Services Operated - River Services	%	97.8	98.5	(0.8)	97.5	99.0	98.5	0.5	98.3
No. of Taxi Drivers Licensed - PCO	#	24.7	24.7	(0.0)	24.7	24.8	24.7	0.1	24.7
No. of Private Hire Drivers Licensed - PCO	#	33.6	36.0	(2.4)	21.3	36.0	36.0	-	28.8
RELIABILITY									
Overall Delay (Index) - TfL Group	#	86.0	76.8	9.2	83.8	**	81.1	-	83.1
Excess Journey Time (Weighted) - LUL	Mins	7.9	6.9	1.0	8.49	**	6.92	-	7.47
Peak Train Cancellations, Due to ONAs - LUL	%	0.2	0.6	(0.4)	0.2	**	0.6	-	0.2
PPP Availability, Lost Customer Hours - LUL	m	3.1	3.7	(0.6)	4.04	**	15.84	-	14.89
Excess Wait Time, High Freq Routes - Buses	Mins	1.1	1.1	(0.1)	1.1	1.1	1.2	(0.1)	1.1
On Time Performance, Low Freq Routes - Buses	%	79.6	79.2	0.4	79.1	77.2	76.9	0.3	77.2
On Time Performance, Night buses - Buses	%	82.8	80.8	2.0	83.7	83.4	81.9	1.5	83.6
On Time Performance - DLR	%	99.0	96.0	3.0	97.6	96.0	96.0	-	97.3
Traffic Signals Operating Effectively - Road Network	%	99.0	98.4	0.6	98.5	**	98.4	-	98.6
Congestion Level in Central London - Road Network	Mins/km	2.1	No Target	-	1.8	**	No Target	-	1.8
SAFETY									
Major Injuries & Fatalities - London Underground	#	36	No Target	-	23	**	No Target	-	129
Major Injuries & Fatalities - Buses	#	n/a	No Target	-	441	**	No Target	-	1,927
Major Injuries & Fatalities - DLR	#	3	No Target	-	2	**	No Target	-	16
KSI, Total Londonwide - Road Network ++	#	950	898	52	788	3,700	3,588	112	3,650
KSI, Total TLRN - Road Network ++	#	260	245	15	220	1,025	996	29	1,024
KSI, Powered 2-Wheel Riders - Road Network ++	#	180	192	(12)	188	820	788	32	845
KSI, Children - Road Network ++	#	86	98	(12)	100	340	359	(19)	355

**GREEN:** better than or equal to target; **AMBER:** within 5% of target; **RED:** 5% or more below target

n/a No data available

\*\* Not forecasted

Table may be subject to rounding errors



## Annex One: Performance summary (continued)

2006/07		Quarter 2				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	F'cast	Target	Var	PY
CUSTOMER SATISFACTION									
Overall Customer Satisfaction - TfL Group	Score	76.8	78.3	(1.6)	79.3	**	78.3	-	77.7
Customer Satisfaction - LUL									
Overall	Score	75	78	(3)	79	**	78	-	78
Crowding	Score	71	68	3	77	**	68	-	74
Safety & Security	Score	80	80	-	80	**	80	-	81
Information	Score	77	78	(1)	78	**	78	-	79
Customer Satisfaction - Buses									
Overall	Score	77	78	(1)	79	78	78	-	77
Crowding	Score	78	78	-	80	78	78	-	77
Safety & Security	Score	81	82	(1)	n/a	82	82	-	n/a
Information	Score	74	75	(1)	75	75	75	-	73
Reliability Journey Waiting Time	Score	79	80	(1)	82	80	80	-	79
Customer Satisfaction - DLR									
Overall	Score	97	90	7	95	90	90	-	96
Information	Score	96	90	6	95	90	90	-	96
Safety & Security	Score	94	90	4	88	90	90	-	95
Overall Customer Satisfaction - Trams	Score	83	86	(3)	86	86	86	-	80
Overall Customer Satisfaction - Dial-A-Ride	Score	93	93	-	80	93	93	-	92
Overall Customer Satisfaction - Victoria Coach Station	Score	76	75	1	77	75	75	-	77
FINANCIAL EFFICIENCY									
Cost per passenger Kilometre - LUL	pence/km	26.1	27.8	(1.7)	29.0	25.7	29.1	(3.4)	26.2
Income per passenger Kilometre - LUL	pence/km	(20.0)	(19.5)	(0.6)	(18.7)	(20.1)	(20.8)	0.7	(18.9)
Cost per passenger Kilometre - Buses	pence/km	24.4	24.7	(0.3)	23.6	23.7	24.4	(0.7)	24.9
Income per passenger Kilometre - Buses	pence/km	(15.0)	(14.7)	(0.3)	(14.3)	(14.5)	(15.1)	0.6	14.0
Cost per Trip - Dial-A-Ride	£	23.2	16.7	6.5	19.1	21.2	16.7	4.5	19.1
( ) Variance is above budget for income and below budget for costs									
PEOPLE									
Number of Staff - TfL Group	FTE	20,250	20,487	(237)	19,505	**	20,492	-	20,069
Sickness Absence per Employee (better than target)									
TfL Group	Days	2.5	2.7	(0.1)	3.14	**	11.6	-	12.6
LUL	Days	2.9	2.9	0.03	3.26	**	12.4	-	13.7
Surface Transport	Days	1.9	2.4	(0.5)	2.70	**	10.3	-	11.0
London Rail	Days	0.7	1.7	(1.1)	0.65	**	7.5	-	2.4
Group Directorates	Days	1.5	1.7	(0.2)	2.16	**	7.6	-	9.1
% of Women Staff - TfL Group	%	22.6	23.9	(1.3)	21.3	n/a	23.9	-	22.3
% of BAME Staff - TfL Group	%	32.9	27.0	5.9	n/a	n/a	27.0	-	n/a
% of Disabled Staff - TfL Group	%	7.6	7.8	(0.2)	n/a	n/a	7.8	-	n/a
% of Women Staff in Senior Mgt - TfL Group	%	19.5	27.3	(7.8)	19.3	n/a	27.3	-	20.4
% of BAME Staff in Senior Mgt - TfL Group	%	10.6	12.2	(1.6)	7.5	n/a	12.2	-	8.9
% of Disabled Staff in Senior Mgt - TfL Group	%	4.6	5.0	(0.4)	n/a	n/a	5.0	-	n/a

**GREEN:** better than or equal to target; **AMBER:** within 5% of target; **RED:** 5% or more below target

FTE = Full Time Equivalent

n/a No data available

\*\* Not forecasted

++ Due to the reporting process and nature of road traffic accident data, it will always be reported 4 to 5 months in arrears. Results for the second quarter are the sum of March, April and May 2006, with May being the most recently reported data available.

Table may be subject to rounding errors.



**Annex Two: Modal summary of financial performance**

Net Service Expenditure £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Income</b>						
London Underground	(686)	(658)	(27)	(1,516)	(1,477)	(39)
Surface Transport	(617)	(618)	2	(1,374)	(1,386)	11
London Rail	(25)	(26)	1	(56)	(58)	3
Group Directorates	(9)	(6)	(3)	(21)	(17)	(3)
	(1,336)	(1,309)	(27)	(2,967)	(2,939)	(28)
<b>Operating Expenditure</b>						
London Underground	1,114	1,216	(102)	2,541	2,655	(114)
Surface Transport	1,023	1,050	(27)	2,336	2,388	(52)
London Rail	55	55	(1)	134	126	8
Group Directorates	95	109	(13)	258	233	25
	2,287	2,430	(144)	5,269	5,402	(132)
<b>Net Operating Expenditure</b>	<b>951</b>	<b>1,121</b>	<b>(171)</b>	<b>2,303</b>	<b>2,463</b>	<b>(160)</b>
<b>Capital Expenditure</b>						
London Underground	109	171	(62)	296	383	(87)
Surface Transport	98	94	4	227	246	(20)
London Rail	76	97	(21)	170	182	(12)
Group Directorates	10	13	(3)	41	28	13
	293	375	(81)	734	840	(106)
<b>Capital Receipts &amp; Reimbursements</b>						
London Underground	(54)	(82)	28	(168)	(209)	41
Surface Transport	(5)	(2)	(2)	(6)	(6)	0
London Rail	(1)	(0)	(0)	(4)	(3)	(0)
Group Directorates	(3)	(5)	2	(8)	(11)	3
	(62)	(90)	27	(185)	(229)	44
Overprogramming	-	(32)	32	-	(70)	70
<b>Net Capital Expenditure</b>	<b>231</b>	<b>253</b>	<b>(22)</b>	<b>549</b>	<b>541</b>	<b>8</b>
<b>Group Items</b>						
Interest Income	(31)	(28)	(3)	(59)	(53)	(6)
Debt Servicing Payments	27	31	(4)	58	85	(27)
Contingency	-	-	-	26	26	-
<b>Net Service Expenditure</b>	<b>1,177</b>	<b>1,377</b>	<b>(200)</b>	<b>2,876</b>	<b>3,062</b>	<b>(186)</b>

( ) Variance is an above budget for income and below budget for expenditure.

Table may be subject to rounding errors



**Annex Three: Balance sheet**

Balance Sheet £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Fixed Assets</b>						
Tangible Assets	14,555	14,654	99	15,211	15,264	53
<b>Current Assets</b>						
Stocks	5	5	-	5	5	-
Debtors	229	177	(52)	214	213	(1)
Payments in Advance	184	99	(85)	152	113	(39)
Cash at Bank and in Hand	1,380	1,230	(150)	1,817	1,553	(264)
<b>Current Liabilities</b>						
Revenue	(807)	(774)	33	(852)	(776)	76
Receipts in Advance	(195)	(264)	(69)	(179)	(182)	(3)
Capital	(218)	(124)	94	(220)	(157)	63
<b>Long Term Liabilities</b>						
Balances with Infracos	(1,757)	(1,744)	13	(2,157)	(2,114)	43
Prudential Loans	(746)	(746)		(1,350)	(1,350)	-
Creditors Due after One Year	(381)	(384)	(3)	(382)	(383)	(1)
Capital Grants	(7,022)	(7,081)	(59)	(6,718)	(6,945)	(227)
Pension Provision	(770)	(770)	-	(770)	(770)	-
Other Provisions	(247)	(259)	(12)	(237)	(225)	12
<b>Total Net Assets</b>	<b>4,210</b>	<b>4,019</b>	<b>(191)</b>	<b>4,534</b>	<b>4,247</b>	<b>(287)</b>
<b>Capital and Reserves</b>						
Earmarked Reserves	842	691	(151)	1,308	1,069	(239)
Pension Reserves	(770)	(770)	-	(770)	(770)	-
General Fund	150	150	-	150	150	-
Other Reserves	3,988	3,948	(40)	3,846	3,798	(48)
<b>Total Capital Employed</b>	<b>4,210</b>	<b>4,019</b>	<b>(191)</b>	<b>4,534</b>	<b>4,247</b>	<b>(287)</b>

( ) Variance is an above budget for income and below budget for expenditure.

Table may be subject to rounding errors



**Annex Four: Cash summary**

Cash Summary £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue Expenditure	(947)	(1,125)	(178)	(2,347)	(2,521)	(174)
Working Capital Movements	(66)	137	203	20	(17)	(37)
<b>Cash Spend on Operating Activities</b>	<b>(1,013)</b>	<b>(988)</b>	<b>25</b>	<b>(2,327)</b>	<b>(2,538)</b>	<b>(211)</b>
Net Capital Expenditure	(293)	(342)	(49)	(736)	(770)	(34)
Working Capital Movements	(3)	(102)	(99)	(6)	(69)	(63)
<b>Cash Spend on Capital Activities</b>	<b>(296)</b>	<b>(444)</b>	<b>(148)</b>	<b>(742)</b>	<b>(839)</b>	<b>(97)</b>
<b>Funded by:</b>						
Transport Grant	935	935	-	2398	2398	-
Precept Funding	5	5	-	12	12	-
Prudential Borrowing	-	-	-	604	604	-
Third Party Contributions	62	35	(27)	185	229	44
<b>Total Funding</b>	<b>1,002</b>	<b>975</b>	<b>(27)</b>	<b>3,199</b>	<b>3,243</b>	<b>44</b>
<b>Net Movement in Cash</b>	<b>(307)</b>	<b>(457)</b>	<b>(150)</b>	<b>130</b>	<b>(134)</b>	<b>(264)</b>

( ) Variance is an above budget for income and below budget for expenditure.

Table may be subject to rounding errors



**Annex Five: Cash balances**

Approved Investments and Cash £m Period End	Period 4 25 June – 22 July	Period 5 23 July – 19 August	Period 6 20 August – 16 Sept.
Approved Investments and Cash			
Budget	1,419	1,337	1,230
Cash Balances	1,463	1,465	1,380
Increase/(Decrease)	44	128	150
Net Cash Balances comprise			
Investments	1,400	1,410	1,324
Investments – Guernsey	42	41	35
Cash & Credits in Transit	21	24	21
Investment Profile			
Up to 1 month	94	185	158
1-2 months	81	60	60
2-3 months	129	34	-
3-4 months	92	54	54
4-5 months	-	-	-
5-6 months	71	111	77
>6 months	514	547	576

Table may be subject to rounding errors



## Appendix Two:

### **Transport for London Investment Programme Report Second quarter, 2006/07**







# Investment Programme Report

Second quarter, 2006/07





Cover Image: Artist's impression of the new trains for the London Overground



# Transport for London

## Investment Programme Report

### Second quarter, 2006/07 (25 June – 16 September 2006)

## 1 Programme Highlights

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1.3 The key highlights from the second quarter of 2006/07 were:

- The rolling stock supply and maintenance contracts for the East London Line Extension were awarded to Bombardier on 30 August (a computer generated image of which is shown on the front cover).
- The Waterloo and City line upgrade was re-opened on 11 September.
- 28 (37%) District Line trains have been refurbished and are available for service.
- On the DLR Woolwich Arsenal Extension project the down platform opened to passenger service on 21 August.
- Planning consent for the utility diversion works on the Tottenham Court Road Congestion Relief project was received in August.
- Initial test running on the Victoria ground water cooling trial finished in August.
- The Stratford Regional Station Upgrade scheme has been presented to Treasury, DfT, DCMS and ODA.
- The feasibility design for the Olympic Works at Baker Street has been completed and is being reviewed by LU.
- The Public Information campaign for the Congestion Charging Western Extension was successfully launched in early October.
- Three out of the eight bus lane schemes scheduled for 2006/07 were completed by the end of the second quarter.

#### Post quarter events

- The new radio system went live on the District Line on 11 October.
- Capita went live with registration of discounts for residents within Western Extension of the Congestion Charge area on 20 October.
- The East London Line main works contract was awarded to a consortium comprising Balfour Beatty and Carillion on 23 October.
- TWA order received for Stratford International on 25 October.
- On Channel Tunnel Rail Link (CTRL) at Kings Cross, Heritage works to St Pancras' Euston Road facade completed on 9 September and the access passage between all London Underground lines reopened on 8 October.






## 2 Projects (over £100m)

- 2.1 TfL's Investment Programme focuses on, but is not limited to a range of programmes and projects over £100m, delivered by TfL directly, through our partners in the London Boroughs or through long-term partnerships with the private sector such as the PPP on London Underground and Private Finance Initiatives (PFI).

TfL has established an 'Oversight' function, whose purpose is to provide assurance for the Commissioner on the delivery of the Investment Programme. Oversight has determined a list of 'top 12' and 'top 50' projects which, based on delivery risk, form the basis of programmes and projects within the overall Investment Programme Report.



This section reports on discrete projects with a total cost greater than £100m. Projects identified from the latest 'Oversight' risk categorisation process as being included in the top 12 are identified by an asterisk (\*).

For each project, key milestones are given with a forecast date against the current planned date and a Red Amber or Green (RAG) status as follows:

	Delivery on schedule
	Delivery < 3 months behind schedule
	Delivery > 3 months behind schedule

### London Underground

- 2.2 Channel Tunnel Rail Link (CTRL) at King's Cross (\*)

Channel Tunnel Rail Link at King's Cross	Current Plan Date	Actual / F'cast Date	RAG
Phase 1 final completion	31-12-2006	31-12-2006	
Phase 2 completion	31-12-2010	31-12-2010	

King's Cross Congestion Relief (Channel Tunnel Rail Link) covers increased capacity at King's Cross St Pancras. Phase 1 includes an expanded Tube ticket hall and new Western Ticket Hall. Phase 2 includes a new Northern Ticket Hall, step-free access to Metropolitan & Circle lines and links to the new Channel Tunnel Rail Link Terminal. The King's Cross project is funded by the DfT and contracted by London Underground to Metronet.

The main component of Phase 1, the Western Ticket Hall, was successfully opened on 28 May. Heritage works to St Pancras' Euston Road facade completed on 9 September and the access passage between all London Underground lines reopened on 8 October. Completion of Phase 1, including refurbishment of the Metropolitan and Circle Line platforms is on target for completion at the end of December 2006.

Phase 2, including the Northern Ticket Hall, has begun with continuing site surveys and contractor mobilisation on site. Good coordination has been established with other programmes at the King's Cross site. The Phase 2 tunnelling works and excavation of the Northern ticket hall have commenced with the overall project remaining on target for completion in December 2010.

Once the new Channel Tunnel Rail Link is opened, King's Cross station is forecast to be the busiest on the network, serving 82,000 passengers in the morning peak by 2011.



### 2.3 Victoria Station Upgrade (\*)

Victoria Station Upgrade	Current Plan Date	Actual / F'cast Date	RAG
TWA Submission	28-02-2007	30-11-2007	■

Victoria is one of London's main transport hubs and a major employment centre served by Underground, rail and bus, with 68 million people passing through it each year. Victoria is the most congested station on the LU network. Temporary station closure is regularly used to manage access to and congestion within the station, particularly during the morning peak when several closures are a daily occurrence.

This project will provide a significant increase in passenger circulation space in key congested areas of the station. It will also provide step-free access from street to platform for the Victoria Line.

To minimise potential objections at the TWA Order public enquiry, the current proposed scheme is being amended to avoid conflict with a proposed Land Securities commercial development and the Victoria Palace Theatre. This will result in a delay to the TWA Order application date.

Progress this quarter has included design review and buildability reviews which will result in amendments to the submission of the TWA Order now planned for November 2007. A major ground investigation has been completed. The main works are planned to start in Quarter 4 2009, with utilities diversions starting on site in Quarter 2 2008.

The project completion date is likely to be delayed to Quarter 4 2014.

### 2.4 Tottenham Court Road Congestion Relief (\*)

Tottenham Court Road Congestion Relief	Current Plan Date	Actual / F'cast Date	RAG
RIBA <sup>1</sup> Stage D design complete	01-06-2006	08-09-2006	complete

Tottenham Court Road station is at the heart of London's West End, and is currently operating in excess of its capacity. It therefore suffers from significant congestion. Demand at the station is forecast to increase, and access to the station would need to be severely restricted to avoid unsafe levels of congestion and operation. The scheme will provide a significantly enlarged ticket hall with improved and additional entrances to the station, additional escalator access to the Northern Line platforms, and improved circulation space and step-free access throughout the station. It will also provide a link into the proposed Crossrail scheme.

Progress this quarter has included the submission of the Planning Application for the utility diversion works. Planning consent was received in August, and the utilities diversion works are planned to commence in January 2007.

The Powers for the new ticket hall are included within the provisions for the Crossrail Hybrid Bill, and work has continued on interfacing and negotiating with various petitioners to the Tottenham Court Road portion of the Bill, and providing support through the Parliamentary Select Committee process. Commencement of the main works on site is now expected in Quarter 2 2008. This Bill now also includes Bond Street Congestion Relief.

<sup>1</sup> Royal Institute of British Architects



Stage D design (initial design) was delayed to include additional work (including lift extensions and relocation of sub-station) required to fully design the project, although this should not affect delivery of the project.

## 2.5 Tunnel Cooling

LUL Tunnel Cooling	Current Plan Date	Actual / F'cast Date	RAG
Victoria ground water cooling trials complete	31-07-2007	31-07-2007	●

This is a long term programme to reduce ambient temperatures in a number of ways including increased ventilation, improved energy efficiency, and train-based measures. Physical work on the Victoria ground water cooling trial is very near completion and initial test running started in early August is proving effective. Additionally the development of a platform roof mounted air handling unit trial is progressing and three of the respondents to the OJEU notice were asked to tender for the development work on 2 August. The tender review period for a new fan at Liverpool Street is complete.

## 2.6 LU Line Upgrade – PPP BCV (\*)

Line Upgrade – PPP BCV	Current Plan Date	Actual / F'cast Date	RAG
W & C line upgrade complete	March 2007	March 2007	●
Victoria Line – 1 train accepted to run in LU traffic hours	Spring 2009	Spring 2009	●
Victoria Line – Commence rolling stock full production	Summer 2010	Summer 2010	●

The Waterloo and City line was reopened on 11 September and the upgrade is due for completion in March 2007. This was as a result of LU giving permission for a line closure during the summer.

For the BCV network, the first major line upgrade is the Victoria Line. The works include new rolling stock, signalling, control equipment, depot and track.

Train cars are now in production. Testing of the first train is underway. A mock-up of the new style train saloon was sited in Euston Gardens at the front of Euston Station for user acceptance testing between 21 July and 11 August. (Public viewing took place between 5 and 10 August).

Work planned for the next quarter includes work on Signal Equipment Rooms, signalling systems, the Control Centre, depot and track. Work is continuing on cable installation with productivity improving in this area. Line closures for track improvement works are also underway.

A revised completion date of February 2012 for the journey time capability improvement is now targeted by Metronet, however this accelerated delivery date has slipped, primarily due to delays in the signalling component of the project. The contractual date however is August 2013. The plan dates shown in the table above will be reviewed during Quarter 3.

## 2.7 LU Line Upgrade – PPP JNP

Line Upgrade – PPPJNP	Current Plan Date	Actual / F'cast Date	RAG
Jubilee Line – Delivery of last train	Spring 2008	Spring 2008	●
Jubilee Line – LU acceptance of first section	Summer 2008	Summer 2008	●
Jubilee Line – LU acceptance of entire line	November 2009	November 2009	●



This programme begins with the Jubilee and Northern Line upgrades. The Jubilee Line Upgrade provides for signal and train control replacement to improve the capability of the lines. Completion is due in 2009 for the Jubilee Line, with the Northern Line to follow in 2012.

Transmission Based Train Control is the primary focus of work at present, with the Jubilee Line prototype train conversion behind schedule by 3 months on the accelerated programme. Tube Lines has strengthened its Rolling Stock Team and is reviewing the installation cycle to accelerate progress for a recovery programme. Overall the upgrades remain on track.

## 2.8 LU Line Upgrade – PPP SSL

Line Upgrade – PPP SSL	Current Plan Date	Actual / F'cast Date	RAG
New rolling stock – Preliminary vehicle design complete	28-02-2007	28-02-2007	●
D78 Stock – 66% of rolling stock refurbished and in service	31-08-2007	31-08-2007	●
Signalling system – preliminary design freeze	31-12-2008	31-12-2008	●

The sub-surface railway (Circle, District, Hammersmith & City and Metropolitan lines) upgrades will provide new and refurbished rolling stock, new signalling and a new control centre.

The SSL Upgrade Programme is currently in Phase 1. On the District Line 28 trains (37%) have now been refurbished and are available for service. The programme is on track to complete by 2018.

## 2.9 7-Car Circle Line

7-Car Circle Line	Current Plan Date	Actual / F'cast Date	RAG
Surveys/design for platform extensions begin	31-03-2007	31-03-2007	●
Platform extension work starts on site	31-03-2008	31-03-2008	●

This project provides for all the work associated with enabling 7-car operation at the minority of stations where trains are currently restricted to 6-car running. The project also provides an additional new S-stock car to that already being supplied under the SSL Upgrade Programme.

The feasibility study for platform extensions at four stations has identified affordability issues, which are being addressed by the design contractors. There are issues with the signalling interoperability between SSL, JNP and Network Rail but a way ahead is agreed.

## London Rail

### 2.10 East London Line Extension (\*)

East London Line Extension	Current Plan Date	Actual / F'cast Date	RAG
Award Main Works Contract	31-05-2007	12-10-2006	complete
Test Running	31-01-2010	14-05-2009	●



Completion	29-06-2010	19-10-2009	●
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The upgraded and extended East London Line is planned to open in 2010 with TfL as the passenger service operator through a joint ELL/NLR concession, termed 'London Overground'. LU will be the infrastructure controller and network operator north of New Cross Gate, with Network Rail the infrastructure controller for the remainder.

The second stage enabling works are well underway and remain forecast to complete in December 2006. The line from Whitechapel to Shoreditch and Shoreditch Station has now been closed to public service in preparation for the demolition of the Great Eastern bridge in 2007. The rolling stock supply & maintenance contracts were awarded to Bombardier on 30 August 2006. The East London Line main works contract was awarded to a consortium comprising Balfour Beatty and Carillion, post quarter end on 23 October.

The project is on track for the ELL to re-open on the scheduled date.

#### 2.11 DLR Bank-Lewisham 3 Car Infrastructure

DLR Bank-Lewisham 3 Car Infrastructure	Current Plan Date	Actual / F'cast Date	RAG
Beckton Depot completion	20-10-2006	30-11-2006	▲
Tender documents to be returned	30-11-2006	11-12-2006	▲
Construction work starts	30-04-2007	09-04-2007	●
Construction/trackwork/signalling complete	30-09-2009	25-09-2009	●
Service operational	31-10-2009	28-09-2009	●

Tendering is underway for the construction contract, which is due to be let in March 2007. Work on the Beckton Depot expansion is due for completion in November 2006, with an additional expansion to service the new Olympic Railcars agreed to follow on.

#### 2.12 DLR Woolwich Arsenal Extension

DLR Woolwich Arsenal Extension	Current Plan Date	Actual / F'cast Date	RAG
Complete up-tunnel	06-09-2006	24-11-2006	▲
Project completion	31-01-2009	31-01-2009	●

The interface with the Network Rail station progressed well and the down platform opened to passenger service on 21 August as planned.

There have been some delays in completing the up-tunnel under the Thames due to the requirement for additional maintenance on the tunnel boring machine for heavy wear. However the lost time can be recovered to allow the completion of the project on schedule. Good progress is being made on the construction of the Woolwich station.

#### 2.13 DLR Stratford International

DLR Stratford International	Current Plan Date	Actual / F'cast Date	RAG
Contract Package 8	01-12-2006	22-12-2006	▲
TWA powers granted	31-12-2006	25-10-2006	complete
Contract Package 7	29-01-2007	29-01-2007	●



Contract Package 6	28-05-2007	10-04-2007	●
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TWA powers have now been granted on 25 October 2006. The ITT has been issued for all three contracts, with the first due to be placed in December 2006. Silverlink operation on the North London Line south of Stratford Regional will cease from December 2006 allowing work to start on the conversion of the railway for DLR operation.

## Finance & Planning

### 2.14 Cross River Tram

Cross River Tram	Current Plan Date	Actual / F'cast Date	RAG
Complete Stakeholder consultation on route options	15-11-2006	15-10-2006	●
Complete review of options post consultation	28-02-2007	28-02-2007	●
Complete public consultation on route options	30-03-2007	30-03-2007	●

Stakeholder consultation on the route options is underway and public consultation is due to start in November 2006. A further public consultation will take place next year on the various depot options. Negotiations are underway with the developer at King's Cross to agree the alignment of the terminus there.

The programme to achieve TWA award now reflects the lessons learnt from the Thames Gateway Bridge project.

### 2.15 Croydon Tramlink Crystal Palace Extension

Croydon Tramlink Crystal Palace Extension	Current Plan Date	Actual / F'cast Date	RAG
Commence public consultation	31-10-2006	19-10-2006	complete
Commence investigation of options	31-10-2006	31-10-2006	complete
Agree governance and handover strategy with London Trams and Surface Transport	01-10-2006	30-11-2006	▲

The public consultation period will last for a period of 2 months starting in mid October 2006. Following consultation a preferred alignment will be selected to assist the London Development Agency planning application in May/June 2007. The consultation will only cover the Crystal Palace to Croydon extension, as the business case does not support the Crystal Palace to Beckenham extension.

Following close working with the LDA and extensive options appraisal, a compatible Crystal Palace Park / Tram scheme has been agreed to be included in TfL's route options. This will be aligned to the park periphery before terminating adjacent to the bus station on Crystal Palace Parade. TfL will also consult on an on-street option that enters the park from Anerley Hill shortly before reaching the terminus and a hybrid of the other two.



2.16 Thames Gateway Bridge (\*)

Thames Gateway Bridge	Current Plan Date	Actual / F'cast Date	RAG
Obtain HM Treasury and PRG approval of outline Business Case	31-12-2006	31-12-2006	●
Issue of OJEC Notice and Pre-Qualification Questionnaire for Concession Contract	31-12-2006	31-12-2006	●
Approval by Secretary of State	30-03-2007	30-03-2007	●
Issue Invitation to Tender	30-05-2007	30-05-2007	●

A public inquiry was held between June 2005 and May 2006 into the planning applications and orders. Decisions on the planning applications and orders from the relevant Secretaries of State are expected by March 2007.

The Outline Business Case (OBC), which sets out TfL's application for PFI credits for the project, will need to be considered and approved by the HM Treasury Project Review Group prior to seeking expressions of interest from potential bidders via an OJEU notice and pre-qualification questionnaire for the project.

2.17 West London Tram

West London Tram	Current Plan Date	Actual / F'cast Date	RAG
TfL Board submission for approval to deposit (TWO) Application	30-11-2006	31-05-2007	■
Deposit (TWO) Application	31-03-2007	31-05-2007	▲
End of objection period	18-05-2007	31-07-2007	▲

The project programme has been revised to reflect the additional modelling and analysis required before the business case can be finalised and Board approval sought for a Transport and Works Act Order application. Gateway reviews have been provided to allow agreement of key data before confirming the next phase of programme. The first of these will be in November to confirm the modelling solution prior to finalising the business case.

2.18 Stratford Regional Station Upgrade (\*)

Stratford Regional Station Upgrade	Current Plan Date	Actual / F'cast Date	RAG
Obtain Planning Consent and Powers	31-08-2006	30-11-2006	▲
Complete Scheme definition and programme	30-03-2007	30-03-2007	●

The validated estimate for the Olympic Enhancements is £104m for the capital works; the funding gap remains £54m with discussions ongoing between ODA, DfT and DCMS to resolve. The scheme has been presented to Treasury, DfT, DCMS and ODA, who have agreed that there is no alternative.

The procurement strategy for the implementation has been approved subject to securing the necessary funding. The planning application has now been submitted to the ODA planning committee following public consultations at the station with a decision expected by December 2006. The detail design remains on forecast to complete by March 2007.

The project remains on track to complete in October 2010, ready for the commencement of Olympic trial events in January 2011.



### 3. Other projects

- 3.1 This section reports on the remainder of the top 12 projects identified from the latest Oversight risk categorisation process which have a value below £100m and are therefore not included in the section above. It also includes other noteworthy projects in the quarter as identified through the Investment Management Review (IMR) process.

#### London Underground

#### 3.2 Olympic Works (\*)

Olympics Accessibility	Current Plan Date	Actual / F'cast Date	RAG
Southfields Design Complete	Summer 2007	Summer 2007	●
Green Park Design Complete	Spring 2008	Spring 2008	●
Baker Street Design Complete	Spring 2009	Spring 2009	●

This project provides step-free access at three Olympic-critical stations; Southfields, Green Park and Baker Street (SSL only). All three stations are at feasibility stage. The conceptual design of Southfields Station has now begun with the ticket hall design ready for review. A parallel study for congestion relief is also under way. The feasibility study for Green Park is ongoing. The feasibility design for Baker Street is complete and being reviewed by LU.

All three station projects are on target for completion in 2008 (Southfields), 2009 (Baker Street) and 2011 (Green Park).

#### 3.3 Connect Airwave (\*)

Connect Airwave	Current Plan Date	Actual / F'cast Date	RAG
Contract award	30-06-2006	31-12-2006	■

This project enhances the emergency services communication system on the Underground expanding coverage and capacity. Current progress reflects delays to award of contract, now expected in December, but pre-contract work is under way with on-time completion scheduled in 2008.

#### Surface Transport

#### 3.4 Congestion Charging Western Extension (\*)

Congestion Charging - Western Extension	Current Plan Date	Actual / F'cast Date	RAG
Go Live with Public Information Campaign	20-10-2006	09-10-2006	●
Completion of enforcement infrastructure proving	30-11-2006	22-12-2006	▲
Function, volume and end to end testing complete	08-01-2007	08-01-2007	●
Western Extension Scheme Operation	19-02-2007	19-02-2007	●

The Internal Readiness review was completed in September and concluded that the Western Extension Implementation remains on track to go live in February 2007. The Public Information campaign was successfully launched in early October with Capita going live with registration of discounts for residents within the Western Extension area on 20 October. All



new retail outlets have successfully completed the “Mystery Shopping” test. End to end system testing has started with Capita and their staffing recruitment and training is progressing.

### 3.5 iBus (\*)

iBus	Current Plan Date	Actual / F'cast Date	RAG
System Acceptance	08-12-2006	08-12-2006	●
First Garage Application	04-05-2007	04-05-2007	●
Final Acceptance	21-01-2009	21-01-2009	●

The iBus project is to procure and implement a radio communication and Automatic Vehicle Location (AVL) solution. This will improve quality of information to customer, including on-bus and at bus stops, and reduce the current risk of a system failure.

Progress is being made towards the System Acceptance testing which is scheduled for December 2006. The iBus roll out plan has been agreed with the Bus operators and is being communicated with Siemens, the appointed contractor. A formal iBus Operator Contract is under review with the bus operators defining the migration process, spare buses, training, etc. Migration workshops to minimise the risk of moving from the old radio system to the new are progressing with Siemens.

### 3.6 A406 Bounds Green (\*)

A406 Bounds Green	Current Plan Date	Actual / F'cast Date	RAG
Submit Planning Application	30-11-2006	30-11-2006	●
Commence Construction	30-06-2009	30-06-2009	●
Complete Construction	30-04-2011	30-04-2011	●

The project will make a number of safety and environmental improvements along Telford Rd, Bowes Rd and the North Circular Rd between the A109 Bounds Green Rd/Station Rd and Chequers Way. The preferred “2006 Scheme” was approved by the TfL Board. This scheme is to be progressed on the merit of its environmental and safety benefits. It is anticipated that local objections should be reduced from previous schemes due to the reduced requirement for Compulsory Purchase Orders. Stakeholder engagement has been stepped up in preparation for submitting the Planning Application in November 06 (following TfL Board approval). The scheme continues to forecast completion in April 2011.

### 3.7 Bus Priority – TLRN Schemes

Bus Priority – TLRN Schemes	Current Plan Date	Actual / F'cast Date	RAG
8 Bus Lane Schemes Completed	31-03-2007	31-03-2007	●

This investment programme covers the preliminary and detailed design, consultation and implementation of physical bus priority measures on the TLRN. The small number of schemes which were carried over from 2005/06 into this financial year are now forecast to be completed by March 2007. Three out of eight bus lane schemes scheduled for 2006/07 were completed by the end of Quarter 2.



### 3.8 Coulsdon Relief Road

Coulsdon Relief Road	Current Plan Date	Actual / F'cast Date	RAG
Road Open (sectional completion)	23-10-2006	15-01-2007	▲
Substantial Completion and Handover	22-12-2006	12-02-2007	▲
Landscape maintenance completion	22-12-2009	22-12-2009	●

This is a local regeneration scheme involving the development of a relief road to divert up to 80% of traffic away from Coulsdon Town Centre. The discovery of a hitherto undetected and uncharted gas mains pipe at the north junction, following issues arising from ground condition during construction, has introduced further delay to road opening. With its replacement complete the project forecasts road opening to take place mid January, with substantial completion a month later.

### 3.9 Dial-a-Ride Scheduling System

Dial-a-Ride	Current Plan Date	Actual / F'cast Date	RAG
Complete migration of depots to new system	30-04-06	31-03-07	■
Introduce Mobile Data Terminals in all buses to transmit trip information	30-09-06	30-09-07	■

The implementation of a scheduling and booking system will make more efficient use of vehicles and drivers. This will lead to a reduction in refusal rates, better scheduling leading to increased travel opportunities, improved call answering and same day booking.

An implementation manager has been appointed for the duration of the project and the migration has recommenced with depot 3 (Paddington) planned to go live over the Christmas period. Using this as a model, the remaining three depots will migrate throughout 2007. Discussions continue with the software suppliers, Trapeze, to ensure that it is providing optimum and efficient scheduling. Further testing is planned during period October/November.



## 4. PPP/PFI Investment

This section reports on performance and contractual issues relating to Indirectly Managed expenditure.

### 4.1 London Underground

#### Tube Lines

- Track – completed 7.5km, which is behind the 9.5km planned.
- Lifts and escalators – two escalators were refurbished in Quarter 2.
- Stations – Ten stations from 05/06 are still under review however these are expected to be delivered into service in the next few weeks. One station due in 06/07 has been delivered into service. The remaining 11 are under review.

#### Metronet SSL

- Track – completed 4.9km of track, compared to the 4.5km in the 06/07 AAMP.
- Lifts and escalators – one escalator has been refurbished in Quarter 2.
- Stations – Of the 10 stations remaining from 05/06, two have been delivered into service and eight are late. None of the 15 stations due in 06/07 have been delivered.

#### Metronet BCV

- Track – completed 6.0km of track renewal, compared to the 10.6km in the 06/07 AAMP.
- Lifts and escalators – one escalator has been refurbished in Quarter 2.
- Stations – One station due to be delivered in 05/06 is under review. The remaining 14 are late. Of the 13 due in 06/07, one has been delivered into service, 4 are due to be delivered by year-end and the remaining 8 will be delivered later.

### 4.2 Connect Works (\*)

Connect	Current Plan Date	Actual / F'cast Date	RAG
District Line go live	23-10-2006	23-10-2006	●
Hammersmith & City line go live	31-12-2006	31-12-2006	●
Metropolitan Line go live	31-12-2006	31-12-2006	●

Connect is a 20-year PFI contract to upgrade and maintain the radio and transmission system used through the network.

The Fluor (cabling and associated works) enabling works for both the LU and Network Rail stations are now largely complete. The radio system went live on the District Line on 11 October. The Hammersmith & City Line and Metropolitan Line follow, with completion by December 2006.



#### 4.3 Power Works

Power	Current Plan Date	Actual / F'cast Date	RAG
VLU Power Upgrade – award construction contract	30-06-2006	31-10-2006	■
VLU Power Upgrade – Bulk supply points delivered into service	09-03-2009	09-03-2009	●

The negotiation of the terms of the variation for the Victoria Line Power Upgrade with EDF Energy Powerlink has concluded with detailed drafting in progress but the final Authority Notice (AN) to start has not yet been placed due to the timescales required for Powerlink lender approvals and negotiations are currently ongoing. To mitigate further delays, LU has issued an advance purchase instruction to Powerlink to proceed with early works ahead of the full AN signature. The scoping, development and procurement of the SSL line upgrades will re-commence in Quarter 3, 2006/07 subject to the Victoria Line issues having been resolved. The programme is on track to deliver the increased power for the Line Upgrades.

### 5. Olympics

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Progress on TfL's contribution to the London 2012 Olympic Games is reported each period to the Olympic Delivery Authority (ODA). This report has been well received, and is being used by the ODA as a template for the other delivery partner reporting. The latest report is attached as Appendix Three.

### 6. Investment Programme

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The 2007/8 TfL Business Plan was approved by the TfL Board on 25 October, with publication scheduled for November 2006. This will include an updated 5 year Investment Programme and future versions of this report will be updated to reflect that version of the Investment Programme.



## 7. Investment Programme – Financial Progress

Total Investment Programme Expenditure £ millions	Year to Date		Full Year		
	Actual	Variance to Budget	Forecast	Budget	Variance to Budget
Capital Expenditure					
LUL (after overprogramming) <sup>1</sup>	109	(62)	296	383	(87)
Surface (after overprogramming)	98	4	227	246	(20)
London Rail	76	(21)	170	182	(12)
Group Directorates	10	(3)	41	28	13
Overprogramming (group level only)	-	32		(70)	70
<i>Total Capital Expenditure (after overprogramming)</i>	293	(49)	734	770	(36)
Development & Borough Expenditure	66	(10)	215	210	5
<i>Directly Managed Expenditure</i>	359	(59)	949	980	(31)
<i>Indirectly Managed Expenditure</i>	589	(56)	1,385	1,400	(15)
<b>Total Gross Investment Expenditure</b>	<b>948</b>	<b>(115)</b>	<b>2,334</b>	<b>2,380</b>	<b>(46)</b>

### Total Investment Expenditure<sup>2</sup>

Total Gross Investment Expenditure YTD for the second quarter 2006/7 after overprogramming totalled £948m, £115m below budget with the whole year forecast showing £2,334m, £46m below budget.

### Directly Managed (Including Capital Expenditure)

Net Value of Work Done (VOWD) on projects directly managed by TfL (including Development and Borough expenditure) at the end the second quarter was £59m under budget, after overprogramming. The full year forecast is anticipated to be £31m below budget, after overprogramming.

The largest single project in the LU variance is King's Cross CTRL, for which a revised programme was agreed after the budget submission. Both forecast spend and related funding have been decreased by £49m this year. The variance at year end for LU is set to increase due to lower expenditure on station accessibility and congestion relief projects, slightly offset by accelerated expenditure on major power works.

Although Surface Transport capital expenditure is £4m higher than year to date budget, it is forecast to be £20m lower than budget at year end due to less than anticipated project

<sup>1</sup> In a programme as complex as the Investment Programme, TfL recognises that there will be circumstances largely outside of its control which will lead to unforeseen delays and other changes. Overprogramming recognises this fact and enables TfL to mitigate this risk.

<sup>2</sup> Investment expenditure includes expenditure of a capital nature but which is delivered through PPP, PFI, through the London Boroughs or other contractual arrangements and therefore is treated as operating expenditure in TfL's Statutory Accounts and development work upto Transport Works Act Order.



delivery. London Rail's year to date capital expenditure variance of £21m below budget reflects lower spend on the DLR upgrades and rephasing of the East London Line Extension and is forecasted to be £12m below budget at year end. Although Group Directorates capital expenditure was £3m below budget for the year to date, it is forecast to increase to £13m higher than budget at year end partly due to higher than budgeted expenditure on the Customer Services Integration Project.

Further information on Directly Managed expenditure can be found in the Operational and Financial Report.

### **Indirectly Managed**

Expenditure on indirectly managed projects at the end of the second quarter was £56m below budget with the full year forecast showing an underspend of £15m. Refer to section 4 for detailed information.







## Appendix Three:

### **Transport for London Olympic Transport Portfolio Executive Report**







# Transport for London



## TfL's Olympic Transport Portfolio Executive Report

Quarter 2  
2006/07

MAYOR OF LONDON

Transport for London





# TfL Olympic Transport Portfolio Report

## Report Details: Period Covered: 20 August 2006 to 16 September 2006

Owner: Jay Walder

### Introduction:

The following report highlights progress towards delivery of the Olympic related projects for which TfL has responsibility. The report examines current issues, how they are being addressed and confirms whether or not the improvements will be delivered to the planned timescales.

The projects are divided into two categories :

- improvements required for the Olympics where TfL was committed to delivering before winning the Olympic bid and
- those additional improvements, requiring separate funding, which TfL has committed to as part of winning the bid

This report will be updated and issued every month reflecting progress up to the TfL 4 weekly reporting period for which information is available as at the date of the report.

### Key Highlights:

- The East London Line main works contract was awarded to a consortium comprising Balfour Beatty and Carillion on 23 October.
- The rolling stock contract for the East London Line Extension was awarded to Bombardier.
- On the Stratford International DLR extension the pre-qualification evaluation of Package 6 (Line Extension Main Works) has been completed and five contractors have been short-listed.
- TfL welcomed Professor Bovey and his IOC delegation to London on 22 September. During his trip he visited the London Traffic Control Centre and received presentations on the Olympic Transport Operations Centre and London Olympic Route Network projects.
- On the North London Railway Infrastructure Project a technical advisor has been selected from the TfL supplier framework and will commence next period.
- The North London Railway station asset surveys were satisfactorily completed during the period.
- The planning application for the Stratford Regional Station Upgrade was formally submitted to the ODA on 15 September 2006.
- TWA order received for Stratford International on 25 October
- A full business case for the DLR Infrastructure Works has been submitted to the ODA for approval.



## TfL Olympic Transport Portfolio Report

### TfL Funded, Olympic-Enabling Projects in Investment Programme: Period Update

#### London Rail

##### East London Line Extension \*

Good progress has been maintained for the majority of workstreams during Period 6. Second Stage Enabling Works work continues on the remaining replacement and refurbishment structures and to the viaduct drainage and waterproofing. On 23 October the main works contract was awarded to a consortium comprising Balfour Beatty and Carillion. The Rolling Stock contract was awarded to Bombardier on 30 August. Work is proceeding on the Passenger Service Operation programme.

##### North London Railway (NLR) - Stations Improvement Programme \*\*

The scope of the station upgrade work and standards expected to be achieved by the London Rail Concession concessionaire within the first 3 years of the concession has been defined within the ITT. NLR station asset surveys are complete and power usage monitoring will be completed during November 2006. This will then enable the specification of the works to be fully determined by London Rail, prior to the start of the London Rail Concession in November 2007. Work on determining the longer term (2 to 6 year) enhancements to the NLR is ongoing and is due to report in Autumn 2006.

##### DLR Woolwich Arsenal/3 Car Railcars \*

Bombardier has advised that the first painted car-body will be 10 weeks late with the same delay potentially on the first vehicle. This is due to errors in manufacturing of the car-body side wall and bolster. Bombardier is currently assessing the impact that this may have on the delivery schedule. A revised programme has been received from Bombardier following a level 1 meeting on 27 September 2006. It is not believed that this delay will impact on the overall completion date.

##### DLR 3 Car North Route \*\*

The statutory consultation period ended on 13 September 2006 with only 51 objections received by the Secretary of State for Transport, some of which have already been withdrawn. Meetings have been held with the affected Boroughs to discuss issues relating to their prospective objections.

##### DLR 3 Car Bank-Lewisham \*

An extension of time has been granted to the tenderers of Packages 1 and 2 (Bank to Mudchute and Mudchute to Lewisham) due to a request received from two of the bidders, with the returns now expected on 11 December 2006. Work continues on the Beckton Depot. The project completion date remains on schedule.

##### Stratford Regional DLR Station \*

The construction of the main deck (viaduct) slab continued and is expected to be completed as per the programme in mid-October when the trackworks will commence. A revised programme has been received showing the southern platform completing in mid April 2007, due to the additional mechanical and engineering works that are required before the platform can become operational.

##### London City Airport DLR Extension \*

The closure report has been received and is awaiting project closure review which is now scheduled to take place by the end of period 7.



## TfL Olympic Transport Portfolio Report

### **Woolwich Arsenal DLR Extension \***

Progress on the up-tunnel continued, but this has been slower than programmed due to maintenance on the cutting head taken longer than initially anticipated. At the end of the period, 661.5m had been constructed against the projected progress of 1650m. This reflected the most effective period of tunnelling since work began in the Spring, with work completed at a speed ahead of programme. The realistic date for completion is still late November, although this is not expected to affect completion date overall. Construction of the station continued to progress well, along with the intervention shaft, both of which are on programme.

### **Stratford International DLR Extension \*\***

The pre-qualification evaluation of package 6 (line extension main works) has been completed and five contractors have been short-listed. The package 6 ITT documents will be issued in period 7. The evaluation of the package 8 (Stratford International station) tender returns has commenced and a tender review group has been set up.

### **DLR Railcar Refurbishment \*\***

A total of 82 vehicles from the fleet of 94 are now back in service, following an additional 2 refurbished vehicles re-entering service during the period.

### **London Underground**

#### **LU Line Upgrades PPP BCV (Victoria Element)**

The VLU programme has a contractual delivery date of 17 August 2013. The VLU is not an Olympic deliverable. Metronet has adopted an aggressive 2-year early delivery date. This accelerated target delivery date is slipping primarily due to delays in the signal component. The most current programme information indicates that barring future delays, the journey time capability will be available by February 2012. However, the only delivery date that can be enforced through the contract remains the contract commitment date. LU recognises its obligation to maintain the service level of the Victoria Line consistent with its Olympic commitments. Metronet has handed over nine out of fourteen Signal Equipment Rooms to Westinghouse which is installing equipment at five sites, two sites are almost complete. Signal Control Centre building is due for completion in December 2006.

#### **LU Line Upgrades – PPP JNP (Jubilee Elements)**

The current key project deliverables in this portfolio are signalling upgrades to the Jubilee Line. The Signal Equipment Room Programme is currently behind schedule [by three months] due to late Alcatel changes in requirements impacting design and construction activities. A revised signalling installation programme has been agreed between Tube Lines to be demonstrated by the end of November. On both Northern Line and Jubilee Line, trains are running 3 months behind the advance schedule [due to complexity in conversion and internal TLL assurance]. The slippage will not impact the contractual delivery dates for the upgrades.

#### **LU Stations Modernisation and Refurbishments – PPP BCV (Metronet)**

Metronet – BCV has a contractual obligation to modernise and refurbish 55 stations during the first 7.5 year review period. To date, BCV has delivered into service 5 stations with 50 remaining. Four stations have been submitted for practical completion.

#### **LU Stations Modernisation and Refurbishments – PPP JNP (Tube Lines)**

Tube Lines has a contractual obligation to modernise and refurbish 97 stations during the first 7.5 year review period. To date, Tube Lines has delivered 20 stations into practical completion with 77 remaining. Tube Lines have declared a further 10 stations as practically complete and these are currently undergoing review.

#### **LU Stations Modernisation and Refurbishments – PPP SSL (Metronet)**

Metronet – SSL has a contractual obligation to modernise and refurbish 77 stations during the first 7.5 year review period. To date, Metronet has delivered into service 11 stations with 66 remaining. Putney Bridge has been declared as practically complete and is undergoing review.



## TfL Olympic Transport Portfolio Report

### **CTRL at Kings Cross (Northern Ticket Hall)**

The opening of the Western Ticket Hall and the Enlarged Tube Ticket Hall occurred on 28 May 2006. The forecast completion date of Phase 1 (expanded Tube ticket hall and new Western Ticket Hall) works remains on schedule against the baseline date of December 2006. Metropolitan & Circle Line platform refurbishment fit-out is continuing. Heritage works to St Pancras' Euston Road facade is completed. For Phase 2, excavation and structural works for the Northern Ticket Hall Link Passage has begun and the tower crane foundation is now completed with the installation of the crane to start. The main underpass was opened successfully on 8 October. This means that customers interchanging between the Tube and sub-surface lines can do so without passing through ticket gates, offering them a faster, easier connection.

### **LU Extensions – Piccadilly Line Extensions to Heathrow T5**

Progress is on plan to deliver the Piccadilly Line Extension to Heathrow Terminal 5 Project (PiccEx) in March 2008. The main deliverables are the T4 Loop reopening in September 2006 and the commencement of Trial Operations in March 2007. The Loop reopened successfully on 17 September 2006 as planned.

### **Wembley Park**

This project was completed on 15 May 2006.

### **Olympics Accessibility Works (Green Park, Baker Street (SSL) and Southfields)**

Southfields Step Free Access (SFA) Conceptual Design was instructed and is ongoing during the period. Discussions to include the Ticket Hall reconfigurations works in the SFA programme are underway. Baker Street Step Free Access Options Analysis feasibility study was completed and is under review. The feasibility study for Green Park Step Free Access is ongoing with the final report due in January 2007.

### **North Greenwich Congestion Relief**

This project is to provide additional access and egress to this station in anticipation of development underway including the construction of a stadium. Currently on site, the fixed stairs are complete apart from handrails and glass enclosures (the latter have been delivered). Work has commenced on fire systems.

## **Surface Transport**

### **East London Transit** \*

Design incorporating the changes as a result of the LB Barking and Dagenham conditions has been submitted to them for approval and this is expected in October. A review of the programming impacts of the three month delay in the LB Barking and Dagenham approval and of the design changes is currently under way and is expected to be completed by the P7 report. The OJEU notice was dispatched on 15 September 2006 and the procurement workstream is on track to deliver the streets infrastructure in line with the programme.

### **Greenwich Waterfront Transit Phase 1**

Nothing to report this period.

\* Denotes: Projects in the guarantee from TfL

\*\* Denotes: Other infrastructure projects that may support the Olympics



## TfL Olympic Transport Portfolio Report

### Public Sector Funded Package (PSFP), Olympic-Enabling Projects in Investment Programme: Period Update

#### London Rail

##### North London Railway Infrastructure Project

Work continued with mobilisation of the team and initiation of workstreams with Network Rail. A technical advisor has been selected from the TfL supplier framework and will commence during the following period. The design for the Dalston Western Curve has commenced and a procurement strategy is being developed.

##### DLR Olympics Additional Railcars

The design of these railcars is ongoing and is being carried out in conjunction with the Woolwich Arsenal / 3 Car railcars. However, now that the order has been placed it is envisaged that the delivery will follow that of the Woolwich Arsenal / 3 Car railcars, which are scheduled for delivery in 2007/08.

##### DLR 3 Car Poplar – Woolwich Arsenal

The invitation to tender (ITT) for package 4 (Poplar to Woolwich Arsenal / Poplar to Canning Town) was issued on 25 July 2006 and tender returns are expected back on 11 December 2006. A full business case for the DLR Infrastructure Works has been submitted to the ODA for approval.

##### DLR Olympics Station Capacity Improvements

This is being progressed as part of the 3 Car North Route and 3 Car Poplar-Woolwich Arsenal TWA. Development work is currently being funded out of the main 3 Car budget.

##### DLR West Route Signalling Improvements

Costs are still awaited from Alcatel for this piece of work, however development work is not scheduled to commence until the latter part of 2006.

##### DLR West Route Resilience

This project is being procured as part of the 3 Car Bank-Lewisham project. For detailed project updates please refer to the 3 Car Bank-Lewisham report.

#### London Underground

##### LU West Ham (Station)

The LU West Ham (Station) project is anticipated to provide a new western entrance to address the increased demand from spectators for the Olympics Games as well as background increase anticipated as a result of the Parcellforce and Islamic Cultural Centre development sites located to the west of the Jubilee line. A Requirement Statement for design services up to Conceptual Design has been issued to Tube Lines and the feasibility study is anticipated to commence in October 2006.

##### Central Line Operational Enhancement Project (LU Resilience)

The Central Line Enhancement project was proposed to improve the operational resilience and reliability on the Central Line by providing additional reversing points and additional sidings. This would support the higher service frequencies expected by the Olympics and improve resilience. An understanding has now been reached with the ODA both that their Olympic resilience requirements can be better met with an operational plan and that there would be minimal legacy benefit to LU from the Capital works. **This project has been submitted to the ODA change control process and will not appear in future reports.**



## TfL Olympic Transport Portfolio Report

### Surface Transport

#### Cycle Route Enhancements and Walking Routes

A scoping document, setting out the principles and approach to planning for cycling and walking for the 2012 Olympic and Paralympic Games, has been produced and widely consulted upon. Initial walking and cycling route identification work is being pursued, including feasibility for using waterways and adjacent towpaths in the vicinity of the Olympic Park as natural navigation systems for walking and cycling to Olympic venues. The Active Spectator Programme and associated travel demand management initiatives are being explored to encourage spectators and the workforce to walk and cycle to the Olympics. Meetings with the Olympic Park master planning team and Arup, responsible for the Olympic Park Transport Assessment, have taken place. Two stakeholder groups have been set up to assist with the development of the Olympic cycling and walking programme: the Olympic Active Travel Advisory Group (OATAG) and a borough steering group. The TfL Cycle and Walking Accessibility team also attend monthly ODA Surface Transport Steering Group meetings.

#### Olympic Route Network (ORN) Carriageways

Work is proceeding on the London ORN Stage 1 & 2 consultancy commission (data gathering and journey time assessment) and for the preparation for an Olympic “toolkit” workshop with TfL stakeholders in November. The results of the August traffic surveys carried out in order to infill gaps in existing traffic data on the London ORN have been received and passed over to the consultants doing the Stage 1 & 2 work. Additional traffic data identified earlier from some of the London boroughs and other branches of TfL has also been collected and handed over. Road Network Development's ORN team has been strengthened by the addition of a Streets' Olympic Champion.

#### Enhancements to TfL Local Bus Services for Spectators

No significant events to report this period. The programme is on schedule. A scoping plan for the bus services and driver procurement is due in April 2007.

#### LTCC (London Traffic Control Centre) Development

The control centre co-location project continues, and a preferred option has been identified as a combination of the Palestra building at Southwark (Surface Transport) and the Broadway complex at St. James's Park (LUL). The project team will now develop a detailed implementation plan for the co-location. The project is scheduled to complete sometime after 2008.

### Finance and Planning

#### Stratford Regional Station Upgrade

The Scheme has been presented to Treasury, DfT, DCMS and ODA, who agreed that there is no alternative scheme. This stage of the works is to programme. The procurement plan has been submitted to the ODA's rail steering group for approval. The implementation programme, whilst evolving, has been published and formal acceptance is awaited. The planning application was formally submitted to the ODA on 15 September 2006.



## TfL Olympic Transport Portfolio Report

### Key Programme Risks

#### **East London Line**

Issues remain with Network Rail over approval of the track access option, however Network Rail approval is expected imminently.

#### **DLR Woolwich Arsenal / 3 Car Railways**

Delivery of the first painted car-body will be 10 weeks late, although this time is already being recovered and there should be no delay to the overall project.

#### **Woolwich Arsenal DLR Extension**

Completion of the up-tunnel is now scheduled for mid-November due to maintenance on the cutting head taking longer than initially anticipated, however this delay will not impact on the project completion date.

### Issues / Decisions

#### **Stratford Regional Station Upgrade**

The validated estimate for the Olympic Enhancements is £104m for the capital works: the funding gap remains £54m with discussions ongoing between ODA, DfT and DCMS to resolve.

Failure to secure the stated level of funding contribution for the works being undertaken by SCDL. The situation continues to be monitored.

There is a possibility of an issue over the boundaries of station upgrading. A non-compliance report is being developed.

#### **Olympic Road Network Carriageways**

Greater visibility of other plans & projects with potential impacts on the Olympic Route Network is required.






## TfL Olympic Transport Portfolio Report

Independent Engineer Status Report	
Nothing to report this period	
<b>Previous reviews</b>	
Nothing to report this period	
<b>Next Reviews</b>	<b>Date</b>
3 Car North Route	Quarter 2 2006/7 *
3 Car Bank – Lewisham	Quarter 2 2006/7 *
DLR 3 Car Poplar – Woolwich Arsenal	Quarter 2 2006/7 *
Greenwich Waterfront Transit	Quarter 2 2006/7
Stratford Regional Station	Quarter 2 2006/7
Stratford International DLR Extension	Quarter 3 2006/7
East London Transit Phase 1a	Quarter 3 2006/7
East London Line	Quarter 3 2006/7
Woolwich Arsenal DLR Extension	Quarter 4 2006/7
* to be conducted as a joint review	







## Milestones






	Project on schedule
	Project behind schedule
	Project behind schedule impacting Olympic delivery

### TfL Funded





#### East London Line Extension (LR – PJ01)

	Current Plan	Actual/forecast date	RAG status
Rolling Stock award contract	12/07/2006	10/08/2006	Completed
Second Stage Enabling Works Complete	07/12/2006	22/12/2006	
Main works commence on site	08/02/2007	08/02/2007	
Test running commences	31/01/2010	14/05/2009	
Completion	29/06/2010	19/10/2009	







#### DLR Woolwich Arsenal/3 Car Railcar (LR – PJ04/501)

	Current Plan	Actual/forecast date	RAG status
First painted car body	30/09/2006	04/12/2006	
First train delivered	31/08/2007	31/05/2007	
18 <sup>th</sup> Car in Service	30/04/2008	24/03/2008	
Last train delivered	31/12/2008	20/05/2008	
All cars in service	28/02/2009	23/06/2008	

#### DLR 3 Car North Route (LR – PJ05)

	Current Plan	Actual/forecast date	RAG status
Powers / consents granted	31/03/2007	31/10/2007	
Contract award	01/09/2007	01/09/2007	
Construction work complete	31/12/2009	22/12/2009	
Operational date	31/03/2010	01/05/2010	

#### DLR 3 Car Bank – Lewisham (LR – PJ06)

	Current Plan	Actual/forecast date	RAG status
Beckton Depot completion	20/10/2006	30/11/2006	
Tender documents returned	30/11/2006	11/12/2006	
Contract award	29/01/2007	12/03/2007	
Construction work starts	30/04/2007	09/04/2007	
Construction/Trackwork/Signalling complete	30/09/2009	25/09/2009	
Service operational	31/10/2009	28/09/2009	



### Stratford Regional DLR Station (LR – PJ07)

	Current Plan	Actual/forecast date	RAG status
Start works	30/08/2005	01/08/2005	Completed
Completion of phase 1 (South Platform)	31/12/2006	19/04/2007	▲
Canopy complete	27/02/2007	27/02/2007	●
Completion	31/03/2007	23/07/2007	▲

### London City Airport DLR Extension (LR – PJ08/500)

	Current Plan	Actual/forecast date	RAG status
Complete station construction	30/08/2005	24/11/2005	Completed
Completion date	31/12/2005	02/12/2005	Completed

### Woolwich Arsenal DLR Extension (LR - PJ09/503)

	Current Plan	Actual/forecast date	RAG status
Appoint Concessionaire	31/05/2005	31/05/2005	Completed
Commence construction	31/03/2006	27/06/2005	Completed
Complete up tunnel	06/09/2006	24/11/2006	▲
Project completion	31/01/2009	31/01/2009	●

### Stratford International DLR Extension (LR – PJ10)

	Current Plan	Actual/forecast date	RAG status
Submission of TWA application	30/09/2005	31/08/2005	Completed
Contract award package 8	01/12/2006	22/12/2006	▲
TWA order powers granted	31/12/2006	31/10/2006	●
Contract award package 7	29/01/2007	29/01/2007	●
Contract award package 6	28/05/2007	10/04/2007	●

### DLR Railcar Refurbishment (LR – PJ15)

	Current Plan	Actual/forecast date	RAG status
Completion of 94 <sup>th</sup> vehicle	30/11/2006	06/03/2007	▲



### East London Transit Phase 1a (ST – PJ24)

	Current Plan	Actual/forecast date	RAG status
Infrastructure works complete	22/01/2008	22/01/2008	●
Service starts	16/02/2008	16/02/2008	●

### Greenwich Waterfront Transit (ST – PJ25)

	Current Plan	Actual/forecast date	RAG status
Phase 1 Engineering feasibility complete	31/05/2005	25/02/2006	Completed
Handover of phase 1 to Surface Transport	01/06/2006	01/06/2006	Completed
Complete construction	25/06/2010	25/06/2010	●
Service starts	31/08/2010	31/08/2010	●

### Victoria Line Upgrade – BCV Line Upgrades (part of LU – PF20)

	Current Plan	Actual/forecast date	RAG status
1 train accepted to run in LUL traffic hours	Spring 2009	Spring 2009	●
Commence rolling stock full production	Summer 2010	Summer 2010	●
Service control centre demo	Summer 2011	Summer 2011	●
JTC delivery	17/08/2013	17/08/2013	●

### Jubilee Line Upgrade – JNP Line Upgrade (part of LU – PF 21)

	Current Plan	Actual/forecast date	RAG status
LUL acceptance of first section	Summer 2008	Summer 2008	●
Delivery last train	Spring 2008	Spring 2008	●
LUL acceptance of entire line	14/11/2009	14/11/2009	●

### Station Modernisation and Refurbishment – PPP SSL (LU – PF 34)

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2004/05	1	0	4	Completed
2005/06	2	4	7	▲
2006/07	1	4	11	●
2007/08	2	3	8	●
2008/09	6	6	7	●
2009/10	2	2	7	●



### Station Modernisation and Refurbishment – PPP BCV (LU – PF 32)

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2004/05	0	0	3	Completed
2005/06	2	2	10	▲
2006/07	7	3	3	▲
2007/08	4	2	7	●
2008/09	1	1	1	●
2009/10	3	3	3	●

### Station Modernisation and Refurbishment – PPP JNP (LU – PF33)

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2004/05	4	6	0	Completed
2005/06	3	8	0	Completed
2006/07	7	5	0	●
2007/08	4	11	3	●
2008/09	5	3	1	●
2009/10	4	5	1	●
2010/11	3	6	18	●

### CTRL at Kings Cross (Northern Ticket Hall) (LU – PF41)

	Current Plan	Actual/forecast date	RAG status
Phase 1 Final completion	31/12/2006	31/12/2006	●
Phase 2 Final completion	31/12/2010	31/12/2010	●

### LU Extension – Piccadilly Line Extension to Heathrow T5 (LU – PF45)

	Current Plan	Actual/forecast date	RAG status
Re-opening of the T4 Loop	30/09/2006	17/09/2006	Completed
Opening of service to the new T5 at Heathrow	Spring 2008	Spring 2008	●

### Wembley Park Station (LU – PJ 34)

	Current Plan	Actual/forecast date	RAG status
Full enhancement of the station	31/12/2005	15/12/2005	Completed
Station modernisation works	31/05/2006	31/05/2006	Completed



### **Olympics Accessibility (Green Park, Baker Street (SSL) and Southfields) (LU – PJ214)**

	Current Plan	Actual/forecast date	RAG status
Completion of design for Green Park	Spring 2008	Spring 2008	●
Completion of construction of Green Park	Winter 2011	Winter 2011	●
Completion of design for Baker Street	Spring 2009	Spring 2009	●
Completion of construction for Baker Street	Winter 2010	Winter 2010	●
Completion of design for Southfields	Summer 2007	Summer 2007	●
Completion of construction for Southfields	Winter 2008	Winter 2008	●

### **North Greenwich Congestion Relief (LU – PJ30)**

	Current Plan	Actual/forecast date	RAG status
Substantial completion of station congestion relief	31/12/2006	31/12/2006	●



## PSFP Funded

### DLR Olympic Additional Railcars – Part funded (LR – PJ20)

	Current Plan	Actual/forecast date	RAG status
Final railcar delivered	31/12/2009	31/12/2009	●
Complete testing and commissioning	31/03/2010	31/03/2010	●
All cars in service	30/06/2010	30/06/2010	●

### DLR 3 Car Poplar – Woolwich Arsenal (LR – PJ22)

	Current Plan	Actual/forecast date	RAG status
Submit planning application	31/08/2006	02/08/2006	Completed
Award design and construction contract	31/12/2007	01/09/2007	●
Service operational	31/03/2011	01/05/2010	●

### DLR Olympic Stations Capacity Improvements (LR – PJ25)

	Current Plan	Actual/forecast date	RAG status
Submit planning application	31/12/2006	31/12/2006	●
Award construction contract	31/12/2008	31/12/2008	●
Works complete	31/03/2011	31/03/2011	●

### West Route Signalling Improvements (LR – PJ23)

	Current Plan	Actual/forecast date	RAG status
Signal design	30/06/2006	31/12/2006	▲
Procure contract	31/05/2007	31/05/2007	●
Signal loop operational	31/03/2008	31/03/2008	●

### Stratford Regional Station Upgrade (FP – PJ26)

	Current Plan	Actual/forecast date	RAG status
Submit Updated Schemes Cost and Funding Proposals to Project Board	25/05/2006	25/05/2006	Completed
Commence Detail Design	24/05/2006	26/06/2006	Completed
Obtain Planning Consent and Powers	31/08/2006	30/11/2006	▲
Complete Scheme Definition and Programme	30/03/2007	30/03/2007	●



TfL Olympic Transport Portfolio Report Quarter 2 2006/7



				Schedule Dates		Schedule (Calendar Years)																				Independent Engineer Schedule		
				Type	Finish	2006				2007				2008				2009				2010				2011	2012	Indicative review dates
Programme/Project						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
London Rail																										Note: All IE review dates are indicative		
LR-PJ01C	East London Line Extension	Y	BL (PIP) BL (CA) A/F	29/06/2010 29/06/2010 19/10/2009																							Q1 2006 Q3 2007 Q4 2008	
LR-PJ03C	North London Railway – Stations Improvement Programme	Y	BL (PIP) BL (CA) A/F	31/03/2008 31/03/2008 31/03/2008																							Q3 2006 Q3 2008	
LR-PJ04C	Woolwich Arsenal/3 Car Railcars	Y	BL (PIP) BL (CA) A/F	28/02/2009 28/02/2009 23/06/2008																							Q1 2007 Q1 2008	
LR-PJ05C	3 Car North Route	Y	BL (PIP) BL (CA) A/F	31/08/2009 31/03/2010 01/05/2010																							Q2 2006 Q2 2007 Q2 2009	
LR-PJ06C	3 Car Bank-Lewisham	Y	BL (PIP) BL (CA) A/F	31/10/2009 31/10/2009 28/09/2009																							Q2 2006 Q2 2007 Q2 2009	
LR-PJ07C	Stratford Regional DLR Station	Y	BL (PIP) BL (CA) A/F	30/03/2007 30/03/2007 23/07/2007																							Q1 2009	
LR-PJ08C	London City Airport DLR Extension	Y	BL (PIP) BL (CA) A/F	30/12/2005 15/12/2005 02/12/2005																								
LR-PJ09C	Woolwich Arsenal DLR Extension	Y	BL (PIP) BL (CA) A/F	30/12/2008 05/01/2009 31/01/2009																							Q4 2007 Q4 2008	
LR-PJ10C	Stratford International DLR Extension	Y	BL (PIP) BL (CA) A/F	31/12/2009 30/06/2010 30/06/2010																							Q3 2006 Q3 2007 Q3 2009	
LR-PJ15C	DLR Railcar Refurbishment	Y	BL (PIP) BL (CA) A/F	30/03/2006 30/11/2006 06/03/2007																						Q1 2009		
London Underground																										Note: All IE review dates are indicative		
LU-PF20	LU Line Upgrades – PPP BCV (Victoria Element [Data shown is for Interim Upgrade – 5% capacity increase])	N	BL (PIP) BL (CA) A/F	31/12/2006 31/12/2006 31/12/2006																								
LU-PF21	LU Line Upgrades – PPP JNP (Jubilee Line Elements – 22% capability improvement eqv to capacity increase of 48%)	N	BL (PIP) BL (CA) A/F	14/11/2009 14/11/2009 14/11/2009																							Q2 2007 Q4 2008	
LU-PF32	LU Modernisations and Refurb – PPP BCV	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																							Q3 2007 Q1 2009 Q3 2010	
LU-PF33	LU Modernisations and Refurb – PPP JNP	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																							Q1 2012	
LU-PF34	LU Modernisations and Refurb – PPP SSL	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																							Q1 2008 Q3 2009 Q1 2011	
LU-PF41	CTRL at Kings Cross (Northern Ticket Hall)	Y	BL (PIP) BL (CA) A/F	31/12/2009 31/12/2010 31/12/2010																							Q3 2012	
LU-PF45	LU Extensions – Piccadilly Line Extension to Heathrow T5	Y	BL (PIP) BL (CA) A/F	31/12/2010 31/12/2010 30/06/2008																							Q4 2005 Q1 2007 Q3 2008	
LU-PJ34C	Wembley Park	Y	BL (PIP) BL (CA) A/F	31/05/2006 31/05/2006 31/05/2006																							Q2 2006 Q1 2007 Q3 2008	
2012 Olympics/Paralympics																												



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Group 1: Olympic PSFP to be delivered by TfL

		Schedule Dates		Schedule (Calendar Years)																								Independent Engineer Schedule
		Type	Finish	2006				2007				2008				2009				2010				2011	2012			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Programme/Project		Directly Managed?																										
LU-PJ214	Olympics Accessibility Works (Green Park, Baker Street (SSL) and Southfields) Subject to feasibility studies, installation of lifts at Green Park, Baker Street (sub-surface platforms), Southfields and High Street Kensington stations to provide step-free access from street to platform.	Y	BL (PIP) A/F	31/03/2012 31/03/2012																								
LU-PJ30C	North Greenwich Congestion Relief A significant increase in passenger vertical circulation capacity in key congested areas of the station.	Y	BL (PIP) BL (CA) A/F	31/12/2006 31/12/2006 31/12/2006																								
Surface Transport																												
ST-PJ24C	East London Transit Phase 1a 9km route between Ilford, Barking and Dagenham Dock with new dedicated access through Barking Town Centre and a package of highway measures including signal-based bus priority and enhanced enforcement due to be completed by February 2008	Y	BL (PIP) BL (CA) A/F	16/02/2008 16/02/2008 16/02/2008																								
ST-PJ25C	Greenwich Waterfront Transit Phase 1 Project upgrades Abbey Wood – Thamesmead – Woolwich – North Greenwich corridor with high levels of bus priority, new sections of busway and improved access to Woolwich town centre.	Y	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																								
London Rail																												
Network Rail North London Line 6 Car 8 tph (Olympic Infrastructure)				Y	BL (PIP) BL (CA) A/F																							
LR-PJ20C	DLR Olympics Additional Railcars Procurement and delivery of 22 additional rail cars to provide for additional services required during the Olympics to meet spectator demand.	Y	BL (PIP) BL (CA) A/F	30/06/2010 30/06/2010 30/06/2010																								
LR-PJ22C	DLR 3 Car Poplar-Woolwich Arsenal Infrastructure upgrade at Blackwall and East India stations and signalling, communication and power modifications between Poplar and Woolwich stations to allow three car operations to and from Woolwich Arsenal during the Olympics.	Y	BL (PIP) BL (CA) A/F	31/03/2011 31/03/2011 31/03/2011																								
LR-PJ25C	DLR Olympics Stations Capacity Improvements Increases to station capacity at Prince Regent (second exit to serve ExCel) and other network stations.	Y	BL (PIP) BL (CA) A/F	31/03/2011 31/03/2011 31/03/2011																								
LR-PJ23C	DLR West Route Signalling Improvements (Signal Loop & New Siding) Provision of a new signal loop between Westferry and Royal Mint Street junction to improve perturbation recovery time.	Y	BL (PIP) BL (CA) A/F	31/03/2008 31/03/2008 31/03/2008																								
LR-PJ27	West Route Resilience Provision of additional resilience at Royal Mint Street to improve system recovery time.	Y	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																								
London Underground																												
LU-PJ218	LU West Ham (Stations) Improved access to West Ham station from the Olympic Park.	Y	BL (PIP) BL (CA) A/F	28/08/2011 28/08/2011 28/08/2011																								
LU-PJ217	Central Line Operational Enhancement Project (LU Resilience) This project improves operational resilience and reliability on the Central line by providing: • Additional reversing points; • Improved power supply to sustain higher service volumes.	Y	BL (PIP) BL (CA) Cancelld	31/03/2012 31/03/2012 31/03/2012																								
Surface Transport																												
ST-PJ163	Cycle Route Enhancements and Walking Routes	Y	BL (PIP) BL (CA)																									
ST-PJ164	Providing cycling and walking facilities to and from Olympic venues and at creating a sustainable legacy of the Games. Planned cycling measures include the implementation of new cycle routes, cycle parking facilities at stations and venues and promotional activities. Planned walking measures include the implementation of new walking routes, signage and promotional activities.		A/F																									
	Olympic Route Network Carriageways The Olympic Route Network (ORN) is a pre-defined network of roads connecting all the Olympic competition and accommodation venues. Special traffic management measures and highway improvements will be implemented in order to give safe and secure priority movement to the cars and coaches that will transport the 'Olympic Family' during the Olympic and Paralympic Games. TfL are responsible for the delivery of the ORN requirements on the 257km network of non motorway roads within London.	Y	BL (PIP)  BL (CA)  A/F																									
	Bus Route Network	Y	BL (PIP) BL (CA) A/F																									
ST-PJ94C	LTCC Development	Y	BL (PIP) BL (CA) A/F																									
ST-PJ162	Provision of Olympic Traffic Control Centre with Olympic Delivery Authority.																											
Finance and Planning																												
FP-PJ02	Stratford Regional Station Re-Development (Dates for submission of revised scheme cost and funding details to TfL)  Completing feasibility study in collaboration with DfT and NR for the Stratford Regional Station Capacity Upgrade.	Y	BL (PIP) BL (CA) A/F	24/05/2006 24/05/2006 25/05/2006																								

Baseline (Published IP)

Baseline (Current Authorised)

Actual/Forecast

Indicative IE review dates

Public Sector Funding Package

BL (PIP)

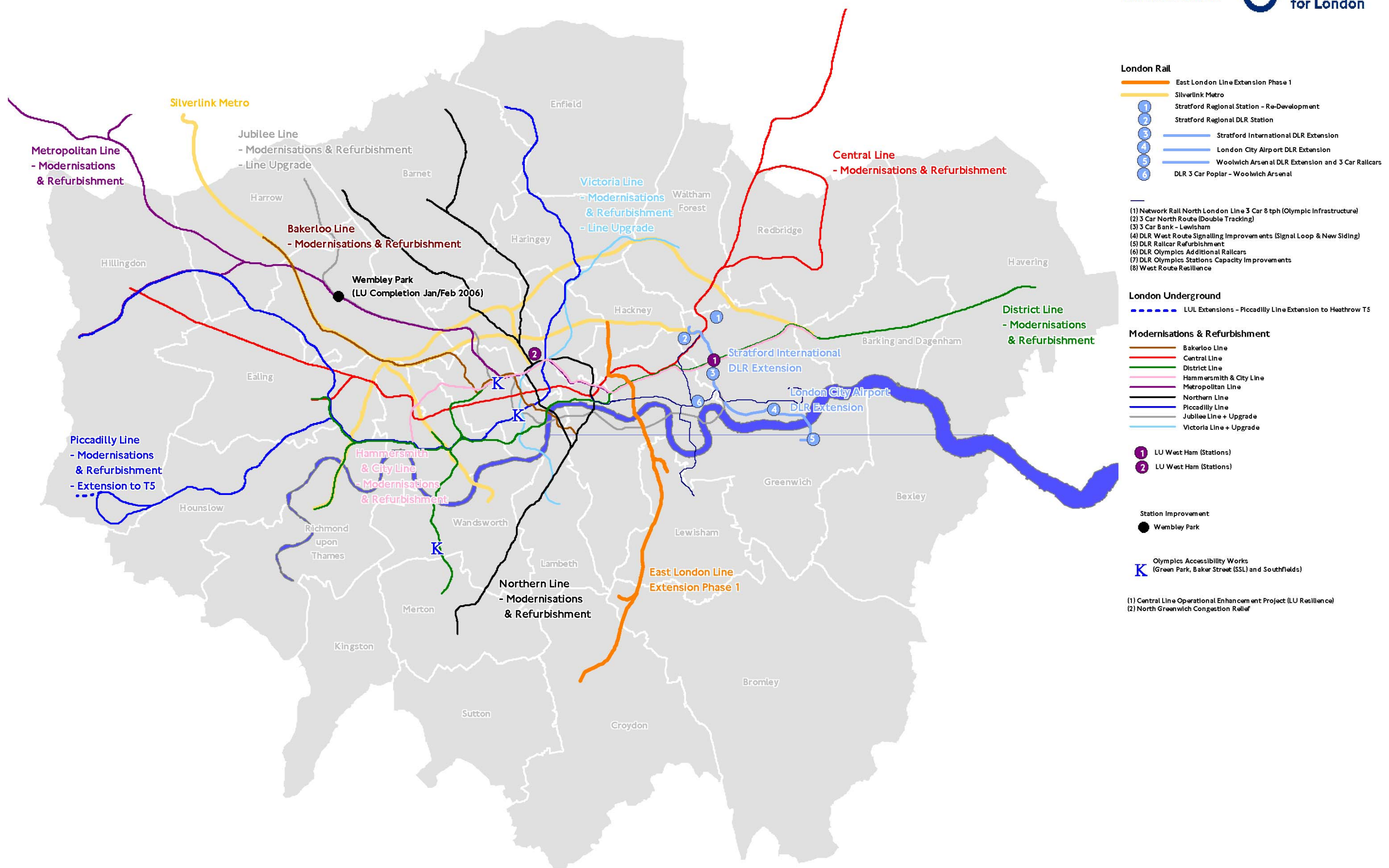
BL (CA)

A/F

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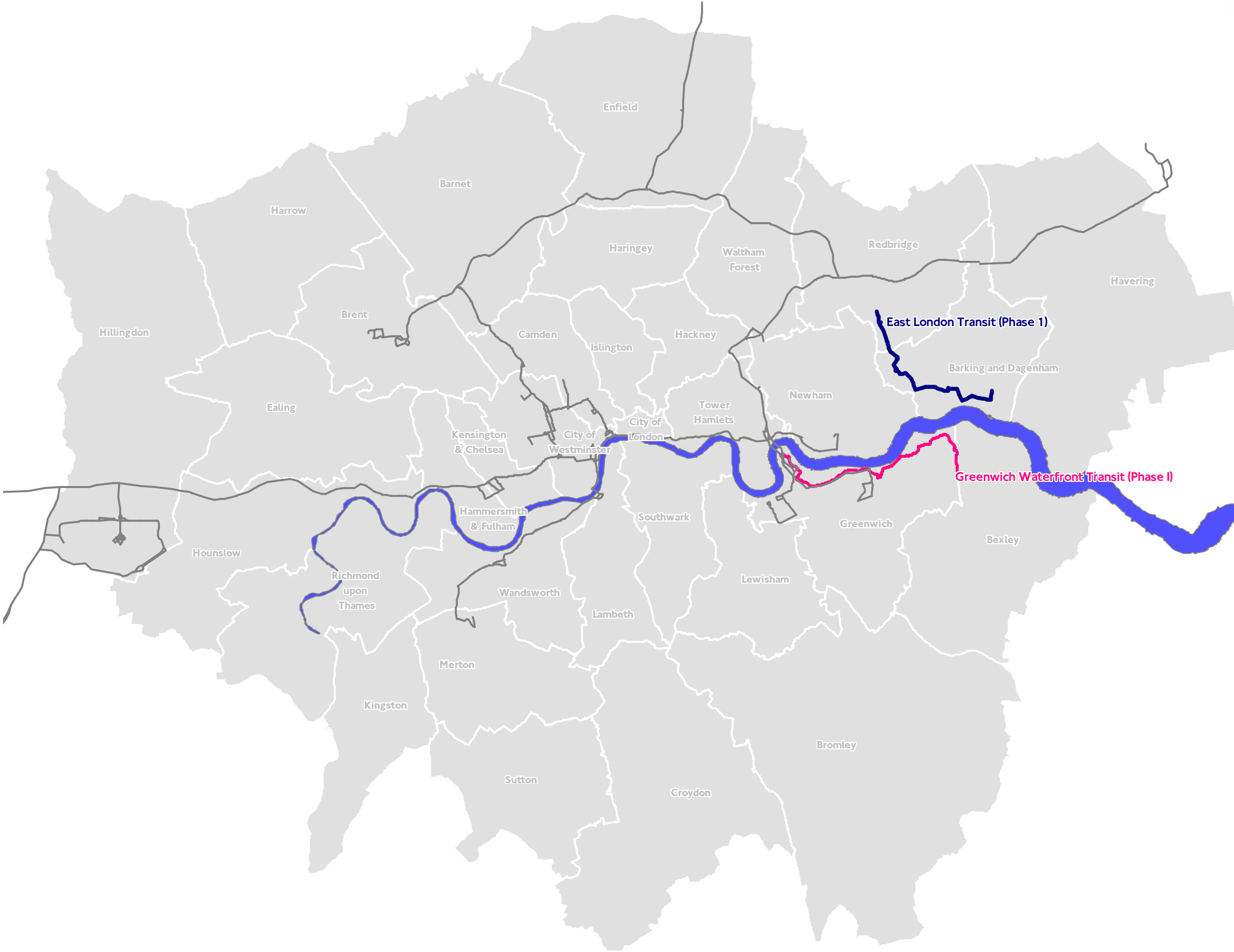


# TfL Olympic Transport Portfolio report - TfL Rail Schemes





# TfL Olympic Transport Portfolio report - TfL Surface Schemes



Surface Transport

- East London Transit Phase 1a
- Greenwich Waterfront Transit Phase 1
- Olympic Route Network Carriageways

To be Identified

- (1) Cycle Route Enhancements & Walking Routes
- (2) Bus Route Network