

Finance and Policy Committee

Date: 11 March 2015

Item 5: Operational and Financial Performance and Investment Programme Reports – Third Quarter, 2014/15

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Committee of TfL's Operational and Financial Performance (OFR) and presents the Investment Programme Report (IPR) for the third quarter of 2014/15 (14 September – 6 December 2014). An executive summary is also provided. These reports will be submitted to the next meeting of the Board.

2 Recommendation

- 2.1 **The Committee is asked to note the TfL Operational and Financial Performance and Investment Programme Reports for quarter three 2014/15.**

3 Future reporting improvements

- 3.1 The structure and format of the executive summary and the content of the Operational and Financial Performance Report, is that which was introduced in 2013/14. Prior to reporting on TfL's 2015/16 Budget from September 2015, the structure, format and content of the Operational and Financial Performance Report will be reviewed further. Views and comments from Committee Members on the structure are welcomed.

List of appendices to this report:

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

List of Background Papers:

None

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TfL's quarterly finance, investment and operational performance reports

Quarter 3, 2014/15

MAYOR OF LONDON



**TRANSPORT
FOR LONDON**
EVERY JOURNEY MATTERS

Executive Summary

Quarter 3 (Periods 7-9), 14 September 2014 – 6 December 2014

Customer

- In Quarter 3, customer satisfaction was extremely high across most of our services. LU achieved its highest ever score for the second successive quarter, while bus customer satisfaction was up from the same quarter last year.
- Passenger demand continues to increase - fuelled by population and economic growth – with year-to-date passenger journeys up 1.5 per cent in London Underground (LU) and 0.9 per cent on buses from last year.
- LU experienced record demand in the Quarter, breaking daily passenger journey records twice, with its busiest day ever on Friday 28 November 2014. Passenger journeys were higher than the daily record demand levels seen during the 2012 Games and were the highest ever recorded in any quarter 3.
- Cycling continues to flourish, with levels at the highest ever recorded for the quarter, 10 per cent higher than last year; this is now the fifth consecutive quarter of record cycle flows.

Reliability

- LU underlying reliability levels remain high, with Lost Customer Hours – LU's measure of reliability - better than the same quarter last year. Over the full year, reliability is expected to be almost eight per cent better than last year, and is on track to meet its 30 per cent¹ reliability target in 2015. This is on top of the 40 per cent improvement in reliability achieved between 2007/08 and 2011/12.
- Bus excess wait time deteriorated from its record levels in the previous quarters. This is largely due to the combined effects of roads modernisation, town centre improvement schemes, and increased traffic flows, the latter fuelled by increased economic growth.
- Journey time reliability on London's roads showed modest improvement from previous quarters, at 0.1 index points better than target, although remains down on last year. Increases in traffic volumes appear to have stabilised, and are now 0.1 index points up from the same quarter last year. Nonetheless, traffic volumes remain at significantly high levels and we expect traffic volumes to continue to grow.

Safety and security

- The number of people killed and seriously injured (KSI) on London's roads has dropped significantly since the same quarter last year and is now at its lowest level recorded. We remain on track to achieve an annual 40 per cent reduction by 2020.
- Crime rates and total number of incidents on the LU, DLR and bus network show further reductions; since 2010/11 the crime rate has fallen by almost 29 per cent on buses and by 30 per cent on the LU and DLR network. Year-on-year crime levels in Quarter 3 are down by almost 4 per cent on the LU and DLR network and by almost two per cent on London's buses.

Financial update

- Year-to-date fares income continues to track close to Budget, with income £31m lower than expected, a variance of one per cent. This was largely due to lower than anticipated journey growth in LU, coupled with the effects of industrial action in April and August 2014.

¹ From the 2011 calendar year baseline

- TfL's total cash balances (including funds ring fenced for the Crossrail project) are £687m higher than Budget in the year to date. By the end of the year, cash balances are forecast to be £557m higher than Budget, driven by:
 - Timing differences in expenditure, with £368m of investment rephased to future years, partly offset by the release of £193m overprogramming
 - Rephasing of £107m of Crossrail investment to future years
 - a £149m working capital upside, due to liabilities being settled later than earlier anticipated in the Budget
 - a group items upside of £66m, largely from the release of contingency, which is no longer required
 - offset by £47m from lower than expected fares income and acceleration of investment projects totalling £50m.
- TfL's cash balances (beyond a prudent minimum) are fully allocated to the delivery of the improvements set out in TfL's Business Plan, published in December 2014, and do not represent a surplus available to spend on additional projects or fare reductions.

Delivery

Reliability

Reliability	Quarter 3	Variance to Target
LU: lost customer hours ¹	5.0	0.2 ▲
LU: excess journey time ²	5.0	-0.3 ▼
DLR departures ³	99.2	0.4 ▲
London Overground PPM ⁴	95.8	-0.2 ▼
Buses: excess wait time ⁵	1.3	0.1 ▲
TLRN reliability ⁶	87.5	0.1 ▲

Reliability levels remain high for most of our services. Last year saw improvements across most of the network, with underlying LU reliability showing a five per cent year-on-year improvement and bus excess wait time maintaining its historic high. In Quarter 3, underlying LU reliability is seven per cent better than the same quarter last year, although slightly down against target. Over the full year reliability is expected to be eight per cent better than last year and is on track to meet its 30 per cent⁷ reliability target in 2015. The DLR continues its good performance in the quarter, with reliability improved by 0.3 index points from the same quarter last year. Bus excess wait time has deteriorated in the quarter, due to a combination of roads modernisation, town centre improvement schemes, and increased traffic flows, the latter at historically high levels. Over the full year bus excess wait time is now expected to be 0.1 minutes worse than both target and last year.

Safety and security

Recorded crime ⁸	Quarter 3	Variance to Target
LU and DLR	6.9	-0.1 ▼
London Buses	7.4	0.3 ▼

Crime has continued to fall on both the LU and DLR, and the bus network. Between 2010/11 and 2013/14, the crime rate has dropped by 29 per cent on buses and by 30 per cent on the LU and DLR network. Both networks saw year-on-year crime rate reductions in Quarter 3, although buses were slightly worse than target. Over the full-year we expect to meet these targets with crime rates showing year-on-year reductions.

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

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

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

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

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

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

⁷ From the 2011 calendar year baseline

⁸ Recorded crime per million passenger journeys

Safety	Quarter 3	Variance to Target
Cumulative reduction in killed and seriously injured ¹	44.1	7.9▲

The number of people killed and seriously injured (KSI) on London's roads has been further reduced, with provisional results for Quarter 3 showing a fall of 44.1 per cent from the baseline. Over the full year, we now expect to reduce KSIs by almost 38.3 per cent, progressing to our long-term goal of reducing KSIs by 40 per cent by 2020.

Project and milestone progress

As part of TfL's multi-billion investment programme, a number of projects were completed and significant milestones met in Quarter 3, including:

- As part of the Northern Line Upgrade, increased train frequency was introduced in December 2014, increasing capacity by 20 per cent with two additional trains per hour on the central branches during peak hours and three trains per hour throughout the whole line during off-peak services
- Bond Street station re-opened to Jubilee line customers three weeks ahead of schedule and in time for the Christmas shopping period
- The first of the new five-car trains was introduced on the London Overground network. On completion, the project will increase capacity by 25 per cent and help alleviate congestion
- The New Tube for London was publicly launched at King's Cross St. Pancras station, with the design of our new trains reported by press outlets across the globe
- Installation of new average and spot speed camera on the road network commenced
- The tenth route – route 137 from Streatham to Oxford Circus – was converted to the New Routemaster bus in December 2014.

Budget milestone completion ²	Quarter 3 2014/15
Completed on time or early	86%
Late by less than 90 days	7%
Late by 90 days or more	7%

The investment programme is now forecast to achieve 86 per cent of its significant milestones early or on time.

Milestones that are expected to be completed late include:

- Bearing installation on the Hammersmith Flyover strengthening project is delayed due to asset condition.
- Following agreed changes with the Cycling Commissioner delays have occurred with the

¹ Cumulative percentage reduction from a baseline of the 2005-2009 average. Full year refers to the 12 months from December 2013 – November 2014, due to lead times in obtaining KSI data from third parties

² Automatic Train Control (ATC) milestones have been excluded from this following the cancellation of the ATC contract in December 2013

commencement of detailed designs for various cycling schemes

- After the initial delays to the developer's programme delivering the station box at Bank station delays have occurred. A revised target date of 2017 has now been agreed with the Department for Transport (DfT).

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Capital expenditure	(1,364)	76▲	61▲
Revenue investment	(262)	30▲	89▲
Total investment	(1,626)	106▲	149▲

Investment expenditure¹ – including all capital expenditure and over £500m of operating expenditure allocated to investment projects in 2014/15 – is now £106m under Budget in the year to date. Over the full year, investment expenditure is now forecast to be £149m – just under six per cent – lower than Budget, largely due to investment rephasing of £368m to future years, which has been partly offset by the release of £193m of overprogramming.

¹ A reconciliation between the investment programme financials and the OFR is provided in Appendix B, page 37

Value

Financial summary

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Fares income	2,935	(31)▼	(47)▼
Other income	489	(1)▼	3▲
Operating expenditure	(4,179)	120▲	175▲
Group Items	(207)	27▲	66▲
Margin	(961)	117▲	197▲
Net capital expenditure	(1,312)	95▲	76▲
Crossrail expenditure	(1,015)	161▲	107▲
Net service expenditure	(3,288)	373▲	380▲
DfT grants	1,227	7▲	7▲
GLA precept	4	- ►	- ►
Business rates retention	675	- ►	- ►
Other grants	106	30▲	(3)▼
Crossrail funding sources	1,240	1▲	7▲
Working capital	(148)	291▲	149▲
Net borrowing	622	(17)▼	18▲
Cash movements	438	687▲	557▲

TfL's fares income continues to track close to Budget, with a variance of just one per cent in the year to date.

Passenger demand continues to increase - fuelled by population and economic growth - with year-to-date passenger journeys up 1.5 per cent in LU and 0.9 per cent on buses compared to last year. Fares income is £31m below Budget in the year to date, due a combination of lower than anticipated journey growth in LU, the impact of industrial action on the Tube in April and August 2014, and lower than expected fare-paying journeys on buses.

Operating expenditure is £120m - three per cent - lower than Budget in the year to date. This is due to rephasing of £64m of expenditure to later this year and future years, £43m lower from savings and our efficiency programme, and £26m from reclassification of operating costs to capital, the latter having no net effect on TfL's finances. Rephasing includes £19m on LU's rail grinding project, £10m for Fit for the Future - Stations, £12m within London Rail on concession payments, capacity improvement and stations work. Savings have been made across the organisation, with £17m from bus contract savings due to lower than expected incentive payments and revised diesel price indices, and savings in LU from lower staff costs, industrial action and internal reorganisation. These were partly offset by additional highways works, which have been funded by the Department for Transport (DfT).

Group items are £27m under Budget in the year to date. This is due to a reduction in group contingency which is no longer required and lower than anticipated debt service costs, with TfL issuing bonds at rates significantly lower than previously expected.

Net capital expenditure (excluding Crossrail) is £95m lower than Budget in the year to date. This is due to £277m of rephasing to later this year and future years, partly offset by the release of £149m of overprogramming to correct for optimism bias, and £26m of costs that have been reclassified from operating to capital expenditure. Rephasing includes £77m for the Sub-Surface Railway upgrade, pending the ATC contract re-let, and the rolling stock programme, £34m on the Northern Line Extension and associated

projects, £31m for LU's Fit for the Future – Stations programme, £20m on London Overground Capacity Improvement Programme, and combination of minor movements in Surface Transport.

Crossrail spend is £161m under Budget in the year to date. Direct costs are £144m lower than Budget, due to delayed progress at Tottenham Court Road and Paddington, National Rail Traction Power works, lower than anticipated drawdown of Programme Risk and delays in central tunnels. Indirect costs are £21m lower than Budget, due to delayed recruitment of Systemwide staff, and later than expected consultancy and building maintenance costs for Land and Property. These variances have no material impact Crossrail's overall project costs, with the project expected to deliver on time and to budget.

The Quarter 3 full-year net service expenditure forecast is £380m lower than Budget, with the key changes including:

- A fares income reduction of £47m, from the combined effects of lower than anticipated journey growth and the effects of industrial action in April and August 2014 in LU, coupled with lower inflation forecasts than previously assumed, and the introduction of real terms fares freeze in January 2015
- Lower operating costs of £176m against Budget, due to: rephasing of £48m including LU's asset stabilisation, capacity optimisation, London Overground and DLR investment; savings and cost reductions of £98m, including LU staff vacancies, lower than expected power costs, staff reorganisation and £30m from bus contracts; and a reclassification of LU's Fit for the Future – Stations costs to capital expenditure
- Lower group items and debt service costs of £66m, due to the release of contingency that is no longer required and the issuing of bonds at significantly lower rates than expected
- Lower capital expenditure of £61m, due to: costs of £346m rephased to future years – including £88m for the Sub-Surface Railway upgrade, pending ATC contract re-let, £89m for capacity optimisation and Northern Line Extension, and £35m on rail infrastructure renewals £20m on Fit for the Future – Stations costs and a combination of minor movements within Surface Transport – offset by the release of £175m of

overprogramming; acceleration of £41m of costs, predominantly associated with our commercial development property programme; and a reclassification of £42m of LU's Fit for the Future – Stations costs from operating expenditure

- Rephasing of £107m of Crossrail expenditure into future years.

Cash balances

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Crossrail SFA	2,253	159 ▲	154 ▲
Other TfL	2,960	528 ▲	403 ▲
Closing cash	5,213	687 ▲	557 ▲

Cash balances excluding Crossrail are almost £3bn at the end of Quarter 3, £528m more than Budget. Cash balances including Crossrail now stand at just over £5.2bn, £687m higher than Budget.

TfL's cash balances have been built up as a result of securing the most favourable funding and financing terms for TfL's £23bn capital investment programme in advance of delivery of major projects – including Crossrail, renewing and enhancing the capacity of the Tube and rail network, our £4bn Roads Modernisation Programme, and the delivery of the Mayor's Cycling Vision - as well as from timing differences in the expenditure profile of complex multi-year infrastructure projects. Securing funding and financing for these programmes in advance has provided significant benefits in the delivery of projects on time and to budget compared to the past - where annual funding pressures contributed directly to inefficient procurement and delivery of projects - and in delivering a long-term transport plan for London. TfL's cash balances are fully allocated to the delivery of TfL's Business Plan and do not represent a surplus available to spend on additional projects or fare reductions.

Cash movements

£m	Full-year forecast variance to Budget
Investment rephasing	368 ▲
Working capital	149 ▲
Crossrail	107 ▲
Net savings	79 ▲
Group items and debt service	66 ▲
Overprogramming	(193) ▼
Fares income	(47) ▼
Investment acceleration	(50) ▼
Other	28 ▲
Cash movements	557 ▲

Over the course of the year, TfL's total cash balances are expected to reduce to just under £4.5bn, as further improvements projects are completed. This is £557m more than expected at the time of the Budget, driven by:

- Timing differences in expenditure, with £368m of investment rephased to future years, partly offset by the release of £193m of overprogramming to correct for optimism bias
- Acceleration of investment projects totalling £50m
- Rephasing of £107m of Crossrail investment to future years
- a £149m working capital upside, due to liabilities being settled later than earlier anticipated in the Budget
- a group items upside of £66m, largely from the release of contingency, which is no longer required
- offset by £47m from fares income, which is lower than expected

TfL's cash balances (beyond a prudent minimum) is committed to delivering the improvements set out in TfL's latest Business Plan, updated in December 2014, and the 2015//16 Budget, including:

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

Efficiencies

£m	Year to date	Year to date actual variance to Budget	Full-year forecast variance to Budget
Net efficiencies	60	39 ▲	79 ▲

TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to deliver the improvements to transport, while bearing down on fares and managing with lower levels of government funding. We have now secured £14bn of savings to date, and have a further £2bn to secure over the business plan period. The savings programme will be achieved by reducing back-office expenditure and driving out inefficient activity to protect front-line services and our long-term investment programme,

In 2014/15 we have already secured almost £1.0bn of our £1.3bn savings target. To meet our long-term savings target we aim to secure a further £29m of net savings this year. In the year to date we have saved £60m, £39m more than target. This is forecast to rise to £108m by the end of the year, £79m more than target. Savings are reported net of implementation costs. This year's additional savings are largely due to lower than expected implementation costs for LU's Fit for the Future – Stations programme, which are now expected in 2015/16.

Customer

Passenger journeys

Million	Quarter 3	Variance to Target
London Underground	323.7	1.2▲
London Buses	583	(2.6)▼
DLR	27	1.2▲
London Overground	33.3	(2.3)▼
Tramlink	7.7	0.2▲
Emirates Air Line	0.3	(0.1)▼

Passenger demand continues to increase – fuelled by population and economic growth – with year-to-date passenger journeys up 1.5 per cent in LU and 0.9 per cent on buses from last year. Records for the busiest day on LU were broken twice, with daily passenger numbers of 4.7 million on 28 November 2014, surpassing levels seen during the 2012 Games. LU passenger journeys over the full quarter were the highest recorded in any quarter 3, with 2.2 million more passenger than the same quarter last year. Bus passenger journeys are over nine million higher than last year, although slightly under target in the Quarter. Over the full year we expect higher levels of passenger journeys across all of our services with the exception of London Tramlink, the latter largely due to scheduled closures while investment projects are completed, including twin-tracking works and track renewal.

Cycling

Cycling index	Quarter 3	Variance to Target
Cycling levels on TLRN ¹	335	25▲
Cycling journeys – average daily kms ²	527,000	N/A

Cycling levels continue to increase. In Quarter 3, cycling levels were the highest ever recorded since the index began; just over eight per cent – 25 index points – higher than target and 10 per cent higher than the same quarter last year. This is now the fifth consecutive quarter of record cycle flows.

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

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

² Cycling journeys average daily kilometres cycled in the central London congestion area. This is a new metric introduced in 2014/15 and comparative data with prior years is therefore not available

Customer satisfaction and complaints

CSS score	Quarter 3	Variance to Target
London Underground	84	1 ▲
London Buses	84	1 ▲
DLR	89	3 ▲
London Overground	83	2 ▲
Tramlink	89	- ►
Emirates Air Line	93	- ►

Customer satisfaction scores are higher than or equal to target across all of services in Quarter 3. LU maintained its record high from last quarter –also achieved during the 2012 Games - with a score of 84, one index point better than target and two index points higher than the same period last year. DLR recorded its second highest ever score, three index points better than target. Customer satisfaction with buses continues to be higher than the target, up one index point from the same quarter last year, with crowding and wait time showing improvements.

Complaints per 100,000 journeys	Quarter 3	Variance to last year
London Underground	1.15	0.01 ▲
London Buses	3.30	0.60 ▲
DLR	2.35	-0.01 ▼
London Overground	3.18	0.15 ▲
EAL	5.15	-0.22 ▼
Congestion Charge	7.58	-6.36 ▼
Barclays Cycle Hire	5.60	0.75 ▲
Dial-a-Ride ¹	163.63	18.35 ▲

In parallel with the very high level of customer satisfaction, customer complaints are down on some TfL services, with the DLR, Emirates Air Line, and Congestion Charge all seeing significant reductions. Emirates Air Line had 17 complaints across the whole Quarter. Complaints for Dial-a-Ride (DaR) remain high, with booking refusals the main source, accounting for 25 per cent of the total. Driver conduct was the second most common reason for complaint. DaR is working closely with our Taxi suppliers to improve the customer experience and drive down complaints.

¹ Per 100,000 journey requests

People

Headcount

FTE	Quarter 3	Variance to Budget	Full-year forecast variance to Budget
London Underground	21,292	(176) ▲	(509) ▲
London Rail	251	0 ►	(73) ▲
Surface Transport	3,489	(39) ▲	(135) ▲
Corporate	4,100	(503) ▲	(670) ▲
Crossrail	930	41 ▼	- ►
Total TfL	30,062	(677) ▲	(1,387) ▲

TfL (including Crossrail) employed 30,062 FTE at the end of Quarter 3, 677 more than Budget. These variances to Budget are due to:

- 176 higher than Budget in LU, due to slower than expected attrition, additional resource for projects including Fit for the Future – Stations and Railway Engineering Workshop, and increased programme requirements within capital programmes directorate
- A variance of over 500 FTEs in Corporate, predominantly due to additional temporary project staff funded through internal project budgets, including TfL's contactless ticketing, TFL Online, network Wi-Fi improvements, Every Journey Matters, IM transformation, information security and other projects supporting operational delivery
- Surface Transport was 39 FTEs higher than Budget, mainly due to staff required for the increased investment programme
- Crossrail was 41 FTEs below budget, due to later than expected recruitment of staff across the project.

By the end of 2014/15 we expect to employ 30,377 FTEs, 1,387 more than anticipated when setting the Budget, due to a number of reasons, including:

- Additional FTEs in LU largely due to later than expected implementation of efficiencies programme and revised requirement on capital programmes
- Additional FTEs in LR due to increased resource for London Overground and West Anglia works and the transfer in-house of previously outsourced Trams maintenance
- 128 FTEs increase in Surface Transport's Strategy and Planning areas to work on the increased levels of investment
- Additional FTEs across the Corporate directorates to work on projects, including TfL's contactless ticketing, TFL Online, network Wi-Fi improvements, Every Journey Matters, IM transformation and information security.

Operational and Financial Performance Report

Quarter 3, 2014/15

Operational and Financial Performance Report

Quarter 3 (Periods 7-9), 14 September 2014 – 6 December 2014

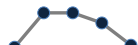
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Delivery

Reliability

Table 1: Reliability performance

Performance indicator	Unit	Quarter 3, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▼ lower is better								
London Underground: total lost customer hours	Millions of hours	5.0	0.2 ▲	-0.3	22.8	2.1 ▲	-1.4	
London Underground: total lost customer hours (excl. industrial action)	Millions of hours	5.0	0.2 ▲	-0.4	19.0	-1.7 ▼	-1.7	
London Underground: excess journey time	Minutes	5.0	-0.3 ▼	-0.8	4.79	-0.11 ▼	-0.42	
London Underground: excess journey time (excl. industrial action)	Minutes	5.0	-0.3 ▼	-0.7	4.70	-0.20 ▼	-0.39	
London Buses: excess wait time	Minutes	1.3	0.1 ▲	0.1	1.1	0.1 ▲	0.1	
TLRN: serious and severe disruption	Hours	896	-	324	3,660	1,665 ▲	1,397	
TLRN: unplanned serious and severe disruption per event	Hours per event	2	0.0 ►	0	2.2	0.0 ►	0.2	N/A
▲ higher is better								
DLR: Departures	%	99.2	0.4 ▲	0.3	99.0	0.2 ▲	-0.2	
London Overground: public performance measure	%	95.8	-0.2 ▼	-0.2	95.0	-1.0 ▼	-1.1	
Emirates Air Line: availability	%	97.4	2.6 ▲	1.8	95.0	0.2 ▲	0.1	
TLRN: journey time reliability (AM peak)	%	87.5	0.1 ▲	-0.1	88.0	-0.8 ▼	-1.0	
TLRN: carriageway in state of good repair	%	Annual measure			93.0	- ►	(1)	N/A
Dial-a-Ride: trip requests scheduled	%	89	1.0 ▼	(1)	90	- ►	-1	N/A

London Underground and Rail reliability

- 1.1 Between 2007/08 and 2011/12, LU delays were reduced by 40 per cent. LU is further targeting to reduce delays by 30 per cent by 2015, compared to the 2011 baseline. In 2013/14, underlying LU delays (i.e. excluding the impact of industrial action) were five per cent better than the previous year, with the trend of improvement continuing into Quarters 1 and 2 of 2014/15. Quarter 3 Lost Customer Hours (LCH) – LU's measure for reliability – were seven per cent better than the same quarter last year, although slightly down on target. Over the full year reliability is expected to be eight per cent better than last year and is on track to meet its 30 per cent reliability target in 2015.
- 1.2 Underlying excess journey time (EJT) in Quarter 3 was 0.71 minutes better than the same quarter last year and 0.31 minutes better than target, mainly due to a reduction in the impact of weekend engineering.
- 1.3 London Overground's Public Performance Measure dipped by 0.2 index points below target and by the same amount against last year's figure, largely due to incidents on Network Rail infrastructure on the East London line. DLR continues its strong performance from Quarter 2, with departures at 99.2 per cent, 0.4 index points better than target and 0.3 index points better than quarter 3 last year.
- 1.4 Operational availability on the Emirates Air Line (EAL) was very strong in the Quarter, up 1.8 index points from the same quarter last year and significantly better than target.




Journey times and disruption on London's roads

- 1.5 Reliability on London's roads has suffered from the impacts of renewed economic growth. In Quarter 3, Bus Excess Wait Time (EWT) was worse than both target and the same quarter last year, with the seasonal deterioration in operating conditions greater than anticipated. This is due to increased economic activity, road works and town centres improvements. The 'best ever' reliability score, of 1.0 minutes, was maintained over four consecutive years by the use of enhanced service control facilities used by bus operators. In Quarter 3, the use of such facilities has not fully mitigated the increase in congestion as a result of population growth and construction of major highway and urban improvement schemes. Reliability on London's roads continues to suffer from the impact of renewed economic growth – and the resulting increase in flows on the network – combined with increases in unplanned and planned disruption, the latter including highways improvements undertaken by TfL.
- 1.6 Journey time reliability (JTR) on the TLRN in the AM peak in all directions for Quarter 3 was 87.5 per cent; this is 0.1 index points better than target, but 0.1 points lower than the same quarter last year. Within the Quarter performance was mixed, Period 7 was 0.1 points below target, Period 8 was 0.6 percentage above target; and Period 9 was 0.1 percentage points below target.
- 1.7 Traffic flows have increased since Quarter 3 2013/14 and continue to rise, driven by economic growth and population increases. There was a 0.1 index point increase in traffic volumes on London's major roads between Quarter 3 this year and last year. As a result, London wide traffic speeds (07:00 to 19:00) decreased by 0.6 mph to 17.6 mph, with speeds falling across the quarter. The corresponding fall in network speeds suggests that increased traffic flows as opposed to incident and event disruption are the current primary driver of network impacts on journey time reliability.

- 1.8 Across most of Quarter 3 there were a number of planned and unplanned incidents that contributed to a large number of disruption hours across all three periods. The increase in planned disruption was due to an increase in Highway Authority and Utility works. The main drivers for the 135 hours increase in Unplanned TLRN serious and severe (S&S) disruption include increased Traffic Collisions, Breakdowns, Hazards and Traffic Volumes.
- 1.9 Overall in Quarter 3 there were 896 hours of S&S disruption from unplanned and planned events spread across 399 separate incidents. This is an increase of 324 hours compared to Quarter 3 2013/14, attributable to an increase of 148 planned S&S disruption hours and 176 unplanned S&S disruption hours. This compares to 572 hours spread across 281 incidents in Quarter 3 of the previous year.
- 1.10 Because of the significant contribution of planned events in Quarter 3, as with Quarter 2, it remains difficult to estimate the full-year forecast for unplanned and planned events. Our best forecast at the moment is that unplanned S&S hours will be 2,660 hours and planned S&S hours will be 1,000 hours. Both of these forecasts take into account the fact that significant new construction activities will occur through the remainder of the year.
- 1.11 Based on current trends to the end of Quarter 3, the full-year journey time reliability position remains at 88.0 per cent, 0.8 index points lower than the original target.

Safety and security

Table 2: Safety and security

Performance indicator	Unit	Quarter 3, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▼ lower is better								
LU and DLR recorded crime *	Million passenger journeys	6.9	-0.1 ▼	-0.6	7.4	0.0 ►	-0.6	
London Buses: recorded crime *	Million passenger journeys	7.4	0.3 ▲	-0.2	7.4	0.0 ►	-0.1	
London Underground & Rail significant injuries per million hours	Rate	0.4	-0.2 ▼	NA	0.35	-0.2 ▼	N/A	N/A
▲ higher is better								
Cumulative reduction in KSI Londonwide ¹	%	44.1	7.9 ▲	8.4	38.3	3.2 ▲	4.0	

Crime

* Quarter 3 refers to snapshot crime figures for September 2014 – October 2014. The information reported here may be different to other Quarter 2 crime information published by TfL

¹ Cumulative reduction from a baseline of the 2005–2009 average. Quarter 3 refers to June 2014 – August 2014; full-year 12 months from December 2013 to November 2014

- I.12 Both the rate and levels of crime have significantly improved on the LU and DLR networks and on buses in recent years; from 2010/11 to the end of 2013/14, the crime rate fell by 29 per cent on buses and by 30 per cent on the LU and DLR network.
- I.13 The level of crime on the LU and DLR network was 4.0 per cent lower in Quarter 3 than the same quarter last year, with 106 fewer offences in total. Theft of passenger property was down 15.3 per cent, in the Quarter, with 198 fewer offences. These results build on the significant reductions in reported crime over recent years and reflect the work done by TfL with our policing partners. Reported sexual offences have seen a rise of 30.1 per cent - 37 additional reported offences - which is in line with the expectations of Project Guardian, which encourages victims to report sexual offences. Violence against the person (VAP) offences have risen 23.1 per cent - 110 offences - and is being addressed through specific operations (e.g. Operation Station).
- I.14 Recorded crime levels on London Buses was 1.8 per cent better than the same quarter last year - with 84 fewer offences - although crime rates per million passenger journey were slightly worse than target. Notable reductions were seen in robbery - 41.5 per cent down, 179 fewer offences - and theft and handling - reduced by 14.5 per cent, 356 fewer offences. These results build on the significant reductions in bus-related crime over recent years and reflect the work done by TfL. Reported sexual offences have increased by 47.6 per cent - 68 additional reported offences - which is line with the expectations of Project Guardian. Violence against the person offences have risen 27.1 per cent - with 333 more offences - which reflects a broader 35 per cent increase in London recorded by the Metropolitan Police Service over the same time period. The work of the Roads and Transport Policing Command (RTPC) in reducing VAP is being scrutinised and supported through regular performance monitoring meetings.

Safety

- I.15 London Underground & Rail significant injuries per million hours is a new measure for 2014/15. This measure includes death (excluding suicide) and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable injuries to all customers, staff and contractors and is aligned with the revised Office of the Rail Regulator (ORR) standard. During Quarter 1, the rate was 0.48 injuries per million hours, reducing to 0.45 injuries per million in Quarter 2, and has now been reduced further to 0.39 injuries per million hours in Quarter 3.

Road safety

- I.16 The numbers of people killed and seriously injured (KSI) on London's roads continues its long-term trend of improvement, with provisional results for Quarter 3 showing that 527 people were killed or seriously injured on London's Roads. This is 44.1 per cent below the 2005-09 baseline and the lowest level of KSIs on record for Quarter 3. The full-year forecast for 2014/15 is a reduction in KSIs of 38.3 per cent from the 2005-09 baseline, compared to the full-year target reduction of 35.2 per cent. TfL is on track to meet its long-term target of a 40 per cent reduction in KSIs by 2020.
- I.17 Despite these positive trends in reducing KSIs on London's roads, future increases in traffic, the number of journeys cycled and walked, and increases in London's population mean that sustaining an annual 40 per cent reduction in KSIs remains an ambitious challenge, although reaching this target by 2020 is on track. TfL will continue to deliver its road safety strategy - set out in Safe Streets for London - and the vulnerable road user action plans. This, in addition to the increase in funding

through the TfL Business Plan, will help to ensure that the promising reductions in KSI casualties are sustained over the longer term.

Value

The operating budget table below shows financial variances for actuals as of the end of Quarter 3 2014/15 against the TfL 2014/15 Budget, as well as the latest full-year forecast as of Quarter 3. The table highlights TfL's operating contribution to fund investment, after revenue grants, including DfT General Grant, Business Rates Retention and the Greater London Authority (GLA) precept. The operating contribution is used to help fund investment and is allocated to projects through the annual business planning process.

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

TfL group (£m)	Year to date		Full year 2014/15			
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget	
Fares income	2,935	(31) ▼	4,284	(13)	(47) ▼	1%
Other operating income	489	(1) ▼	712	8	3 ▲	0%
Total income	3,425	(32) ▼	4,996	(5)	(44) ▼	1%
Operating expenditure (net of third-party contributions)	(4,179)	120 ▲	(6,193)	107	175 ▲	3%
Operating margin	(754)	89 ▲	(1,197)	102	131 ▲	10%
Interest income ¹	18	1 ▲	27	2	2 ▲	5%
Debt interest	(244)	11 ▲	(353)	5	19 ▲	7%
Contingency and group items	19	15 ▲	34	6	45 ▲	399%
Margin	(961)	117 ▲	(1,489)	116	197 ▲	12%
Finance sources						
General grant	578	7 ▲	842	(4)	7 ▲	1%
Overground grant	20	0 ►	29	1	0 ►	0%
GLA precept	4	(0) ▼	6	0	(0) ▼	0%
Business Rates Retention	675	(0) ▼	828	0	(0) ▼	0%
Other revenue grants	6	0 ►	7	4	2 ▲	27%
Total revenue grants	1,283	7 ▲	1,713	1	9 ▲	1%
Operating contribution to fund investment	322	124 ▲	224	117	206 ▲	

¹ Includes interest on the Crossrail Sponsors' Fund Account

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

TfL group (£m)	Year to date		Full year 2014/15			
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget	
Capital expenditure	(1,364)	76 ▲	(1,994)	108	61 ▲	3%
Third-party contributions – capital	22	(1) ▼	43	(1)	7 ▲	18%
Sales of property and other assets	30	20 ▲	49	6	8 ▲	17%
Net capital expenditure excl. Crossrail	(1,312)	95 ▲	(1,902)	113	76 ▲	4%
Crossrail capital expenditure	(1,015)	161 ▲	(1,582)	35	107 ▲	6%
Net capital expenditure incl. Crossrail	(2,327)	256 ▲	(3,484)	148	183 ▲	5%
Finance sources						
Surplus/ -deficit to fund investment	322	124 ▲	224	117	206 ▲	1190%
Investment grant	629	0 ►	909	0	0 ▲	0%
Crossrail funding sources	1,240	1 ▲	1,694	(2)	7 ▲	16%
Other capital grants	100	30 ▲	135	16	(5) ▼	4%
Working capital	(148)	291 ▲	(403)	(96)	149 ▲	35%
Net borrowing and reserve movements	182	(702) ▼	925	(183)	(539) ▼	72%
Total	2,327	(256) ▼	3,484	(148)	(183) ▼	6%

Fares income

- 2.1 TfL fares income continues to track close to Budget, with a small variance of just one per cent in the year to date. The latest full-year forecast has been updated for the real terms fares freeze, which was introduced in January 2015. This is now the second consecutive year fares levels have been frozen in real terms.
- 2.2 Over the full year, we expect fares income to be £47m lower than Budget, driven by a combination of lower than anticipated journey growth in LU – twelve million fewer journeys than expected, but up almost 40 million on last year – travelcard apportionment, and industrial action in LU in April and August 2014. Passenger journeys are also expected to be lower than Budget on buses, showing a downside of 18 million passenger journeys, with 15 million of these non-fare paying journeys. Nonetheless, bus passenger journeys are expected to be up 25 million on last year. The bus income has been adjusted to reflect the expected 3 million drop in fare paying passenger journeys.

Table 5: Fares income

Fares income (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
London Underground	1,646	(29) ▼	2,408	(5)	(40) ▼
London Rail	227	0 ►	331	5	(3) ▼
London Buses	1,063	(2) ▼	1,545	(13)	(5) ▼
Total fares income	2,935	(31) ▼	4,284	(13)	(47) ▼

- 2.3 London Underground fares income was £29m – 1.7 per cent – lower than Budget in the year to date, with £15m due to lower than anticipated journey growth, £10m from travelcard apportionment factors and £6m from industrial action in April and August 2014.
- 2.4 Over the full year fares income in LU is expected to be £40m – or 1.6 per cent – lower than Budget. The main drivers are £31m from lower than anticipated journey growth, £14m from the January 2015 fares freeze coupled with a lower inflation rate – which in part determines the level of fares changes – than previously expected, £10m from travelcard apportionment factors, and £6m from industrial action, partly offset by £19m from upwardly revised economic forecast and other minor movements.
- 2.5 London Rail fares income (excluding EAL) has been reduced by £2m, or 0.5 per cent – for the full year forecast due to travelcard apportionment, engineering closures and RPI changes.
- 2.6 EAL fare income was £1m lower than budget in the year to date and full year due to lower passenger demand.
- 2.7 Bus fares income in the year to date was £2m lower than budget primarily due to an adverse ticket yield following lower than anticipated On Bus Journeys during the lead up to going cashfree, and the early introduction of cashfree, with passengers switching into lower yielding tickets.

- 2.8 The full year bus fares income is forecast to be £5m lower than budget reflecting a lower fares increase in January 2015 based on lower RPI forecasts and recent passenger trends. The lower variance against the Quarter 2 forecast of £13m is mainly due to reduced fare paying passenger journey assumptions of 17.2 million to reflect recent trends.

Other operating income

Table 6: Other operating income

Other operating income (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
London Underground	143	(1) ▼	211	0	0 ►
London Rail	8	(2) ▼	15	1	(4) ▼
Congestion Charge and LEZ and Road Network Compliance	210	(3) ▼	304	5	(3) ▼
Barclays Cycle Hire	12	2 ▲	15	0	2 ▲
Other Surface Transport	81	8 ▲	114	1	6 ▲
Corporate	35	1 ▲	53	1	5 ▲
Total other income	489	(1) ▼	712	8	3 ▲

- 2.9 London Underground other operating income was £1m lower than Budget in the year to date, primarily due to reduced property income offset by a small increase in advertising. The full-year forecast is in line with Budget.
- 2.10 London Rail other operating income was £2m lower than budget in the year to date and £4m under the full year forecast primarily due to rephasing of funded works.
- 2.11 Road User Charging, which includes Congestion Charge (CC), Low Emission Zone (LEZ) and Road Network Compliance (RNC), income in the year to date was £3m lower than Budget, mainly due to trends of lower RNC Penalty Charge Notice (PCN) volumes. The full-year forecast has been reduced by £3m from the Budget, but increased by £5m since Quarter 2 to reflect the recent recovery in income in this Quarter.
- 2.12 Barclays Cycle Hire income in the year to date was £2m above Budget, with higher daily access fee income from non-members of £1m as a result of sustained spells of excellent weather and targeted spring and summer marketing campaigns. The variance also includes £1m of additional sponsorship income that has been agreed with Barclays for the intensification of sites and an extension of the pre-existing zone to South West. The latest full-year forecast has been increased by £2m against the budget to reflect expected higher access fee income as well as the additional sponsorship income.
- 2.13 Across the Corporate directorates, operating income at Quarter 3 was £1m higher than Budget due to minor variances.
- 2.14 Over the full-year, operating income is forecast to be £5m higher than Budget across the Corporate directorates. This is mainly due to £2m land remediation relief rebate for the cost of removing asbestos from TfL's stations and tunnels, £1m from Community Infrastructure Levy administration contributions and £1m cost recovery for shared services across the GLA bodies.

Operating expenditure

Table 7: Operating expenditure

Operating expenditure (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
London Underground	(1,546)	91 ▲	(2,279)	52	135 ▲
London Rail	(255)	21 ▲	(383)	22	27 ▲
Surface Transport	(1,931)	2 ▲	(2,838)	12	41 ▲
Corporate	(447)	6 ▲	(694)	21	(28) ▼
Total operating expenditure	(4,179)	120 ▲	(6,193)	107	175 ▲

- 2.15 TfL's operating expenditure is £120m under Budget in the year to date, a variance of less than three per cent. Over the full year, the variance is expected to increase to £176m lower than Budget – a variance of just under three per cent, due to: rephasing of £48m including LU's asset stabilisation, capacity optimisation, London Overground and DLR investment; savings and cost reductions of £98m, including LU staff vacancies, lower than expected power costs, staff reorganisation and £30m from bus contracts; and a reclassification of LU's Fit for the Future – Stations costs to capital expenditure.
- 2.16 London Underground operating expenditure was £91m lower than Budget in the year to date. The main drivers include: rephasing of £44m, including £10m for Fit for the Future – Stations, Capacity Optimisation and Stations Upgrade, and £14m for Corporate Expenses largely due to central provision movements, both deferred to future years. A further £19m on Infrastructure Renewals, primarily the rail grinding project, was rephased to later this year. In addition, there were cost decreases of £26m including, £7m due to vacancies, higher employee attrition rates and industrial action, £4m from lower power costs following strikes and revised working timetables, and £3m from insurance settlement received for the Piccadilly line carriage that was damaged in the 7/7 attacks and other small movements. In addition, operating costs of £26m for Fit for the Future – Stations were reclassified to capital expenditure, resulting in lower operating expenditure and a corresponding increase in capital expenditure (see 2.27 below).
- 2.17 London Underground operating expenditure for the full year is now forecast to be £135m – or 5.6 per cent – lower than budget. The main variances are: £11m reduced costs due to lower than previously expected inflation assumptions; £36m of costs rephased to future years, including £13m on Capacity Optimisation; £6m on Stations; £18 of corporate expenses primarily relating to central provision movements. In addition, there are cost decreases of £29m including, £9m due to vacancies, £5m from lower power costs, £4m movement on central provisions and £3m insurance settlement of the train carriage. As in the year to date, £42m of Fit for the Future – Stations costs were reclassified to capital expenditure, resulting in lower than expected operating costs and corresponding higher capital expenditure (see 2.28 below).
- 2.18 London Rail operating expenditure was £21m lower than Budget in the year to date. This is due to rephasing of £18m, with £7m for concession payments, capacity improvement and stations work delays on London Overground, £5m for DLR rephased vehicle exam costs, both deferred to future

years, and £4m of costs rephased to later this year, including station gateline works. In addition, there was a £4m cost decrease resulting from lower concession payments and a business rates rebate.

- 2.19 London Rail operating expenditure for the full year is now forecast to be £27m – or 6.6 per cent – lower than Budget. The main variances are: £13m following the release of provisions and lower rolling stock maintenance costs, and £13m of costs rephased to future years including the London Overground and DLR costs as in Section 2.18.
- 2.20 Surface Transport operating expenditure in the year to date was £2m below Budget, primarily due to a £17m reduction in bus contract costs, a result of lower than anticipated incentive payments, and lower average weekly earnings and diesel price indices that determine the annual contract price adjustments. There has also been a £5m favourable bad debt movement largely due to improvements in Congestion Charge outstanding payments over the last nine months, where customers are settling PCNs earlier than expected. Offsetting these movements were £10m of additional works on borough roads and bridges due to the severe weather between October 2013 to February 2014 – which was funded by a DfT grant 2013/14 – and £5m of accelerated Local Improvement Programme (LIPs) corridor works. Slippages, which included £6m on Quietways and Central London Cycling Grid as plans become more detailed, were offset by overprogramming.
- 2.21 The full-year Surface Transport operating expenditure is now forecast to be £41m lower than Budget, primarily due to an expected £30m lower bus contract costs, and £5m of continuing favourable Congestion Charge bad debt movements. The forecast at Quarter 3 is £12m lower than at Quarter 2 mainly due to £7m of Borough Road expenditure, which is necessary and essential to spend in order to build the Cycling Quietways and Central London Cycling Grid assets, and consequently it has now been agreed that the spend should be reclassified as capital expenditure.
- 2.22 Across the Corporate Directorates, operating expenditure is £6m lower than Budget in the year to date. This is principally due to £4m from rephasing of IM projects, lower than expected legal expenditure, Employment Tribunal cases and Litigation and Archive Management. Rephasing and savings have been partly offset by £1m from accelerated Commercial Development Investment Programme expenditure.
- 2.23 In the full year, operating expenditure is forecast to be £28m higher than Budget across the Corporate directorates. This is mainly due to acceleration, including: £5m in the Commercial Development Investment Programme (CDIP), £6m from the pan-finance transformation programme, station improvements and £1m IM projects. In Customer Experience, £6m fare compensation payment to the Train Operating Companies, £4m for new ticket vending machines and £3m for later phases of the Future Ticketing Project. A further £1m increase of costs due to increased demand for Oyster cards resulting from the fares revision impact in January 2015.

Interest income, debt service and other group items

- 2.24 Interest income is broadly in line with the Budget in the year to date and is now forecast to be £2m lower than Budget over the full year.
- 2.25 In the year to date, debt service is £11m under Budget, due to TfL issuing a total of £500m of borrowing in two separate bond transactions at rates significantly below those expected when completing the Budget. The savings created from these bonds are reflected in the full-year forecast which is now expected to be £19m lower than Budget.
- 2.26 Contingency and other group items are £15m under Budget in the year to date. This is primarily due to contingency that has not been used. Over the full year, we are forecasting to be £45m under Budget, due to the release of contingency that is not expected to be used.

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

Interest income, debt service and other group items (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
Interest income	18	1 ▲	27	2	2 ▲
Debt service	(244)	11 ▲	(353)	5	19 ▲
Contingency and other group items	19	15 ▲	34	7	45 ▲
Total interest, debt service and other group items	(206)	28 ▲	(292)	14	66 ▲

Capital expenditure

Table 9: Capital expenditure

Gross Capital expenditure (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
London Underground	(876)	51 ▲	(1,239)	49	74 ▲
London Rail	(152)	17 ▲	(236)	(4)	17 ▲
Surface Transport	(262)	1 ▲	(405)	10	(26) ▼
Corporate	(74)	8 ▲	(114)	52	(4) ▼
Gross capital expenditure	(1,364)	76 ▲	(1,994)	108	61 ▲

- 2.27 In the year to date, capital expenditure was £76m lower than Budget, a variance of just under six per cent. Over the full-year we expect expenditure to be broadly in line with this, with a variance of £61m lower than Budget – a variance of three per cent – due to: costs of £346m rephased to future years including £88m for the Sub-Surface Railway upgrade, pending ATC contract re-let, £89m for capacity optimisation and Northern Line Extension, and £35m on rail infrastructure renewals £20m on Fit for the Future – Stations costs and a combination of minor movements within Surface Transport – offset by the release of £175m of overprogramming; acceleration of £41m of costs, predominantly associated with our commercial development property programme; and a reclassification of £42m of LU's Fit for the Future – Stations costs from operating expenditure.
- 2.28 London Underground capital expenditure was £51m – 5.5 per cent – lower than Budget in the year to date. This was predominantly due to rephased expenditure. Projects rephased to later in the current year include: £22m on the Sub-Surface Railway upgrade largely due to the deferred delivery of maintenance spares; £20m on Infrastructure Renewals projects; £18m Fit for the Future – Stations; and £22m on Capacity Optimisation. Expenditure reprofiled to future years includes: £78m on the SSR upgrade pending the ATC contract re-let, and rescheduled rolling stock programme; £26m Stations Capacity, primarily at Bank and Victoria stations; £34m Capacity Optimisation including Northern Line Extension (NLE) rephased costs post contract award, Northern Line Upgrade 1 (NLU1) and Jubilee Line Upgrade 2 (JLU2) slippage. Rephased expenditure has been partly offset by the release of £128m overprogramming and contingency. In addition, there were cost increases including, £11m NLU1 gain share liability, £17m SSR upgrade on Depots and £26m of Fit for the Future – Stations spend reclassified from operating to capital expenditure.
- 2.29 London Underground capital expenditure for the full year is now forecast to be £74m – or 5.6 percent – lower than Budget. This is due to £123m of rephased expenditure, including: £88m for the SSR upgrade, mainly due to the ATC contract re-let, accelerated train delivery to 2013/14 and the rescheduling of the rolling stock programme; £89m capacity optimisation including NLE rephasing, NLU1 risk and JLU2 slippage; £35m Infrastructure Renewals including delays in Deep Tube Renewals and unapproved projects; £20m FftF–S costs are deferred to next year; offset by the release of £105m overprogramming and contingency. In addition, there are cost decreases totalling £31m, primarily due to £19m from Infrastructure Renewals across a number of works and £8m CCTV reflecting latest scope, cost increases of £29m due to NLU1 gain share liability, Depots spend,

Interoperability trial works and Platform Train Interface. £42m of FftF-S spend has been reclassified from operating to capital expenditure.

- 2.30 London Rail capital expenditure was £17m lower than Budget in the year to date. This was mainly due to rephasing of £10m in DLR relating to Beckton train shed and North Route double tracking, and £9m in Trams primarily due to Wimbledon construction costs, tram purchase and power upgrades; and costs deferred to future years of £20m from rephasing of London Overground Capacity Improvement Programme (LOCIP). This rephasing has been partly offset by the release of £21m of overprogramming.
- 2.31 London Rail capital expenditure is now forecast to be £17m lower than Budget over the full year, mainly due to rephasing of LOCIP works to next year.
- 2.32 Year-to-date Transport capital expenditure was £1m lower than Budget. Slippages of £50m were largely offset by accelerated works of £13m and overprogramming. The most significant slippage was £13m on capital renewals where works have been delayed due to design, network access and contractor resource issues. These risks to delivery are being addressed so that the full year outturn will not be affected. Other slippages included £6m of Cycle Superhighways expenditure, which has slipped due to the decision to extend or delay a number of the public consultations and the need to make some design changes following these consultations, £4m on the Safety Camera Replacement Project following delays during the procurement process, £3m on SCOOT traffic signals and £3m on Woodlands retaining wall due to additional time to gain agreement with residents, agreement has now been reached. Accelerated expenditure included £8m of accelerated spend on the Fore Street Tunnel and Hogarth Flyover works and £5m for New Routemaster where ten buses were delivered ahead of the budgeted schedule.
- 2.33 Surface Transport capital expenditure is now forecast to be £26m higher than Budget over the full year. This includes £10m of accelerated expenditure on the Fore Street Tunnel and Hogarth Flyover works, where main works started early, £7m Cycling Quietways and Central London Cycling Grid expenditure transferred from operational expenditure and £3m Hammersmith Flyover cost increases due to poor state of concrete in bearing pits. Other increases in expenditure are mainly third party funded, including increased works on Traffic Infrastructure Signal Enhancement and carriageways renewals pothole repairs. Slippages, which included £11m of Cycle Superhighways due to the decision to extend or delay a number of public consultations, are offset by overprogramming. The full year forecast is £10m below that anticipated at Quarter 2 mainly due to £6m of Hammersmith Flyover delays as a result of the poor condition of bearing pits.
- 2.34 Capital expenditure across the Corporate directorates is £8m lower than Budget in the year to date. This is due to £4m rephasing of development expenditure relating to the Future Ticketing Project, £3m for improvements to Tottenham Hale and Elephant and Castle and £1m of other minor variances.
- 2.35 Over the full year, this is now expected to be £4m higher than Budget. £31m has been accelerated into this year, including property purchases for Camden, Covent Garden, Stucley Place, Whitechapel Road and Kingsland Viaduct. This has been offset by £20m for rephasing of IM projects, which is now scheduled to be delivered in future years.

Capital third-party contributions

Table 10: Capital third-party contributions

Third-party contributions (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
London Underground	8	(6) ▼	19	(1)	(1) ▼
London Rail	3	2 ▲	4	0	(0) ▼
Surface Transport	9	4 ▲	17	(3)	9 ▲
Corporate	2	(1) ▼	3	2	(1) ▼
Capital third-party contributions	22	(1) ▼	43	(1)	7 ▲

2.36 London Underground third-party contributions are £6m lower than Budget in the year to date, reflecting rephasing on Stations and Sub-Surface Railway upgrade funded works.

2.37 Surface Transport capital third-party contributions over the full year are forecast to be £9m higher than Budget, largely due to increased works on Traffic Infrastructure Signal Enhancements for both borough and developer schemes and carriageway renewals additional DfT pothole funding.

Sales of property and other assets

Table 11: Sales of property and other assets

Sales of property and other assets (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
Total sales of property and other assets	30	20 ▲	49	6	8 ▲

2.38 Property sales and other asset income was £20m higher than Budget in the year to date. The main reasons were, £10m from the New Land Improvement Payment and ground rent buyout at Hammersmith Metropolitan sites, £5m from the sale of Fleet Street Hill site which was not included in the original Budget and a further £5m from acceleration of property sales relating to Denyer Street and Inglis Road.

2.39 Property sales income is now expected to be £8m higher than Budget over the full year, reflecting £6m of income from the sale of Hanger Lane/Inglis Road site which was originally expected in 2013/14 and £1m of additional revenue from the sale of the A40 site 7.

Crossrail

Table 12: Crossrail

Crossrail (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
Crossrail	(1,015)	161 ▲	(1,582)	35	107 ▲

2.40 In the year to date, Crossrail costs are £161m lower than Budget. Direct projects costs are £144m lower than Budget, due to delayed progress at Tottenham Court Road and Paddington, National Rail Traction Power works, lower than anticipated drawdown of Programme Risk and delays in Tunnel Central. These were partly offset by costs increases including overspend at Tunnels West, Central logistics and spray concrete lining tunnels. Indirect costs are £21m lower than Budget, due to delayed recruitment of Systemwide staff, and later than expected consultancy and building maintenance costs for Land and Property. Crossrail is forecast to be £107m lower than the budget for the full year. This is principally reflecting the year to date underspend of £161m, partially offset by the later phasing of this underspend within FY2015.

Working capital

2.41 At the end of Quarter 3, working capital was £291m favourable compared to Budget. This was mainly driven by higher balances in London Underground and Rail, where trade creditors and accruals (£106m) and capital creditors (£101m) were all above Budget. This was due to timing differences, with liabilities being settled later than anticipated in the Budget, together with a longer than budgeted lead time in capital accruals crystallising into invoices. Additionally, there was a timing difference of £79m in respect of concessionary fares payments from London Councils, which were received earlier than expected at the end of the Quarter.

2.42 At the end of 2014/15, working capital is now forecast to be £149m and consists of higher than expected net creditors (see Section 2.41).

Table 13: Working capital

Working capital (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
Working capital	(148)	291 ▲	(403)	(96)	149 ▲

Government grants and other funding

Table 14: Government grants and other funding

Government grants and funding (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 2 forecast	Variance to Budget
DfT General grant	578	7 ▲	842	(4)	7 ▲
DfT Investment grant	629	0 ►	909	0	0 ►
DfT Overground grant	20	0 ►	29	1	0 ►
GLA precept	4	(0) ▼	6	0	(0) ▼
Business Rates Retention (BRR)	675	(0) ▼	828	0	(0) ▼
Crossrail funding sources	1,240	1 ▲	1,694	(2)	7 ▲
Other capital grants	100	30 ▲	135	16	(5) ▼
Other revenue grants	6	0 ►	7	4	2 ▲
Total grants and funding	3,252	38 ▲	4,451	14	11 ▲

2.43 In the year to date, grants are £38m higher than Budget. This is principally due to rephasing of Northern Line Extension funding from the GLA to match the revised schedule of expenditure, and timing differences for receipts of the DfT general grant.

2.44 Over the full year, grants and funding are forecast to be £11m higher than Budget. This is due to £7m of additional grant from the DfT as compensation for the real terms fares freeze – rather than in line with TfL's long-term fares increase assumption of RPI plus one per cent – and £7m from higher receipts of the Crossrail Community Infrastructure Levy (CIL). This is offset by £5m rephasing of Northern Line Extension funding to next year.

Borrowing and reserve movements

Table 15: Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
Borrowings Raised	633	(17) ▼	668	-	18 ▲
Borrowings Repaid	(11)	0 ►	(22)	-	0 ►
Net borrowing	622	(17) ▼	646	-	18 ▲
Reserve movements	(442)	(687) ▲	279	(183)	(557) ▲
Net borrowing and reserve movements	182	(702) ▼	925	(183)	(539) ▼

2.45 In the year to date TfL has borrowed £633m, £17m less than expected at the time of the Budget. This results from timing difference and TfL expects that the full-level of borrowings will be completed by the end of the financial year.

Cash movements

Table 16: Cash movements

Cash summary (£m)	Year to date		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
Crossrail Sponsors' Funding Account	2,253	159 ▲	2,094	9 ▲	154 ▲
Other TfL cash balances	2,960	528 ▲	2,399	169 ▲	403 ▲
Closing cash	5,213	687 ▲	4,493	178 ▲	557 ▲

2.46 TfL's closing cash balances (including Crossrail) at Quarter 3 are £5.2bn, £687m higher than expected, driven by:

- Timing differences in expenditure, with £408m of investment rephased to future years, partly offset by the release of £234m overprogramming to correct for optimism bias
- Acceleration of investment projects totalling £27m
- Rephasing of £161m of Crossrail investment to later this year and future years
- a £291m working capital upside, due to liabilities being settled later than earlier anticipated in the Budget
- a group items upside of £27m, largely from the release of contingency, which is no longer required
- offset by £31m from fares income, from a combination of lower than expected passenger journey growth and industrial action.

2.47 Over the course of the year, TfL's total cash balances are expected to reduce to just under £4.5bn, as further improvements projects are delivered. This is £557m more than expected at Budget time, driven by:

- Timing differences in expenditure, with £368m of investment rephased to future years, partly offset by the release of £193m overprogramming to correct for optimism bias
- Acceleration of investment projects totalling £50m
- Rephasing of £107m of Crossrail investment to future years
- a £149m working capital upside, due to liabilities being settled later than earlier anticipated in the Budget
- a group items upside of £66m, largely from the release of contingency, which is not required
- offset by £47m from fares income, which is lower than expected.

2.48 TfL's cash balances (beyond a prudent minimum) are committed to delivering the improvements outlined in TfL's latest Business Plan, updated in December 2014, and the 2015/16 Budget, including:

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

2.49 TfL's cash balances have been built up as a result of securing the most favourable funding and financing terms for TfL's £23bn capital investment programme in advance of delivery of major projects – including Crossrail, renewing and enhancing the capacity of the Tube and rail network, our £4bn Roads Modernisation Programme, and the delivery of the Mayor's Cycling Vision – as well as from timing differences in the expenditure profile of complex multi-year infrastructure projects. Securing funding and financing for these programmes in advance has provided significant benefits in the delivery of projects on time and to budget compared to the past – where annual funding pressures contributed directly to inefficient procurement and delivery of projects – and in delivering a long-term transport plan for London. TfL's cash balances are fully allocated to the delivery of TfL's Business Plan and do not represent a surplus available to spend on additional projects or fare reductions.

TfL's efficiency programme

Table 17: Efficiencies

Efficiencies Programme ¹ (£m)	Year to date			Full year 2014/15		
	Actual	Target	Variance to target	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
Progress towards TfL's total efficiency programme	60	21	39▲	108	13	79▲

2.50 TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to further invest in infrastructure improvements while holding down fares and managing with lower levels of government funding. We have already secured £13bn, with a further £3bn still to be secured. The savings programme will be achieved by reducing back-office expenditure and driving out inefficient activity, while protecting front-line services and our long-term investment programme, providing tangible benefits to our customers.

2.51 In 2014/15 we have already secured almost £1.0bn of our £1.3bn savings target. To meet our long-term savings target, we aim to secure a further £29m of net savings this year. In the year to date, we have saved £60m, £39m more than target. This is forecast to rise to £108m by the end of the year, £79m higher than target. Savings are reported net of implementation costs. This year's additional savings are largely due to lower than expected implementation costs for LU's Fit for the Future – Stations programme, which are now expected in 2015/16. This has no impact on our long-term efficiencies programme up to 2020/21.

¹ Efficiencies are quoted net of implementation costs

Customer

Passenger journeys

Table 18: Passenger journeys

Millions	Quarter 3, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▲ higher is better							
London Underground	323.7	1.2 ▲	12.2	1,300.4	(12.6) ▼	36	
London Buses	583	(2.6) ▼	9	2,407	(18) ▼	25	
DLR	27.0	1.2 ▲	2.6	109.4	2.0 ▲	7.8	
London Overground	33.3	(2.3) ▼	1.9	139.8	(5.2) ▼	4.1	
London Tramlink	7.7	0.2 ▲	0.1	30.4	0.1 ▲	(0.8)	
Emirates Air Line	0.3	(0.1) ▼	0.1	1.5	(0.3) ▼	0.0	
London River Services	2.1	0.4 ▲	0.5	9.5	1.0 ▲	1.1	-


- 3.1 LU experienced record demand in the Quarter – breaking daily passenger journey records twice – with its busiest day ever on Friday 28 November 2014, one of the Mastercard-sponsored ‘Fares Free Fridays’. Passenger journeys were higher than the daily record demand levels seen during the 2012 Games. LU had its three busiest days on record in Quarter 3. Overall passenger journeys were the highest ever recorded in any quarter 3, up 12.2 million from the same quarter last year.
- 3.2 In Quarter 3 bus passenger journeys were 2.6 million – 0.5 per cent – lower than target. Fare paying passenger journeys were 1.3 million or 0.3 per cent below budget, with non-fare passenger journeys 1.3 million or 0.7 per cent below budget. Fare paying passenger journeys were lower than last year partly due to higher renewals of free 11–15 year old and 16–17 year old passes this year compared to 2013/14; some of last year's journeys would have been paid for whilst awaiting the annual renewal. The non-fare paying passenger journey reductions are mostly due to the 11–15 year old and 16+ passenger journeys reported via the Greater London Bus Passenger Survey (GLBPS) previously being uplifted by TfL for more realistic non-validation. It was found that non-validation is much lower than previously thought, meaning the budget was artificially high.
- 3.3 The numbers of DLR and Tramlink passenger journeys were higher than Quarter 2, higher than target and higher than Quarter 3 last year.

- 3.4 London Overground passenger journeys in Quarter 3 were higher than the same quarter last year, but 2.3 million below target. The number of journeys has been affected by a change to the way passenger journeys are measured on one route, and by a large number of weekend engineering closures to undertake upgrade work, primarily for the London Overground Capacity Improvement Programme (LOCIP), which is due to increase capacity by 25 per cent by introducing an extra carriage on every train.
- 3.5 EAL passenger numbers were 0.3 million in Quarter 3, 0.1 million higher than the same quarter last year, although below the Quarter's target. EAL continues to make an operating profit, with income continuing to exceed its operating expenditure.
- 3.6 London River Service passenger journeys in Quarter 3 were 0.4 million higher than target, which benefited from favourable weather and increased tourist activity.

Cycling

- 3.7 More than 580,000 cycle journeys are made every day in London and cycling has more than doubled in the last decade. Cycling levels¹ in Quarter 3 were 10 per cent – 32 index points – higher than the same quarter last year. This is the highest level of cycling seen in Quarter 3 since the index began and just over 8 per cent – 25 index points – above target. This is now the fifth consecutive quarter we have seen the highest cycling levels recorded on the TLRN.

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

Millions	Quarter 3, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▲ higher is better							
Cycling levels on the TLRN ²	335	25 ▲	32	332	34 ▲	36	
Cycling journeys – average daily kms ³	527,000	N/A	N/A	N/A	N/A	N/A	N/A

- 3.8 The full-year index of cycle flows forecast on the TLRN for 2014/15 is 332, an increase of 12 per cent – 36 index points – from last year and over 11 per cent up on this year's cycling target.
- 3.9 With the future growth of cycling expected to take place not only on the TLRN, but on all the capital's roads, TfL has developed a new methodology for recording cycling journeys that will currently run in parallel with the existing cycling index. Monitoring using this metric currently covers the central London congestion area and shows that a daily average of 526,829 kilometres – or about 172,000 journeys – were cycled during Quarter 3, just over 31 per cent higher than the first quarter partially reflecting seasonal trends in cycling.

¹ Levels of cycling on the Transport for London Road Network (TLRN) are presented as an index of flow relative to a baseline of March 2000, which represents 100 on the index

³ Cycling journeys average daily kilometres cycled in the central London congestion area. This is a new metric introduced in 2014/15 and comparative data with prior years is therefore not available

3.10 The Mayor published his Vision for Cycling in March 2013, outlining plans to spend £913m on cycling improvements over 10 years. As part of the current wave of investment, public consultations are complete for two substantially segregated Cycle Superhighways and underway for a number of Better Junctions, whilst construction of the first Quietway cycle route is underway. Consultation is also complete for the Safer Lorry Scheme across London. This will see dangerous lorries, not fitted with safeguards or mirrors that give the driver a better view of cyclists and pedestrians, banned from London from September 2015. The Cycle Hire Expansion and Intensification (CHEI) programme is complete and a further expansion of the scheme to the Queen Elizabeth Olympic Park has now been announced. TfL's 'London Cycle Design Standards' were also published in December 2014.

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

Cycling vision £m	Year to date		Full year, 2014/15		2012/13 – 2021/22	
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Budget	Original budget	Variance to original budget
Gross Cycling Vision expenditure	(38)	27 ▲	(69)	38 ▲	(913)	- ►
Overprogramming adjustment ¹	0	(10) ▼	12	(14) ▼	-	- ►
Net Cycling Vision expenditure	(38)	17 ▲	(57)	24 ▲	(913)	- ►

3.11 To date, £135m of the overall £913m budget has been invested in cycling improvements, with £97m in earlier years and £38m so far this year. In the year to date, net Cycling Vision investment is £17m lower than budget. This is mainly due to rephasing of £6m on Cycle Superhighways and £6m on Quietways and Central London Cycling Grid.







3.12 Over the full year, net cycling expenditure is now forecast to be £24m under Budget, after adjusting for overprogramming. This is due to £11m of rephasing on Cycle Superhighways due to the decision to extend or delay a number of the public consultations and the need to make some design changes following these consultations. There is also £7m of rephasing on Quietways and the Central London Cycling Grid as plans become more detailed.

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

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

Customer satisfaction

Table 21: Customer satisfaction by service

Score (out of 100)	Quarter 3, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year	2010/11 – 2014/15
▲ higher is better							
London Underground	84	1 ▲	2	84	1 ▲	1	
London Buses	84	1 ▲	1	84	1 ▲	1	
DLR	89	3 ▲	3	88	2 ▲	1	
London Overground	83	2 ▲	3	82	1 ▲	-	
London Tramlink	89	- ►	0	89	0 ►	-	
Emirates Air Line	93	- ►	0	93	- ►	-	
Transport for London Road Network (TLRN)	74	-1 ▼	-1	75	0 ►	-	

- 3.14 Customer satisfaction levels are higher or equal to target across all of services in Quarter 3, with the exception of the TLRN. LU equalled its previous high again in Quarter 3 – achieved in Quarters 2 and 3 of 2012/13 – with a score of 84, one index point better than target and two index points higher than the same period last year. Customer satisfaction with buses continues to be higher than target and the same quarter last year. The DLR recorded its second highest ever score, three index points better than target.
- 3.15 Higher reliability across most of our services, improved customer communications, coupled with a number of customer focused initiatives – including reducing card clash, contactless travel auto-capping, auto-refunds and the introduction of ‘One More Journey’ on buses – have all helped drive this improvement.
- 3.16 London Underground maintained strong customer satisfaction levels in Quarter 3, achieving a score of 84 for the second successive quarter, also equalling that achieved during the 2012 Games. Customer satisfaction on the DLR followed up its highest ever score in Quarter 2 with its second highest score in Quarter 3.
- 3.17 Overall satisfaction with bus services was 84 points in Quarter 3, up one point from the same quarter last year although down two points from its record high in the previous quarter. Satisfaction with crowding on buses was 81 points; a decrease of three points from last quarter, but one point higher than last year. Satisfaction with time waited to catch the bus was 83, one per point lower than last quarter but two points higher than last year.

- 3.18 At 74, overall satisfaction with the Transport for London Road Network (TLRN) in Quarter 3 was slightly below target and that achieved in Quarters 1 and 2 this year. The most significant change from Quarter 2 was a drop in overall satisfaction amongst bus passengers – down from 78 to 76 – returning to levels from Quarter 3 2013/14. This is in contrast to the buses customer satisfaction score of 84 recorded in Quarter 3. It should be noted in this TLRN-focused survey bus passengers are being asked a wide range of questions about their experience on the TLRN rather than the operation of the bus service itself. Satisfaction with most aspects of the experience across all users was stable apart from lower scores for congestion, road works management and roads free from flooding and higher scores for time allowed for pick ups (among commercial vehicle drivers). Compared to the same quarter last year overall satisfaction has not changed significantly, but there is improved satisfaction with many aspects including speed and accurately estimating journey time.
- 3.19 The full-year forecast for the TLRN Customer Satisfaction Survey remains at 75. There is a risk to this target being achieved due to an increase in traffic volumes and the commencement of planned works on the TLRN. To mitigate this various management interventions are planned; including effective traffic demand management and messaging to all users of the TLRN about the scheme impacts.

Customer satisfaction – environment

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

Table 22: Environmental performance

Numbers	Quarter 3, 2014/15			Full year 2014/15		
	Actual	Variance to target	Variance to last year	Forecast	Variance to target	Variance to last year
▲ higher is better						
Euro 3 upgrade/ early retirement of buses	Annual measure			1,250	- ►	N/A
Hybrid bus introduction	1005	0 ►	411	1,250	- ►	575

Customer complaints

Table 23: Customer complaints

No. complaints per 100,000 journeys	Quarter 3, 2014/15	
	Actual	Variance to Quarter 3, 2013/14
▼ lower is better		
London Underground	1.15	0.01 ▲
Docklands Light Railway	2.35	-0.01 ▼
London Overground	3.18	0.15 ▲
Emirates Air Line	5.15	-0.22 ▼
London Buses	3.30	0.60 ▲
Congestion Charge	7.58	-6.36 ▼
Barclays Cycle Hire	5.60	0.75 ▲
Dial-a-Ride ¹	163.63	18.35 ▲
Oyster	0.80	-0.53 ▼
Contactless payment cards	4.50	4.50 ▲
River	0.76	0.76 ▲
Taxi and Private Hire ²	6.94	N/A
Tramlink	1.62	0.67 ▲

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

3.22 LU continues to record a lower complaints rate, with little change from the same quarter last year. Delayed journeys continue to be the most significant cause for complaint, contributing to around a quarter of the total. Delays on the Underground were reduced by 40 per cent between 2007 and 2011, and we have been successful in improving underlying reliability further. We are on track to reduce delays by a further 30 per cent by 2015.

3.23 On the DLR, the number of complaints continues to be lower than the previous quarter. The reduction is mainly due to the resolution of problems with ticket vending machines (TVMs), with complaints now on a downward trend following a range of improvements to the equipment. It is also

¹ Per 100,000 journey requests

²

expected that the machines will perform better over the course of 2015 after maintenance work has been carried out.

- 3.24 London Overground saw a slight increase in complaints in the quarter. Nonetheless, customer satisfaction has steadily increased and the railway is consistently one of the most reliable in the country. London Overground consistently achieves the lowest complaints rate of any train operating company in the ORR's rankings.
- 3.25 EAL has seen its complaints rate drop compared to the same time last year. Quarter 3 saw only 17 complaints, with the majority relating to fares, ticketing and staff. Complaints relating to staff were fully investigated and where appropriate, action taken.
- 3.26 There has been a slight increase in the Buses complaints rate, due to a general increase in congestion, a significant element is a result of the growing use of phone apps, which give the customer the opportunity to complain instantaneously. These are providing further valuable insight into a range of issues, particularly relating to reliability. As previously noted, we have carried out research into bus drivers not stopping, the main cause of customer complaint. Actions from research carried out on this topic are now being implemented and we hope to see results over the course of 2015.
- 3.27 Complaints about the Congestion Charge continue to be low, following work carried out to enhance the quality of responses to representations against PCNs. This quarter saw no complaints about enforcement activity escalated, with issues being dealt with correctly first time. This tallies with patterns across the Congestion Charging area, which has not seen a single complaint escalated this quarter.
- 3.28 This quarter saw an increase in hires against the same reporting period last year. Our focus continues on ensuring the availability of cycles and docking point spaces to provide the best customer experience. Complaints about refunds and tariffs are the highest proportion of complaints. To address these concerns a new pricing structure was launched in January 2015.
- 3.29 In Quarter 3, the Dial-a-Ride overall customer satisfaction score was 92 out of 100, one of the highest of our services. Booking refusals are the main source of complaint, accounting for around 25 per cent of the total. Resource constraints, particularly at times of peak demand, mean DaR is unable to accommodate all booking requests received. The absolute number of complaints of this type averages around 6 complaints per day. Driver conduct was the second most common reason for complaint averaging around one per day. However, DaR customers are generally positive about the service they receive, rating drivers at 94 out of 100 for their helpfulness and courtesy. DaR is working closely with our Taxi suppliers to improve the customer experience and drive down complaints.
- 3.30 Oyster is now recording less than one complaint per 100,000 journeys. Charging issues still remain the most common reason for customer complaints. There has also been an increase in the number of customers contacting us about concessionary Oyster card issues, ZIP cards, as it is close to the deadline for renewals at the start of the new academic year. These processes become more efficient for the 16+ card by moving applications online and extended validity of timecards for those remain eligible.
- 3.31 The complaints rate for Contactless Payment Cards is at the level of the best performing TfL services, helped by an extensive public information campaign on how to use the new product. In Quarter 3,

demand has been increased over 375 percent, as the new way to pay is extended across all of our rail-based services. We will continue to raise awareness of the benefits and how to prevent 'card clash'.

- 3.32 Complaints about taxi services are generally handled directly by TfL whereas complaints about private hire journeys are directed towards the operator that accepted the booking for the journey and TfL only intervene when operator fails to adequately deal with a complaint. As a result, the majority of the complaints recorded relate to taxi journeys.
- 3.33 The highest number of taxi complaints recorded where a passenger has been dissatisfied with the behaviour of the driver. Such complaints can include the driver having poor manners, disputes over fares or general driver attitude. TfL work proactively with drivers to avoid further reporting in the future. Depending on the nature of the complaint, we take further action including interviewing the driver or reviewing their fitness to hold a license.
- 3.34 This Quarter there were complaints about gaps in the trams service and extended waits. This was due to unavailability of some of the trams during much of this period. We have now brought maintenance in house and will focus on maximising the number of trams in operation. There were also a few complaints for not allowing sufficient time for people to board trams before they set off. This issue is being taken up with the operator.

People

Headcount

Table 24: TfL full-time equivalent (FTE)

	Quarter 3		Full year 2014/15		
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget
London Underground	21,292	(176) ▲	21,304	(53)	(509) ▲
London Rail	251	0 ►	321	(23)	(73) ▲
Surface Transport	3,489	(39) ▲	3,592	(28)	(135) ▲
Corporate	4,100	(503) ▲	4,227	(128)	(670) ▲
Crossrail	930	41 ▼	933	0	0 ►
Total FTE	30,062	(677) ▲	30,377	(232)	(1,387) ▲

4.1 At the end of Quarter 3 TfL employed 30,062 full-time equivalent (FTE) staff, 677 more than Budget. By the end of 2014/15 we expect to employ 30,377 FTEs, 1,387 more than anticipated when setting the Budget, due to a number of reasons, including:

- Additional FTEs in LU largely due to later than expected implementation of efficiencies programme and revised requirement on capital programmes
- Additional FTEs in LR due to increased resource for London Overground and West Anglia works and the transfer in-house of previously outsourced Trams maintenance
- 128 FTEs increase in Surface Transport's Strategy and Planning areas to work on the increased levels of investment
- Additional FTEs across the Corporate directorates to work on projects, including TfL's contactless ticketing, TFL Online, network Wi-Fi improvements, Every Journey Matters, IM transformation, information security and other projects supporting operational delivery..

4.2 London Underground headcount at the end of Quarter 3 is 176 FTE higher than budget. The operations directorate was 129 FTE higher primarily due to slower than expected attrition and additional resource for projects, the latter including Fit for the Future – Stations, Railway Engineering Workshop). The capital programmes directorate was 66 FTE higher with increased programme requirements being the main driver. These increases were partially offset by 19 FTE across the support areas due to vacancies and recruitment delays.

4.3 At the end of the year, London Underground now expects to be 509 FTE higher than Budget. This is due to an additional 477 FTE in the operations directorate primarily caused by delays in implementation of LU's efficiencies programme, with staff now expected to leave the organisation later than was assumed in the Budget, and an increase of 156 FTE in the capital programme directorate reflecting the revised requirements on programme. In addition, the support areas are 73

FTE higher than Budget mainly due to increased project resource. These variances are offset by a central provision of 175 FTE and a transfer of 23 FTE to other TfL areas.

- 4.4 London Rail headcount at the end of Quarter 3 was in line with Budget.
- 4.5 London Rail is now forecast to be 73 FTE higher than Budget at the end of the year. This is due to 23 additional staff required for London Overground capacity and West Anglia devolution works, 30 additional staff required by Trams due to maintenance work no longer outsourced, with other smaller variances making up the balance.
- 4.6 Surface Transport was 39 FTE over budget at the end of Quarter 3. This was mainly due to temporary FTE in Strategy Planning as a result of increased investment plan delivery in Consultation, Freight & Fleet and Business Operations. The vacancy factor overlay of 106 in the budget partly offset vacancies across the Business, including Technical Services which were mainly attributable to a restructure, Bus Performance where recruitment was still in progress, Asset Management due to delays in recruitment and vacancies in Enforcement & On Street. There was also a transfer of 40 staff from Intelligent Traffic Systems to IM in Road Space Management.
- 4.7 Surface Transport is now forecast to be 135 FTE over Budget at the end of 2014/15. This is due to increases expected in Strategy Planning due to the significant increase in investment plan delivery. Asset Management forecast an increase in FTE due to the Brent Cross and Silvertown projects. Project & Programmes have forecast an increase in temporary FTE to meet business requirements.
- 4.8 The Corporate directorates headcount was 503 higher than budget at the end of Quarter 3. This is mainly due to 600 additional temporary project staff, including 483 funded through internal project budgets, including TfL's contactless ticketing, TFL Online, network Wi-Fi improvements, Every Journey Matters, IM transformation, information security and other projects supporting operational delivery.
- 4.9 The full-year staff forecast increased by 128 at Quarter 3, to 670 higher than budget. This is mainly due to 364 funded project staff due to increased demand from projects including Transforming IM, Every Journey Matters and Electra. There are also 69 new roles across the Corporate Directorates relating to new projects that have been funded through Corporate efficiencies. These are largely due to increased volume and demand within Cyber Security and Commercial Transformation projects. There are 95 additional permanent staff, including 48 new roles for the Build a Better Finance Project and Group Finance. There have also been 44 transfers of staff across TfL, including 29 FTE for a Traffic System Team following the transfer from Surface Transport and 17 within HR.
- 4.10 Crossrail is 41 FTE under budget, largely due to later than expected recruitment of staff across the project. Headcount has increased in the current year in line with the increased activity on the project.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground & London Rail (£m)	Quarter 3, 2014/15		Full year, 2014/15			Section
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2	Variance to Budget	
London Underground	1,646	(29)▼	2,408	(5)	(40)▼	2.3 and 2.4
London Rail	223	1▲	325	5	(2)▼	2.5
Emirates Air Line	4	(1)▼	6	0	(1)▼	2.6
Total fares income	1,873	(29)▼	2,738	0	(42)▼	
Other operating income	152	(4)▼	226	1	(4)▼	2.9
Total operating income	2,024	(33)▼	2,964	1	(46)▼	
Chief Operating Officer	(1,112)	13▲	(1,645)	(6)	12▲	
Capital programmes directorates operating costs	(33)	(10)▼	(46)	(1)	(11)▼	
Other Operational Expenses	(245)	35▲	(375)	19	56▲	2.16 and 2.17
London Rail Operations	(255)	21▲	(383)	22	27▲	
Renewals and reliability Projects	(156)	52▲	(213)	41	79▲	
Total operating expenditure	(1,801)	112▲	2,662	75	163▲	
Capital expenditure						
London Underground	(876)	51▲	(1,239)	49	74▲	2.28, 2.29 and 2.35
LU third-party contributions	8	(6)▼	18	(1)	(1)▼	
London Rail	(152)	17▲	(236)	(4)	17▲	
London Rail third-party contributions	3	2▲	4	0	0►	2.30 and 2.31
Net capital expenditure	(1,016)	63▲	(1,453)	44	90▲	
Net Service Expenditure	(793)	143▲	(1,150)	120	206▲	

Surface Transport

Surface Transport (£m)	Quarter 3, 2014/15		Full year, 2014/15			Section
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2	Variance to Budget	
Bus fares income	1,063	(2)▼	1,545	(13)	(5)▼	2.7 and 2.8
Bus contract costs & ticket commission	(1,352)	14▲	(1,966)	3	19▲	2.20 and 2.21
Direct Bus Subsidy	(289)	12▲	(420)	(10)	14▲	
Other Bus Income	20	1▲	26	-	-	
Bus operating Expenditure (net of third-party contributions)	(58)	3▲	(85)	1	4▲	2.20, 2.21 and 2.36
Bus Capital Expenditure (net of third-party contributions)	(71)	1▲	(104)	4	5▲	2.32 and 2.33
Net Bus Service Expenditure	(400)	16▲	(584)	(6)	24▲	
Other Surface Transport						
Other Operating Income	263	1▲	375	6	(1)▼	2.11 and 2.12
Other Operating Expenditure (net of third-party contributions)	(500)	(11)▼	(755)	9	23▲	2.20 and 2.21
Other Capital Expenditure (net of third-party contributions)	(183)	3▲	(284)	3	(23)▼	2.32 and 2.33
Net Service Expenditure	(820)	9▲	(1,247)	12	23▲	

Corporate directorates

Corporate (£m)	Quarter 3, 2014/15		Full year, 2014/15			Section
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2	Variance to Budget	
Other Operating Income	30	1▲	46	1	5▲	2.13 and 2.14
Operating Expenditure (net of third-party contributions)	(439)	3▲	(682)	22	(32)▼	2.22 and 2.23
Net Capital Expenditure	(41)	27▲	(116)	6	(52)▼	2.34, 2.35, 2.38 and 2.39
Net Service Expenditure	(450)	31▲	(752)	29	(79)▼	

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

TfL group	Quarter 3, 2014/15		Full year, 2014/15			Section
(£m)	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2	Variance to Budget	
TfL gross capital expenditure						
London Underground	(876)	51 ▲	(1,239)	49	74 ▲	2.28 and 2.29
London Rail	(152)	17 ▲	(236)	(4)	17 ▲	2.30 and 2.31
Surface Transport	(262)	1 ▲	(405)	10	(26) ▼	2.32 and 2.33
Corporate directorates	(74)	8 ▲	(114)	52	(4) ▼	2.38 and 2.39
Total gross capital expenditure	(1,364)	76 ▲	(1,994)	108	61 ▲	
Plus revenue investment (included in operating expenditure):						
London Underground	(148)	46 ▲	(195)	41	78 ▲	2.16 and 2.17
Surface Transport	(114)	(16) ▼	(203)	-	10 ▲	2.20 and 2.21
TfL revenue investment	(262)	30 ▲	(398)	41	89 ▲	
TfL gross investment programme						
London Underground	(1,024)	97 ▲	(1,434)	90	152 ▲	Page 65, Quarter3, Investment programme Report
London Rail	(152)	17 ▲	(236)	(4)	17 ▲	
Surface Transport	(376)	(15) ▼	(608)	10	(16) ▼	
Corporate	(74)	8 ▲	(114)	52	(4) ▼	
TfL gross investment programme	(1,626)	106 ▲	(2,392)	148	149 ▲	

Appendix C: Balance Sheet

TfL Group Balance Sheet at Quarter 1	Full year 2014/15			
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Budget
Non-current assets (-higher / lower than budget)	32,666	201	33,464	107
Current assets (exc. cash & investments) (-higher / lower than budget)	641	(50)	693	118
Cash & investments (-higher / lower than budget)	4,991	(667)	4,493	(557)
Creditors (higher / -lower than budget)	(3,025)	278	(3,012)	266
Derivative liabilities (higher / -lower than budget)	(93)	25	(84)	16
Borrowings (higher / -lower than budget)	(8,490)	(17)	(8,514)	18
Provisions (higher / -lower than budget)	(2,794)	42	(2,729)	(7)
Total Net Assets – (higher) / lower than budget	23,896	(188)	24,311	(275)

Non-current assets

5.0 Non-current assets stood at £32,666m at the end of Quarter 3, £201m lower than budget. This variance was the net of lower fixed assets of £200m and lower long-term debtors of £21m, offset by higher long-term investments of £20m. The fixed asset variance was driven primarily by lower capital spend activity of £228m (of which £152m was for the Crossrail project and £76m for the rest of TfL), offset by £28m of depreciation and disposal changes. Cash underspends to date allowed higher balances (£223m against £203m) to remain on long-term deposit to increase interest income. The long-term debtor variance reflects a lower than Budget cash advance to Network Rail for the Crossrail project.

5.1 The latest full-year forecast for non-current assets is £107m lower than Budget. Fixed assets are £99m lower than Budget as a result of activity underspends, with £107m relating to the Crossrail project, offset by net depreciation and disposal changes of £8m. The long-term debtor variance of £8m arises from pre-payments for commercial procurement.

Current assets

5.2 Current assets were £50m higher than budget at the end of Quarter 3, mainly due to higher grant debtors of £70m – with later than expected receipt of Northern Line Extension (NLE) funding – offset by lower trade debtors, the latter including East London Line works contributions being received earlier than assumed in the Budget. The forecast is £118m above Budget, due to an £86m accrual for NLE grant and other minor debtor movements across the group.

Cash and investments

5.3 A breakdown of the cash variances to date and forecast is shown in the table at the foot of Appendix C and in Appendix D below. At the end of the Quarter, total cash and investments (long and short term) were £5,214m, £687m higher than budget. Activity underspends of £373m allied to higher net creditor balances of £291m (including advances to Network Rail) and increased grant of £39m (mainly timing differences for NLE and Garden Bridge funding) were partially off-set by lower than expected

borrowings of £17m. Cash at the year end is forecast to be £557m above Budget, due to activity underspends of £380m, higher net creditors of £147m (including advances to Network Rail), and higher grant and borrowings of £30m.

Creditors

- 5.4** Total creditor balances at Quarter 3 were £278m higher than Budget. This was mainly driven by higher balances in London Underground and Rail where trade creditors and accruals (£106m) and capital creditors (£101m) were all higher than Budget. Much of this was due to timing differences where liabilities are being settled later than anticipated in the Budget, together with a longer than budgeted lead time in capital accruals crystallising into invoices and delays in settling land compensation payments. In addition, TfL received £79m of concessionary fares from London Councils earlier than expected and Oyster balances were £24m above.
- 5.5** The forecast position at Quarter 3 shows creditors at £266m higher than Budget. As in the year to date, London Underground and Rail accounted for a large proportion of this, due to prudent budgeting combined with the effect of capital spend weighted towards the end of the year. In addition, Crossrail capital creditors are forecast to be £36m higher than Budget due to higher expenditure towards the end of the year compared to Budget and an £18m unbudgeted commercial liability.

Derivatives

- 5.6** The derivatives position at Quarter 3 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. Where hedge accounting applies, any movement in the fair value of the derivative liability is recognised directly in reserves; otherwise the movement is recorded in the income statement. The fair value movement is expected to reverse by maturity in future years.

Borrowings

- 5.7** External borrowings at Quarter 3 were £17m below Budget, as a result £13m of commercial paper not being renewed before period end and £4m of fees and discounts incurred, the latter not included in the Budget. The effect of fees and discounts has been included in the full year forecast, which now also includes the re-borrowing of the £22m repayments during the year leaving a net £17m variance higher than Budget. The refinancing of scheduled debt repayments is permitted by TfL's funding settlement with Government and has already been factored into the operational boundary for Prudential Indicators.

Provisions

- 5.8** Provisions at the end of Quarter 3 were £42m higher than Budget primarily due to lower payments for property claims against the Crossrail project, offset by earlier than expected settlement of other provisions. Provisions are forecast to be close to budget at year end across the Group.

Balance Sheet (£m)	Year to date			Full year, 2014/15	
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Budget
Intangible assets	116	126	10	181	(55)
Property, plant & equipment	30,014	31,202	188	31824	153
Investment properties	590	592	2	592	1
Investment in associate	0	0	0	0	0
Long term investments	223	203	(20)	0	0
Long term debtors	723	744	21	867	8
Non Current Assets	32,666	32,867	201	33,464	107
Stocks	49	47	(2)	48	0
Short term debtors	592	544	(48)	645	(118)
Short term derivative	2	0	(2)	4	(4)
Cash and Short Term Investments	4,991	4,324	(667)	4,493	(557)
Current Assets	5,634	4,915	(719)	5,190	(679)
Short term creditors	(2,178)	(1,906)	272	(2,173)	242
Short term derivatives	(3)	0	3	(1)	1
Short term borrowings	(749)	(709)	40	(749)	40
Short term lease liabilities	(39)	(52)	(13)	(87)	43
Short term provisions	(205)	(160)	45	(167)	5
Current Liabilities	(3,174)	(2,827)	347	(3,177)	331
Long term creditors	(80)	(74)	6	(85)	12
Long term borrowings	(7,741)	(7,798)	(57)	(7,765)	(22)
Long term lease liabilities	(728)	(715)	13	(667)	(31)
Long term derivatives	(92)	(68)	24	(87)	19
Other provisions	(118)	(119)	(1)	(94)	(11)
Pension provision	(2,471)	(2,473)	(2)	(2,468)	(1)
Long Term Liabilities	(11,230)	(11,247)	(17)	(11,166)	(34)
Total Net Assets	23,896	23,708	(188)	24,311	(275)
Capital and Reserves					
Usable reserves	5,196	4,618	(578)	4,631	(679)
Unusable reserves	18,700	19,090	390	19,680	404
Total Capital Employed	23,896	23,708	(188)	24,311	(275)
Cash and Investments					
CRL Sponsor funding account	2,253	2,094	(159)	2,094	(154)
Other cash and investments	2,961	2,433	(528)	2,399	(403)
Total as above ¹	5,214	4,527	(687)	4,493	(557)

¹ Includes Cash and Investments, and long-term investments

Appendix D: Cash summary

Cash Summary In / (Out) Flow (£m)	Year to date			Full year, 2014/15	
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Budget
£m					
Margin	(961)	(1,078)	117	(1,489)	197
Working Capital Movements	77	(135)	212	8	70
Cash Spend on Operating Activities	(884)	(1,213)	329	(1,481)	267
Net Capital Expenditure	(1,311)	(1,406)	95	(1,902)	76
Crossrail	(1,015)	(1,176)	161	(1,582)	107
Working Capital Movements	(39)	(95)	56	(99)	64
Cash Spend on Capital Activities	(2,365)	(2,677)	312	(3,583)	247
Cash Settlement of derivatives	0	0	0	0	0
Non-cash items included in activity	48	46	2	61	(4)
Fair value adjustment for long term investments	0	0	0	0	0
Loans to third parties (paid) / repaid	(232)	(254)	22	(374)	17
Non-Activity Cash Movements	(184)	(208)	24	313	13
Grants, Precept & other contributions	3,252	3,214	39	4,452	12
Borrowings Raised	633	650	(17)	668	18
Borrowings Repaid	(11)	(11)	0	(22)	0
Total Funding	3,875	3,852	22	5,098	30
Net Movement in Cash	442	(245)	687	(279)	557

Appendix E: Financial comparison with 2013/14

TfL group finances – operating income, expenditure and funding

TfL group (£m)	Quarter 3			
	Year to date, 2013/14	Year to date, 2014/15	Year on year change	
Fares income	2,825	2,935	110	4%
Other operating income	442	489	47	11%
Total income	3,268	3,425	157	5%
Operating expenditure (net of third-party contributions)	(3,947)	(4,179)	(232)	6%
Operating margin	(679)	(754)	(75)	11%
Interest income	14	18	4	29%
Debt interest	(242)	(244)	(2)	1%
Contingency and group items	10	19	9	90%
Margin	(897)	(961)	(64)	%
Finances sources				
General grant	757	578	(179)	-24%
Overground grant	20	20	0	0%
GLA precept	4	4	0	0%
Business Rates Retention	630	675	45	7%
Other revenue grants	19	6	(13)	-68%
Total revenue grants	1,430	1,283	(147)	-10%
Operating contribution to fund investment	533	322	(211)	-40%

Full-year			
Full-year actuals, 2013/14	Quarter 3 forecast, 2014/15	Year on year change	
4,095	4,284	189	5%
646	712	66	10%
4,740	4,996	256	5%
(5,875)	(6,193)	(318)	5%
(1,135)	(1,197)	(62)	5%
21	27	6	29%
(344)	(353)	(9)	3%
16	34	18	113%
(1,442)	(1,489)	(47)	3%
1,094	842	(252)	23%
29	29	0	0%
6	6	0	0%
803	828	25	3%
43	7	(36)	-84%
1,974	1,713	(261)	-132%
532	224	(308)	-58%

TfL group finances – capital expenditure, income and funding

TfL group (£m)	Quarter 3			
	Year to date, 2013/14	Year to date, 2014/15	Year on year change	
Capital expenditure	(1,083)	(1,364)	(281)	26%
Third-party contributions – capital	71	22	(49)	-69%
Sales of property and other assets	17	30	13	76%
Net capital expenditure excl. Crossrail	(995)	(1,312)	(317)	32%
Crossrail capital expenditure	(1,152)	(1,015)	137	12%
Net capital expenditure incl. Crossrail	(2,147)	(2,327)	(180)	8%
Finance sources				
Surplus/ -deficit to fund investment	533	322	(211)	-40%
Crossrail funding sources	1,473	1,240	(233)	-16%
Investment grant	620	629	9	1%
Metronet grant	92	0	(92)	-100%
Other capital grants	0	100	100	0%
Working capital	26	(148)	(174)	-669%
Net borrowing and reserve movements	(595)	182	777	-130%
Total	2,147	2,327	180	8%

Full-year			
Full-year actuals, 2013/14	Quarter 3 forecast, 2014/15	Year on year change	
(1,638)	(1,994)	(356)	22%
67	43	(24)	-36%
41	49	8	20%
(1,531)	(1,902)	(372)	24%
(1,576)	(1,582)	(6)	0%
(3,108)	(3,484)	(378)	12%
532	224	(308)	-58%
2,066	1,694	(372)	-18%
895	909	14	2%
184	0	(184)	-100%
110	135	25	23%
(138)	(403)	(265)	192%
(543)	925	1,468	-270%
3,108	3,484	(378)	-12%

Glossary

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

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

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

Cycling levels on the TLRN

Index

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

Customer satisfaction

%

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

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



Remembrance Day New Routemaster

Investment Programme Report Quarter Three

October – December 2014/15

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TfL Investment Programmes

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

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

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

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

The report includes:

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



Completed five-car train on London Overground

Q3 2014/15 Plan Milestone Analysis



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

Investment Programme highlights

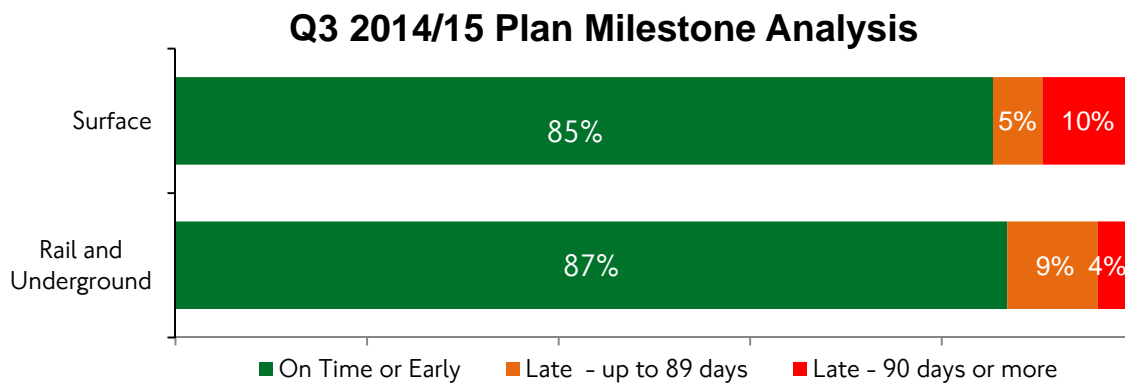
The Investment Programme is at the heart of TfL's strategy to improve the travelling experience of our customers and cope with the growing demand for our services.

This Quarter saw the first of the new five-car trains operating on the London Overground network, increasing capacity by 25 per cent and reducing congestion. A new timetable was introduced on the Northern line, increasing capacity by 20 per cent with two additional trains per hour on the central branches during peak hours and three trains per hour throughout the whole line during off-peak services. Bond Street station reopened to Jubilee line services three weeks ahead of schedule and in time for people to use during the Christmas shopping period. A highly successful public launch of The New Tube for London was held at King's Cross Station, and the design of our new trains to run on the network was picked up by press outlets across the globe.

Delivery performance on our projects remains above target with 86 per cent of our budget milestones forecast to be delivered on time or early. With the increased investment in the Capital's roads, gaining access to the network is becoming increasingly challenging. With our success comes more public interest in the future of their transport network, which is seeing extensions in public consultation times as we deal with the responses. Four public consultations were completed for the Cycle Superhighways programme with over 17,000 responses and more than 8,500 emails via the London Cycling Campaign website being received.

IPR Programme Update

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London Underground and London Rail

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* For variance definitions please go to page 69

London Underground



Ruislip depot shed prior to works commencing

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

Milestone variance	TBA
Financial variance	■

Sub-Surface Railway (SSR) Upgrade

S Stock Trains

Roll-out on the Metropolitan, Circle and Hammersmith and City lines is fully complete and has started on the District line. The entire roll-out will be complete by 2016, ahead of the Department for Transport (DfT) target milestone. The S8 fleet (Metropolitan line) was handed over to maintenance by the manufacturer in December 2014 and disposal of the old D stock is on schedule to begin in January 2015.

Performance of the S-stock trains improved over quarter three, ahead of the predicted rate, with 67 per cent improvement in mean distance between failures on S8 and 27 per cent improvement for S7 trains.

S Stock Infrastructure

A major milestone in upgrading the infrastructure was achieved in quarter three with completion of the immunisation of legacy signalling on the east end of the District line. This marks the completion of the seven year programme to upgrade the existing signalling infrastructure and ensure that all the equipment is compatible with the new trains, enabling passenger service to commence from 16 January 2015.

Work has been identified to improve management of the platform–train interface, including adjusting platform edge nosing stones, some track re-alignment and adjustments of the One Person Operation CCTV system to improve driver visibility of the platform.

ATC Signalling and Infrastructure

Work is underway to agree a delivery programme with the bidder for the Automatic Train Control (ATC) contract against which they can submit a final tender price. Preparatory work is being undertaken to minimise any effect from the delay to contract award. The proposed contract will incentivise collaborative working between LU and the bidder to best manage the risks and minimise the cost, while delivering the benefits at the earliest possible date.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	Estimated Final Cost (EFC) £m	Authority £m	Variance to Authority	Commentary
3,268.4	*	4,259.1	*	

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

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

Programme milestones forecast

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

All future ATC milestones and any impact have been removed from this section until contract for these works is re-let.

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
SSR Upgrade - Depots	■	-19	65	EFC is in excess of authority due to asset condition and prolongation issues, and risk regarding the commercial settlement with contractor.
SSR Upgrade - Signal Immunisation	■	-4	10	Increase in responsibilities and scope of work undertaken by contractor due to added complexities realised after contract award has been resolved. EFC contains LUL's best estimate as the cost associated to this change is still subject to negotiation.

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
SSR Upgrade - Depots	396	5	Increased costs from recovering previous delays due to asset condition and prolongation issues, and risk regarding the commercial settlement with contractor at Ealing Common and Upminster depots so that trains can operate out of the depots.

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
SSR Upgrade - Rolling Stock	258	303	45	15	Acceleration of train acceptances into 2013/14 (£9m) and agreed slow down of train production that is mutually beneficial to both Contractor and LU (£36m). Overall Track rollout milestone is unimpacted.
SSR Upgrade - Signal Immunisation	13	4	-9	-220	Delay in the work caused by technical scoping issues after budget was set.
SSR Upgrade - Depots	54	35	-19	-53	Re-planning the Neasden depot works to enable winter working to be delivered in 2014/15 was approve after the budget was set, Increased costs from recovering previous delays due to asset condition and prolongation issues, and risk regarding the commercial settlement with contractor at Ealing Common and Upminster depots so that trains can operate out of the depots.



The train arrestor being removed at Tower Hill

A well-managed infrastructure portfolio is the bedrock of our network. Maintaining asset condition not only improves reliability, it also allows us to carry out our capacity increases. We're doing this work in ever more efficient ways. This programme is renewing assets across the network, including over 1000km of track.

Milestone variance	●
Financial variance	●

Track Programme

Innovative new working methods continue to be embedded in the track programme, with 381 metres of particularly difficult track renewal – including 284 metres of check-rail – being delivered within one weekend closure between Earl's Court and West Kensington. Check rail is the additional rail that is laid parallel to the running rail to guide wheels through points and round curves reducing the risk of derailment. The completion of this work sets another record for the longest check-rail site ever delivered in a single weekend on London Underground.

As part of our network-wide track access strategy, the team have been working to maximise access, with track teams working alongside the Victoria Station Upgrade (VSU) programme to use closures on the south Circle line. Through this initiative we will become more efficient in the work we carry out, which will mean fewer closures and less disruption to our customers. As an example while VSU carried out work beneath the District line to construct a new station underpass during the Christmas blockade, the Track Partnership installed new ballasted track, critical track drainage and completed tamping works. Elsewhere in the same possession, a concrete arrestor block was removed at Tower Hill to make room for future track improvements.

The programme delivered over 3.6km of ballasted track renewal, 3km of drainage works, and renewed six point and crossing units. They completed 1.7km of Deep Tube Renewals and 70km of rail grinding, including 17.7km on the Central line in a single weekend. Grinding the track is essential to help remove surface defects and cracks, and will help LU to meet its target of cutting delays by a further 30 per cent by the end of 2015.

Following a successful trial of concrete bursting at Tottenham Hale in quarter two, this new working method was implemented at Green Park and Bond Street work sites, this method breaks up concrete in half the time, with very little noise or dust, and with less manpower thereby improving efficiency and delivering safety and environmental benefits.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1,168.8	2,820.1	1,390.7	-1,429.4 ▼ -50.7%	EFC increase due to the transfer of the End State Track Layout budget from the SUP programme. This is offset by a reduction in EFC across the programme to reflect anticipated Access Transformation Savings up to 2021/22, and the revised scope on Rail Defects Reduction project.

Programme milestones forecast

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

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Track Programme	2,820	6	EFC increase due to the transfer of the End State Track Layout budget from the SUP programme. This is offset by a reduction in EFC across the programme to reflect anticipated Access Transformation Savings up to 2021/22.

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Track Programme	237	265	28	11	Revised scope for Rail Defects Reduction project - now focused on grinding rail at high priority sites only, resulting in unused authority being returned to the business. Also, re-phasing of projects including plant strategy and signal replacement into future years.



Floor strengthening steelwork as Farringdon

To meet the increased energy demands created by the modernisation of the sub surface railway, we are improving the network's power systems. Project work includes construction of substations, bulk supply points and transformer rectifiers, and installation of distribution cabling.

Milestone variance ●

Financial variance ●

SSR Major Power Works (Traction)

Structural works at Farringdon substation on the District line were completed ahead of schedule, improving resilience of the power supply in its vicinity. A total of seven substations are due to be delivered on this section of the District line, which will help support the extra services that are being introduced to meet rapidly growing passenger demand. The completion of Package 1 (Metropolitan line) and Package 2 (Circle & District lines) this quarter means that four out of seven of the major work packages are complete.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
409.9	507.6	521.4	13.8 ▼ 2.7%	Efficiencies have been embedded across the portfolio as a result of value engineering initiatives and risk mitigation.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Package 3A - First Substation Substantial Completion	18-Aug-14	18-Jul-14	-	Complete	
Package 3B - Structural Works Substantially Completed at Farringdon	30-Oct-14	02-Oct-14	-	Complete	
Package 3B - External Building Works Completed at Cromwell Curve	07-Nov-14	10-Oct-14	-	Complete	
SSR2 Section 2 Substantial Completion	07-Nov-14	07-Nov-14	-	Complete	
Package 7B - 132kV Cable Factory Acceptance Test	31-Oct-14	17-Sep-14	-	Complete	
Package 3A - First Substation Full Completion	26-Jan-15	18-Dec-14	-8	Complete	
Package 7 - Complete Trenching from Hendon to Neasden Playing Field	05-Mar-15	09-Feb-15	-	●	

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
SSR Power	507	-3	Efficiencies have been embedded across the portfolio as a result of value engineering initiatives and risk mitigation.

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
SSR Power	39	46	7	14	Installation of High Voltage reinforcement cables across the network has been re-phased to align with preferred bidder's programme. Cabling installation for grid transformers from Hendon to Neasden has been re-phased to accommodate drainage diversion. Substation upgrade has been re-phased due to retendering of ventilation works, contract award is anticipated in Apr 2015.



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

Milestone variance



Financial variance



World Class Capacity

The modernised Jubilee and Victoria lines continue to run reliably.

Additional authority was approved by the TfL Board on the 5 November 2014 to enable work to continue with the development to deliver an increase in capacity of 36 trains per hour on the Jubilee line.

The first stage of the feasibility study on the Northern line completed its final review and the interim report was issued at the end of December 2015, supporting the requirement to increase capacity by 35 per cent by 2025. Availability of key resources from Thales continues to be a concern for both Jubilee and Northern lines to facilitate the software changes required for night tube operation, but this is being managed in close collaboration with the SUP project team.

Commercial discussions with Siemens regarding signalling works have commenced and the team are expediting critical works.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
6.2	999.2	43.6	-955.6▲-95.6%	JLU2, NLU2 and VLU have a budgeted forecast of £956m which has not yet received full project authority.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Issue Final Feasibility Study report to sponsor	31-May-14	30-Apr-14	-	Complete	
Issue Pre - Feasibility Study report "Stage 0" to sponsor	30-May-14	16-May-14	-	Complete	
Issue OJEU notice for supply of Rolling Stock	10-Nov-14	18-Aug-14	-	Complete	
Issue an interim feasibility study report "Stage 1" to sponsor	31-Dec-14	31-Dec-14	-	Complete	
Concept Phase Complete	30-Jan-15	22-Dec-14	17	Complete	
Issue Invitation to Tender (ITT) for supply of Rolling Stock	28-Feb-15	09-Feb-15	-	●	

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
World Class Capacity	10	28	18	63	Request for Jubilee Line Upgrade 2 funding (to enable the line to achieve the target of 36 trains per hour at peak times) was authorised later than planned which has pushed the project and associated spend back.



Battery loco undergoing works

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

Milestone variance



Financial variance



Legacy Train Systems

Work continues on improvements to existing train stock not covered in the scope of our wider modernisation programmes. This work has many dependencies with other programmes across the network and delays will have an impact its delivery.

Delivery of the installation of the Automatic Train Monitoring System (ATMS) system on S-stock trains will be delayed as Bombardier Transportation UK (BTUK) re-prioritise their work following the re-phasing of the SUP programme as part of the ATC contract negotiations. An additional one month lease of their depot has been agreed to enable installation on five S-Stock trains in parallel to mitigate some of the delay.

Installation of canopy barriers to prevent people falling through the gap between carriages and stop water getting into carriages was completed on all 85 of the Central line trains six weeks ahead of plan.


Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
139.9	787.3	331.9	-455.4 ▲-57.8%	The EFC includes a budgeted provision for extension of life works on the Central & Bakerloo line rolling stock (£336m), DC Traction Upgrade (£172m) and Rail Vehicle Accessibility Regulations (£43m) which have not yet received project authority. Offsetting this, there are other project savings across the portfolio.

Programme milestones forecast

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

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
ATMS Installed on 3rd S Stock	28-Oct-14 	24-Feb-15	-119	The project is delayed due to prioritising SUP delivery for S Stock trains and delayed delivery of completed detailed design by Lloyds Register for S-stock. The project will manage the delay through the close management of Lloyds, early ordering of materials at risk and discussions with BTUK to secure multiple train availability for installation.

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Legacy Train Systems	27	40	13	33	Reduced access to lifting roads at Ruislip and Hainault depots have delayed the gearbox bearing replacement works on Central and Waterloo and City lines rolling stock. Some unapproved projects are starting later than budgeted, including Northumberland Park depot Signalling. The decision to terminate the Tunnel Cleaning Train project post budget has resulted in the remaining funds being returned to the business.



Image taken from the NTfL launch at Kings Cross

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

Milestone variance



Financial variance



New Tube for London

The New Tube for London programme was publicly launched at King's Cross station on 9 October 2015. The event made news across all major UK press outlets, including the Evening Standard, BBC, The Sun, The Guardian, The Independent, The Daily Telegraph and Time Out. It was also picked up by press outlets across the globe.

The NTfL design won two awards, the first at the London Design Awards and the second from the Railway Executive Club Awards for the most interesting and original design.

Since then work has commenced to gauge the railway control system supplier market with a well attended supplier forum. Meetings with the suppliers are now taking place to further gauge and develop interest and explore initial technical issues and opportunities to support the Invitation To Tender of the rolling stock.

The Pedestrian Accessibility and Movement Environment Laboratory report on the influence of level access and Platform Edge Doors on dwell time will be issued in April 2015. This follows mock-up trials as well as evidence being gained from cameras and data loggers installed at two stations to record passenger movements at platform level.

Programme financial forecast

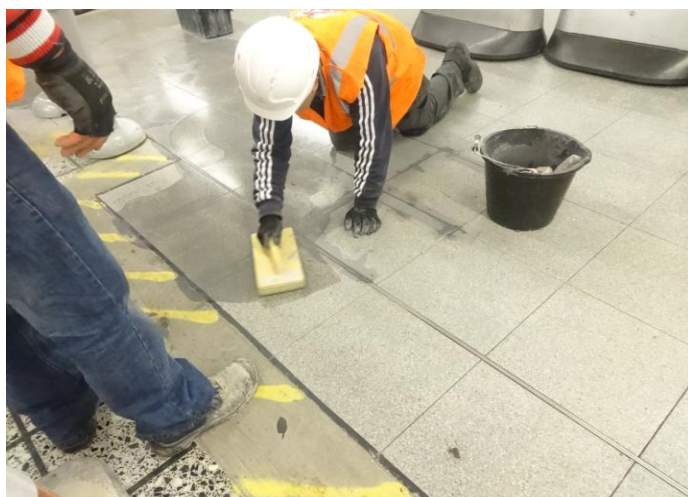
Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
29.2	57.5	59.1	1.6 ▼ 2.8%	Variance represents potential savings across the various workstreams.

Programme milestones forecast

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

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
New Tube for London	57	4	Additional Power and Cooling works required to upgrade sub stations following feasibility review. Prolonged Rolling stock schedule due to procurement timelines.



Floor tiling at Vauxhall station

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

Milestone variance ▲

Financial variance ●

Vauxhall Station Upgrade

The change-over to the new passenger operated ticketing facilities was successful, while floor tiling in the ticket hall progressed and the block work and rendering to back of house was completed. Hoardings in the ticket hall are being changed to allow the next stage of works in this area to go ahead.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
14.6	32.6	35.1	2.5 ▼ 7.7%	EFC has reduced to reflect saving against signalling requirements and risk that has not materialised (tunnelling).

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Vauxhall station capacity & SFA - Bring Into Use (SFA Lift and Stairs)	23-Oct-15	18-Nov-15	-	▲	Delay to spray concrete tunnel linings due to aggregate supply issues - alternative supplies sought

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Vauxhall Station Upgrade	33	-6	EFC reduction to reflect saving against signalling requirements and tunnelling risks that have not materialised



Completion of mid-concourse at Embankment station

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

Milestone variance	■
Financial variance	●

Station Stabilisation Programme (SSP)

A new network-wide stations strategy is being developed to take advantage of a variety of opportunities including commercial development initiatives, capacity increases and integration with Crossrail. Both the remit and prioritisation of the SSP programme is changing to support this strategy. A list of high priority stations will be developed and they will receive an enhanced scope, with the remaining stations being deferred until after 2018.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
81.0	696.3	163.6	-532.7 ▲-76.5%	Station Stabilisation Programme is only partially authorised. It is intended that authority is granted on an annual rolling three year forecast basis.


Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Population of Workbank Complete Liverpool Street	18-Jul-14	20-Jun-14	-	Complete	
Start On Site (SOS)- Harrow on the Hill	18-Aug-14	02-Jun-14	-	Complete	
Finish On site (FOS)- Chancery Lane	28-Nov-14	17-Nov-14	-10	Complete	
FOS - Baker Street	31-Mar-15	25-Feb-15	6	●	
FOS - Farringdon	31-Aug-15	12-Mar-15	-55	●	Works by other programmes has delayed access to switch-rooms, however completion is still ahead of target
Practical Completion Embankment station	02-Feb-15	30-Dec-14	-29	Complete	Some minor delay to completion of works to frieze panels - station in use

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
FOS - South Kensington	13-Mar-15	-147	Works by other projects have delayed access to switch-rooms

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Mandatory Asset Information Deliverable (MAID)* Approved - Baker Street	09-Oct-15 	10-Apr-15	182	Efficient working through a new delivery approach has allowed early project delivery.

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Stations Stabilisation Programme	696	58	Transfer of unapproved station upgrade scope to the SSP programme (£138m), business prioritisation additional funding for 22/23 and 23/24 reflecting the continual renewal programme added at Q3 (£110m) and unapproved Crossrail interface stations scope from Crossrail (LU).

*MAID is the information required to be provided by the project to the Chief Operations Officer to enable maintenance of the asset.



Completed escalators at Chancery Lane station

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

Milestone variance ●

Financial variance ●

LU Lifts and Escalators

Work was completed on the lifts at Covent Garden station while elsewhere nine escalators were brought back into customer use . Work has commenced on a further eleven escalators and two lifts.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
291.0	1,142.6	608.8	-533.8 ▼ -46.7%	EFC now incorporates full Lifts and Escalators forecast following the integration of the JNP/BCV/SSL programmes

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Kilburn Park Escalator Return To Service (RTS)	18-Aug-14	02-Jun-14	-	Complete	
Kings Cross Start On Site (SOS) escalator closures	26-Nov-14	29-Oct-14	-	Complete	
Euston escalator - Bring into Use (BIU)	26-Nov-14	16-Oct-14	-1	Complete	
Embankment escalators BIU	29-Nov-14	01-Nov-14	-	Complete	
Hyde Park Corner escalator - BIU	01-Dec-14	03-Nov-14	-	Complete	
SOS Works for Elephant and Castle Lifts	28-Jan-15	28-Nov-14	-11	Complete	
Bond St escalators BIU	25-Jan-15	20-Nov-14	-	Complete	

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Lifts & Escalators	1,143	-4	Efficiency savings against annual authority



New Oxford Street Entrance

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

Milestone variance ●

Financial variance ●

Tottenham Court Road Station Upgrade

While it was felt that meeting our target of partially opening the new ticket hall in January 2015 would be challenging, this milestone was achieved on time on 12 January 2015, at the beginning of quarter four.

The direct road connection from Charing Cross Road to Tottenham Court Road has been re-instated and the site is in its final configuration.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
376.0	485.7	538.0	52.3 ▼ 10.8%	£22m of Efficiency savings and £36m Crossrail Recoveries have reduced the EFC

Programme milestones forecast

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

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Tottenham Court Road station	61	50	-11	-22	Contractor's reassessment of their programme and more confidence in contractor works due to collaborative "one team" approach, as well as increases within Group Property costs and programme overheads.



Bond Street sidewall drift for the new passageway

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

Milestone variance	●
Financial variance	●

Bond Street Station Upgrade

The station fully re-opened to Jubilee line trains from start of traffic on 5 December 2015, three weeks ahead of schedule and in time for the busy Christmas shopping period on Oxford Street. This was following the successful tunnelling around the Jubilee line platforms.

This was possible due to works on the new escalator machine chambers being delivered ahead of plan, a reflection of the success the recently adopted “one team” approach is having at the project.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
215.8	307.8	307.6	-0.2 ▲ -0.1%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Close escalators for tunnelling	28-Apr-14	01-Feb-14	-	Complete	
Early hand back Jubilee Line Platforms and escalators brought into public use	02-May-15	10-Dec-14	14	Complete	
Bond St station Upgrade - Practical completion (Annex B:2017)	28-Apr-17	23-Mar-17	7	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Tunnelling Set Up Decommissioned	28-Sep-15 ■	26-May-16	-241	The tunnelling construction methodology was revised to maintain the overall project programme.
Over site development Frame to be handover to Developer - Planned Date	28-Apr-17 ●	30-Sep-16	210	Change to strategy to add additional value to TfL by also delivering the shell and core works before handing over to the developer.

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Bond Street	43	30	-13	-42	Risk re-phasing from later years into 14/15 to cover contractor incentivisation contract renegotiation.



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

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

Milestone variance



Financial variance



Bank Waterloo & City

The developer is progressing with works and has just topped-out the station box. We are currently reviewing how best to incorporate the 24 engraved glass panels by John Hutton, which were formally sited in the Bucklersbury House development.

Hochtief UK Ltd, the fit-out contractor, is on schedule with their design of the box fit-out with the target date for handing over the station box to LU remains at early August 2015.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
24.3	57.4	58.0	0.6 ▼ 1.0%	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Bank Stn (W&C) - Bring Into Use (BIU) (Stage 5) (Annex B:2015)	31-Dec-15	-158	Following initial substantial delay the developer's programme has now stabilised. Revised target date to BIU for 2017 agreed with DfT.



Victoria station upgrade PAL 10 completed

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

Milestone variance ▲
Financial variance ●

Victoria Station Upgrade

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

The hand-dug timber headings (tunnels) for the District and Circle duct installation and connections to the north ticket hall were completed. The south ticket hall has been handed over for tunnelling following completion of the roof slab.

Excavation to basement level in the eastbound link, the second phase of utility diversions around Bressenden Place was completed. Also work to make sure that the piles on the westbound link could support the load they were designed for completed to allow work to continue as planned.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
367.6	606.3	677.4	71.1 ▼ 11.7%	Following TfL Board approval District & Circle platforms, power supply upgrades and ventilation works are now included in the Authority & EFC. £71m efficiency savings have resulted in forecast EFC significantly below authority.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Allington Street shaft complete	13-May-14	21-Oct-13	-	Complete	
Ground Treatment Complete	11-Nov-14	11-Sep-14	-	Complete	
North Ticket Hall Civils Complete	13-Mar-15	23-Jan-15	-56	●	The schedule has been reworked to ensure key future activities avoid delay. Milestone remains ahead of target.

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
North Ticket Hall, access to Vic Line, London Fire and Emergency Planning Authority Shaft (Sectional Completion S1) - DIS (Annex B:2016)	23-Oct-16 ▲	31-Dec-16	-69	Review of mitigation actions to recover to target underway
South Ticket Hall and remainder of VSU works (Sectional completion S4) - DIS (Annex B:2018)	04-Jun-18 ●	20-Sep-17	257	Schedule resequencing has brought completion of this activity forward

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

Project Name	Year end Forecast (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
Victoria Station Upgrade	77	88	11	13	Reduction due to contractor slippage in work impacting fit-out and station modernisation package (£6.6m), alongside re-phasing of risk and inflation adjustments (£4.5m).



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

Milestone variance	●
Financial variance	●

Bank Station Capacity

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

The Secretary of State for Transport has decided that a Public Inquiry will be held into the Bank Transport and Works Act Order (TWAo) application. A pre-inquiry meeting is likely to be held in mid-January 2015 with the inquiry expected to start in March 2015. 37 objections (with one withdrawal) to the application have been received, with three letters of support (including one from English Heritage).

Arthur Street utility diversions concept design has been completed and site work has commenced on the emergency vehicle access route in Suffolk Lane with work due to complete early in January.

Programme financial forecast

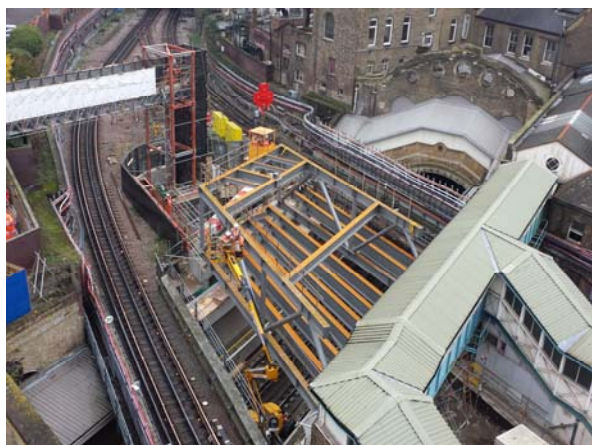
Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
112.8	562.9	177.5	-385.4 ▲-68.5%	Project is currently only partially authorised but EFC covers the whole project.

Programme milestones forecast

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

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

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Bank Station Capacity	61	34	-26	-77	Increase due to provision for freehold acquisition of Bank properties and re-profiling of contractor costs based on bringing the TWAO forward



Whitechapel phase I steel works

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

Milestone variance ●

Financial variance ●

Crossrail London Underground Works

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

The works package plan was approved for the removal of an escalator at Moorgate; this is to prevent damage as a result of adjacent sprayed concrete lining works by Crossrail. The contract was awarded for the construction phase of the Station Operations Room Integration (SORI) project test facility. SORI will integrate the Crossrail Operations with existing TfL operations at Moorgate.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
223.7	293.0	252.2	-40.8 ▲-13.9%	The EFC exceeds current authority due to the inclusion of future uncommitted expenditure not yet instructed by a Crossrail purchase order.

Programme milestones forecast

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

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Crossrail (LU)	293	-3	Reduction due to transfer of unapproved additional scope on Crossrail interface stations to Stations Stabilisation Programme



Baker Street to Bond Street tunnel lining works

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

Milestone variance	●
Financial variance	●

Baker Street to Bond Street Tunnel Lining

Since physical works commenced, a total of 191 rings have been successfully installed out of 359 rings; 54 rings were replaced in the quarter. The project is due to complete tunnel relining by June 2015, four months earlier than the original programme.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
25.2	34.3	34.4	0.1 ▲ 0.3%	The EFC is now in line with the authority figure as a result of various initiatives to increase productivity and shorten the programme, alongside risk reduction as progress is made. Initiatives include process modification of fitting tunnel lining rings to speed up installation, and negotiations on terms of use of lining machines to allow more productive hours per week. *

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Replace 100 of Baker Street to Bond Street Tunnel Rings	28-Nov-14	28-Jun-14	-	Complete	
Replace 150 of Baker Street to Bond Street Tunnel rings	31-Mar-15	07-Oct-14	3	Complete	

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Bond Street to Baker Street Tunnel Lining	34	-3	* As above



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

Milestone variance	●
Financial variance	●

Northern Line Extension

Works include two new stations at Nine Elms and Battersea Power Station and 3.5km of new track which will connect residents and businesses in this regeneration area to the Tube network. The extension is expected to reduce pressure on Vauxhall station and the new infrastructure will grant wider access to leisure and employment opportunities for the area, and support the creation of 25,000 new jobs and the delivery of 16,000 new homes.

The Secretary of State issued the Transport Works Act Order (TWAO) on 12 November 2014 allowing the project to formally commence physical works and progress the land and access options.

TfL are working with the Battersea Power Station Development Company to produce an acceptable station design that can accommodate the additional loadings required for the Gehry and Foster designed buildings. Early planning engagement has taken place with Lambeth Council regarding the Nine Elms station and over-station development as design works commence.



Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
99.2	968.6	1,044.0	75.4 ▼ 7.8%	The EFC has been reduced in line with anticipated cost savings, in particular those identified following the award of the main Design and Build contract. These were predominantly inflation savings and the finalisation of engineering resource requirements. £15m of savings forecasted have been transferred to central contingency, which is not included in the EFC.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Complete tender evaluation with recommendation to Rail and Underground Board (RUB)	27-Jun-14	21-May-14	-	Complete	
Award Main Design & Build contract	11-Aug-14	08-Aug-14	-	Complete	
Commence utility diversions (gas and electric) at Nine Elms	06-Feb-15	09-Aug-14	-	Complete	
Commence baseline monitoring	15-Sep-14	15-Sep-14	-	Complete	
Commence Detailed Design & Build Design	01-Dec-14	03-Nov-14	-17	Complete	
Programme Manager accepts Construction Phase Plan	15-Dec-14	12-Dec-14	21	Complete	

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Award Tunnel Boring machine (TBM) contract	16-Mar-15 	08-Jan-15	67	The award of contract is dependent upon closing out a number of complex issues related to determining the size of the tunnel diameter. Confidence is now higher that consensus will be reached on the remaining issues which will allow the TBM specification to be approved and contract details finalised. Milestone completed post quarter three
Commence defect surveys	30-Mar-15 	15-Jan-15	74	The construction phase programme is still in its infancy and consequently there will be changes to the forecast dates as the programme matures. In October the forecast date changed from December to March and the latest forecast is now January, which gives a net movement of 38 days in the quarter. Defect surveys are not on the critical path and any minor changes will not impact the complete date

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

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Northern Line Extension	104	144	40	28	The Main Stations & Infrastructure contract has now been awarded and consequently the forecast spend has been re-profiled according to the contractor schedule.



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

Milestone variance ●
Financial variance ●

Northern Line Upgrade

The successful introduction of the new timetable (Working Timetable 55 (WTT55) on 14 December 2014, has provided a 20 per cent uplift to capacity. This is an additional two trains per hour on the central branches during peak hours and three trains per hour during off-peak services throughout the line. The Northern line now runs 30 trains per hour on the busy Morden branch.

Further improvements will add recovery time to the timetable by increasing the train speed from 72kph to 80kph. The Northern line is split into eight Vehicle Control Centre sections, six of which have had software drops which enable the speed uplift and the achievement of WTT55. The final two software drops will happen on 21 February 2015.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
286.4	383.2	464.4	81.2 ▼21.2%	Over the life of the programme there have been changes in scope, escalation savings and release of risks monies for risks that didn't materialise. Offsetting this there has been an increase to the Contractor gain share liability, caused by revised cost to complete which has resulted in savings against the target price.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All Northern Migration Area (NMA) dirt clearance signed off for commissioning	10-Apr-14	07-Apr-14	-	Complete	
Ready for Operational Proving NMA6 (Edgware to Belsize Park)	09-Aug-14	30-May-14	-	Complete	
In Revenue Service NMA6 (Edgware to Belsize Park)	25-Aug-14	02-Jun-14	-	Complete	
Re-railing completed (All NMAs)	14-Dec-14	14-Dec-14	-	Complete	
Grinding work completed all NMAs	14-Dec-14	14-Dec-14	-	Complete	
Northern Line Upgrade complete, delivering 20% increase in capacity	31-Dec-14	14-Dec-14	-17	Complete	



Northern line train before and after refurbishment

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

Milestone variance



Financial variance



Jubilee and Northern Line mid life Refurbishment

The majority of Northern line trains have now been refurbished – 80 out of 106 – improving ambience, increasing accessibility and preserving performance of the fleet.

The latest programme from the contract is forecasting for all 106 trains to be completed by 23 April 2015 which is a delay to the current February 2015 target.

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

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
21.3	56.7	67	10.3 ▼18.2%	The Sponsor deducted £9m from the JL Mid Life Refurb original budget during business planning prioritisation.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Complete fitment of 50 Northern line trains	30-Jul-14	27-Jun-14	-	Complete	
Northern line Complete fitment of 80 trains	30-Nov-14	10-Dec-14	10	Complete	
Northern line Complete fitment of 106 trains	28-Feb-15	23-Apr-15	-54	▲	The number of staff required to complete a trainset at the start of the project was underestimated. Staff levels have been tripled and with other mitigations productivity has been improved but the programme cannot be fully recovered. The impact of this delay to the business is very low as the risk contractually lies with Alstom.

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Award "key" contracts for Jubilee line rolling stock midlife fit out	28-Feb-15	28-May-15	-89	■	The delivery method for the JL Mid life Refurbishment (MLR) incorporated the use of a Temporary Fit-out Shed (TFOS), which was not viable due to environmental regulations. Options were revisited and solar heating was proposed for the TFOS this also part enables use of the TFOS for JLU2 during the JL MLR and will leave a legacy of solar energy.
Commencement of midlife fit out on Jubilee line trains	31-Mar-15	31-Jul-15	-	■	
Close out of the Jubilee line rolling stock Transmission Based Train Control fit out project	30-Mar-15	19-Nov-15	-234	■	Delayed due to slippage of the Semi Intelligent Programmable Terminal (SIPT) upgrade, required to upgrade the Train Management System (TMS) software and delivered by Asset Performance. Overall, there is minimal impact resulting from the delay as SIPT associated equipment failure rates are low. Further designs are being progressed to remove lower risk items and wiring to provide additional mitigation.

London Rail



Twin tracking completed between Beddington Lane and Mitcham

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

Milestone variance	●
Financial variance	●

London Tramlink Wimbledon Line Enhancement

A key milestone in the twin tracking of infrastructure between Beddington Lane and Mitcham Junction was reached on 2 November 2014 when new infrastructure was brought into use to help improve service reliability on existing service patterns.

Procurement of the new trams is progressing, with an accelerated vehicle delivery programme agreed between Stadler and London Tramlink.

Site mobilisation works have commenced on a platform at Wimbledon station; however, the excavation work has been delayed due to the requirement to protect the Network Rail high voltage cables.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
10.4	30.0	30.0	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Commencement of site works	22-Feb-15	25-Oct-14	120	Complete	Infrastructure works to enable the extension of the route to Wimbledon started in the nine days blockade to construct the new twin tracking section between Beddington Lane to Mitcham Junction.



Five car train in operation

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

Milestone variance ●

Financial variance ●

London Overground Capacity Improvement

The first five-car train was launched from New Cross Gate depot on 6 November 2014 and two five-car trains are now operating on the network. Adding the fifth carriage to the existing stock will increase space by 25 per cent and help ease congestion on the London Overground network.

All platform extensions on the East London Line have been brought into full operational use and the New Cross Gate depot and berthing sidings can accommodate the five-car configuration.

Low level track works were completed at Willesden depot and works continue to prepare the North London line platforms and facilities for the five-car train configuration. The Willesden Junction platform extension and track works were also progressed during the blockade in October 2014.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
114.6	174.7	174.7	0.0 – 0.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
First East London line 5 car unit in operation on the East London line	31-Dec-14	06-Nov-14	-1	Complete	

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

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Overground Capacity Improvement	80	97	17	18	Forecast spend for 2014/15 has been reduced to reflect the movement of both power and risk budgets back into 2015/16



Temporary footpath at South Tottenham Station

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

Milestone variance ●

Financial variance ●

London Overground Stations Capacity Programme (LOSTAT)

Work has commenced at several priority stations. At South Tottenham, the new temporary footpath for access into the station is being made ready for passenger use to allow work to commence on the new lift facilities. At Kensal Rise, the reinforcement of the floor slab has started, allowing the main works to begin.

The Hackney Interchange scheme is underway with asbestos clearance taking place on the site of the new playground and the removal of the old playground. Advanced enabling works are complete at Crystal Palace and all necessary listed planning consents have been obtained. The full planning application for the new West Hampstead station design has been submitted to the London Borough of Camden.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
7.3	35.4	29.3	-6.1 ▲ -17.2%	Approval not yet sought for remaining budget on the LOSTAT project. Discussion underway to settle final account for West Hampstead

Programme milestones forecast

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

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
London Overground Stations Programme	35	6	EFC increase of £2.0m driven by increasing costs of works at West Hampstead, reflecting in part the establishment of asbestos on site but also an underlying increase in cost of works from the supplier driven by design quality and site performance.

Crossrail



Bombardier class 345 rolling stock

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

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

Milestone variance ●

Crossrail Limited (CRL)

At the end of Quarter three Crossrail remains on time and within the funding envelope of £14.8bn. Overall, the project is now more than 60 per cent complete. The £2.3bn upgrade of the existing rail network for Crossrail being undertaken by Network Rail is more than a third complete with more than nine million hours of work completed so far. During the period around £300m was spent progressing the project. Crossrail's cost performance is being challenged by cost growth in a number of contracts. However, plans have been established to address this as the major tunnelling and civil contracts approach completion. Any challenges to our schedule and cost performance are being addressed and mitigations identified.

The bulk of CRL's procurement decisions have now been completed and there were no major contract awards during the period. In November 2015 DfT confirmed funding of £14m of funding for Taplow, Langley and Iver stations which means that all 40 Crossrail stations will have step free access. In addition, TfL awarded £28m to Outer London boroughs for them to transform the public spaces around Crossrail stations. This will support local borough-led projects at 17 stations in Greater London and will help cut crime, improve road safety, develop seamless interchanges with local bus networks and taxis and make areas more pleasant for millions of passengers. The improvements will be made by 2019.

During Quarter three a number of important milestones were met including enabling access for our systems contractors at our Plumstead site, completion of a temporary station by Network Rail at Abbey Wood and completion of the Moorgate Shaft at Liverpool Street to enable access to our contractor undertaking sprayed concrete lining and tunnelling work there.



Crossrail's Abbey Wood station – artist's impression

Crossrail 2014/2015 anchor milestones forecast

Anchor Milestones 2014/2015	Baseline Early Date	Baseline Late Date	Actual / Forecast	RAG	Commentary
Achieved					
C350 – Pudding Mill Lane - Handover of DLR station after Easter possession to DLR	23-Apr-14	23-Apr-14	18-Apr-14	Complete	
C435-Farringdon Eastern Ticket Hall top down construction to Level -4	31-May-14	22-Jun-14	06-Jun-14	Complete	
Network Rail – Stockley Flyover 50% complete	31-Dec-14	31-Dec-14	30-Jun-14	Complete	
C300 - Handover both eastbound and westbound running tunnels in Paddington Box zone	15-Jul-14	16-Jul-14	01-Jul-14	Complete	
C310 - Thames Tunnel – dismantle and remove eastbound TBM	25-Jul-14	05-Dec-14	11-Jul-14	Complete	
C405 - Paddington station - complete concourse slab	06-Oct-14	27-Oct-14	14-Jul-14	Complete	
TfL - Crossrail Train Operating Concession contract award	28-Nov-14	20-Apr-15	30-Jul-14	Complete	
C512 – Whitechapel – handover Durward Street Shaft to C510 station tunnels	14-Aug-14	14-Aug-14	12-Aug-14	Complete	
C631 - Execute contract for Platform Screen Doors	01-Aug-14	21-Nov-14	23-Sep-14	Complete	
C620 - Complete European Rail Traffic Management System (ERTMS) level 3 migration plan	29-Sep-14	30-Dec-14	26-Sep-14	Complete	
C310 – Enable access for C610 systemwide contractors at Plumstead	29-Sep-14	28-Aug-15	9-Oct-14	Complete	
Network Rail - Stage B1 Abbey Wood Interim Station Complete	04-Jan-15	25-Jan-15	27-Oct-14	Complete	
C501 - Liverpool Street - Moorgate Shaft excavation complete and provide access to C510 station tunnels	28-Nov-14	30-Nov-14	17-Nov-14	Complete	

Anchor Milestones 2014/2015	Baseline Early Date	Baseline Late Date	Actual / Forecast	RAG	Commentary
Scheduled *					
C512 – Whitechapel – Complete Phase I Durward Street Shaft / Handover to C510 station tunnels for escalator installation	06-Jan-15	31-Mar-15	23-April-15	■	
ENG - Complete all Interim Design Overviews	30-Jan-15	31-Mar-15	24-Mar-15	●	
TBM tunnels 100% complete	31-Mar-15	14-Apr-15	12-Apr-15	●	

MCS06 – Crossrail Master Control Schedule version 6 RAG Key

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

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

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Surface Transport

Investing in assets

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



Temporary bearing and jacks required to lift the flyover

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

Milestone variance



Financial variance



Hammersmith Flyover Strengthening

Project cost has increased from quarter two owing to the further realisation of risks and issues. The bearing replacement works were re-sequenced to mitigate delays to the finish on site, however further strengthening of the bearing pits has been required. As a result, a request to increase the financial, project and procurement authority will be submitted to the F&PC meeting on 22 January 2015, for approval by TfL Board on 4 February 2015. Due to the significant amount of additional works affecting the programme critical path, the published milestones are unlikely to be met.

Strengthening of the bearing pits continued with sufficient works completed to allow the first three jacking operations during a full night time closure of the flyover to be undertaken. This will allow the existing bearings to be removed and replaced during 60 full night time closures of the flyover. The installation of the post tensioning anchors continued and installation of the cables has commenced.

The commercial issue that arose with Costain has been resolved.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
54.5	101.1	76.8	-24.3 ▲ -24.0%	A number of key foreseen project risks and unforeseen issues have been realised and the increase to £93.0m was included in the business plan and the further increase to £101.1m has been included in the budget, for approval by TfL Board in February

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Central reservation works completed	10-Jul-14	10-Jun-14	-	Complete	

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Finish on site completed	30-Aug-15 ■	16-Dec-15	-108	Due to risks being realised and significant additional works being required, these milestones have been substantially delayed.
Project close completed	27-Nov-16 ■	16-Mar-17	-109	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Bearing installation completed	31-Dec-14	-294	The bearing replacement works were re-sequenced to mitigate delays to the finish on site milestone however further strengthening of the bearing pits has been required.

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
Hammersmith Flyover Strengthening	■	32	24	As per programme financial forecast commentary.

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Hammersmith Flyover Strengthening	101.1	8	As per programme financial forecast commentary.

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

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Hammersmith Flyover Strengthening	52	46	-6	-14	*As above.



Earl's Court Road footway resurfacing

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

Milestone variance ●

Financial variance ●

Transport for London Road Network (TLRN) Capital Renewal Programme

Quarter three delivery included 197,000m² of carriageway resurfacing at locations including A21 Lewisham High Street, A23 Streatham High Road and A10 Bishopsgate. One third of the 9,000m² of footway resurfacing was delivered at Earl's Court Road. Three bridges were repaired including an expansion joint replacement at Hanger Lane, and four pumping stations were upgraded including one at Hendon Central. 567 luminaires and 2.8km of vehicle restraint barriers were also delivered.

A number of factors, including slower than forecast contractor delivery and road space availability, have contributed to work being delivered later than originally forecast. The back-ended delivery of this programme, coupled with the overall increase in road improvements, represents a risk to achieving the full year targets owing to pressures on booking road space. This is being monitored closely and if necessary works will be re-profiled over a two to three year horizon as this is a rolling programme. Process improvements are being put in place to reduce lead time to delivery for 2015/16 and reduce the risk of further re-profiling.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
537.1	1,096.1	527.1	-568.0 ▲ -51.9%	EFC is higher than authority as authority is sought annually.

Programme volume delivery

Output	Unit	Annual Target	YTD Actual	YTD Forecast	Commentary
Carriageway resurfacing	m ²	560,000	378,261	445,840	68% of annual target achieved.
Footway resurfacing	m ²	55,370	19,879	34,712	36% of annual target achieved. A slower than anticipated turnaround of designs and more stringent lane rental, permitting, and environmental requirements have impacted delivery. Full year target is expected to be achieved.
Lighting columns	No.	1,000	323	927	32% of annual target achieved. Designs have taken longer than previous years in order to ensure we maximize the potential of LEDs and the new Central Management System which will remotely profile lighting levels. Full year target is expected to be achieved.
Luminaires renewed	No.	1,900	1,606	1,861	85% of annual target achieved.
Vehicle restraint barriers	km	13	5.8	7	45% of annual target achieved. Renewal of vehicle restraint barriers requires the outside lane to be closed. Gaining the necessary road space has been challenging. Road space has now been secured and full year target is expected to be achieved.
Bridges repaired	No.	37	12	0	32% of annual target achieved. There was a long lead time for designs in the first two quarters and there have been road space challenges. Delivery is now picking up however there is a risk to delivery of full year targets.
Pumping station upgrades	No.	12	9	1	75% of annual target achieved.

Major Highways Enhancements

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



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

Milestone variance ●

Financial variance ●

Artist's impression of how the space could look – looking north to the Bakerloo line entrance

Elephant & Castle Northern Roundabout

The detailed design for the highway works are progressing with Ringway Jacobs, a London Highway Alliance Contractor. The Urban Realm public consultation has completed and the report is being compiled. Liaison continues with the London Underground Station Upgrade Team and Thames Water to coordinate the approach to the utility diversion works. Construction is due to commence in April 2015, with utility diversion works starting beforehand.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
0.8	24.4	4.0	-20.4 ▲ -83.6%	£3.0m of further authority was granted in December 2014 to allow the award of the main construction contract. The remaining authority is expected to be granted in January, subject to endorsement by the Finance & Policy Committee.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Public consultation on urban realm proposals	07-Jul-14	07-Jul-14	-	Complete	
Completion of concept design	30-Sep-14	23-Sep-14	-	Complete	
Completion of detailed design	17-Mar-15	17-Mar-15	-	●	
Commencement of Phase 1 - Highways	11-Apr-16	13-Apr-15	-	●	Construction works have now been split into two phases and delivery brought forward following a meeting with LU regarding advance work their Northern Line ticket hall upgrade. There will no longer be an impact on the highway works.
Substantial Completion of Phase 1 - Highways	02-Jun-17	30-Apr-16	-29	▲	
Commencement of Phase 2 - Peninsular	01-Apr-20	01-Apr-20	-	●	
Substantial Completion of Phase 2 - Peninsular	31-May-20	31-May-20	-	●	
Completion of Phase 2 - Peninsular Construction Stage	30-Jun-20	31-Mar-21	-274	●	
Project close	31-Mar-21	31-Mar-21	-1168	●	Following a meeting with LU the decision to add a second delivery phase has resulted in this milestone being rebaselined.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Completion of Phase 1 - Highways Construction Stage	26-Sep-17	-162	Construction completion brought forward as the utility diversion works for the LU Station Upgrade works are considerably less than first envisaged resulting in earlier site access. However, project close has moved out as the LU Station upgrade project will complete later. This will impact the completion of Ph2 – Peninsular construction stage (the urban realm works)

Cycling

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



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

Milestone variance ●
Financial variance ●

Better Junctions core programme

Three public consultations commenced in November for Better Junction schemes at Archway, Old Street and Stockwell. Construction commenced at Oval in December 2014 following completion of public consultation, where the majority of respondents supported or partially supported the scheme. Concept design for Westminster Bridge South continues ahead of the public consultation planned for 2015. Feasibility design is progressing for other Better Junction schemes, including Lambeth Bridge North and South roundabouts.

Following Surface Board, Old Street, Nags Head and Marble Arch schemes have been removed from the Better Junctions core programme due to their transformational nature and will be managed as standalone Major Projects. £4m was transferred to Cycle Superhighways Route 11 for works planned at Swiss Cottage as this location will be enhanced as part of the Cycle Superhighways programme. This was done as the two routes share a common road space and it was considered more efficient to manage two projects as one.

The Better Junctions core programme will therefore upgrade 13 of the 33 locations with the remainder enhanced either as standalone Major Projects or through the Cycle Superhighways programme.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
14.6	61.0	24.4	-36.6 ▲ -60.0%	EFC reduced by £34m due to Surface Board changes. The authority covers the feasibility, concept design and detailed design costs of all projects up to the end of 2016, along with the delivery of Kings Cross and Bow Roundabout. Further authority will be sought in stages as project designs are completed.

Programme milestones forecast

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

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Better Junctions core programme	61.0	-36	As per programme financial forecast.



Proposed Cycle Superhighways East-West on Embankment

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

Milestone variance ■
Financial variance ●

Cycle Superhighways

Within quarter four public consultations completed for Cycle Superhighway Routes 5 Inner, 2 Upgrade, North-South and East-West. Some design changes are currently being made to all of these routes following consultation to enable construction to commence. There is an additional phase of consultation for sections of East-West due to start 9 February 2015.

Construction workshops are ongoing with key stakeholders and suppliers to inform the costs, schedules and phasing of the works in 2015 and 2016.

Project and procurement authority will be sought to enable construction at TfL Board on 4 February 2015.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
47.8	216.3	66.6	-145.7 ▲ -68.6%	Increase in EFC of £4m as scope for Swiss Cottage transferred into the Route 11 budget. The authority covers the feasibility, concept design and detailed design of all the projects. Further authority will be sought for construction at TfL Board on 4 February 2015.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
CS2 (Ext.) Completion of construction	01-Jul-14	13-Jul-14	-	Complete	
NS Start of detailed design	01-Sep-14	01-May-14	-	Complete	Detailed design process will be ongoing to take full account of findings from public consultations.
EW Start of detailed design	01-Sep-14	30-May-14	-	Complete	
CS2U Start of detailed design	01-Sep-14	30-Jun-14	-	Complete	
CS1 Start of detailed design	01-Sep-14	25-Jul-14	-	Complete	
CS4 Start of detailed design	01-Sep-14	01-Dec-15	-	■	The programme has been rebaselined following agreement with the sponsor and Cycling Commissioner. Target date cannot be changed as this is a budget deliverable for 2014/15.
CS11 Start of detailed design	02-Mar-15	02-Mar-15	-	●	
CS5 (Ext.) Start of detailed design	01-Mar-17	01-Mar-17	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
CS3, 7 & 8 Upgrades - start of detailed design	02-Mar-15 ●	18-Dec-14	74	Milestone completed on 18 Dec 2014. 5 of the 9 schemes comprising CS3, 7, 8 Upgrades have been handed over from the sponsor for detailed design and delivery.

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

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Cycle Superhighways	17	28	11	19	The Cycle Superhighway programme remains challenging. Expenditure has slipped due to the decision to extend or delay a number of the public consultations and the need to make design changes following these consultations therefore, the construction phases of the routes are coming under pressure.



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

Milestone variance



Financial variance



Plan of Pembroke Rd Area scheme in Waltham Forest, for delivery early 2015

Cycling Mini Hollands

The programme level business case and project authority request to fund the 2015/16 programme of works in the three boroughs was presented to Surface Board in December 2015. The first Mini-Hollands Board meeting took place on 9 December 2014 with a borough workshop also in December 2015. Two key projects in Waltham Forest will start on site in January 2015; Pembroke Road (shown above) and Ruckholt Road. Construction on Enfield's Greenways and Quieter neighbourhoods is also due to commence in the first quarter of 2015/16.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.3	100.0	29.3	-70.7 ▲ -70.7%	Further authority will be sought annually as the programme progresses.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Delivery programme confirmed	30-Jun-14	13-Jun-14	-	Complete	
Business cases submitted to Surface Board for each borough	31-Oct-14	18-Nov-14	-	Complete	Surface Board approved an increase in project authority to fund the 2015/16.



2016 Central London Crondall St, Hackney (access for cyclists) – part of 2016 Grid

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

Milestone variance ▲
Financial variance ●

Central London Cycling Grid

To date, sponsor approval has been given for 31 schemes. The quality of designs coming from the designers and external delivery partners has been very good. Old Street (east of Old Street Roundabout) realignment via the London Boroughs of Hackney and Tower Hamlets highway was agreed; the change request will be discussed at the January Grid Board. Additional change requests relating to Westminster and the Royal Borough of Kensington and Chelsea Grid alignments will be presented at the February Grid Board. Consultations have been launched for Grid junctions on the first two Quietways.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
2.5	54.5	16.7	-37.8▲ -69.4%	Further authority will be sought as the programme progresses.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Construction started of Phase 1 quick win schemes	01-Jul-14	01-Apr-14	-	Complete	
Phase 1 delivery completion	31-Dec-14	31-Dec-14	-	Complete	
Phase 2 approval to commence construction	01-Oct-14	25-Sep-14	6	Complete	
Phase 2 first designs complete	01-Oct-14	01-Oct-14	-	Complete	
Phase 2 delivery completion	01-Dec-15	01-Dec-15	-	●	

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Phase 3 approval to commence construction	30-May-15	30-May-15	-	●	
Phase 3 delivery commencement	15-Oct-15	30-Sep-15	15	●	Due to political pressure the scheme is required to start earlier than originally scheduled.
Phase 3 delivery completion	31-Dec-16	31-Dec-16	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Phase 3 design completion	15-Jun-15 ▲	31-Aug-15	-77	Forecast adjusted to reflect latest estimates from Boroughs.



Example of Quietways type intervention in the London Borough of Enfield

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

Milestone variance ■

Financial variance ●

Cycling Quietways

Route Delivery Plans for the first seven Quietways are complete with designs in progress. The first two routes to be delivered will be Waterloo to Greenwich (Q1) and Bloomsbury to Walthamstow (Q2). Q1 and the inner section of Q2 are due to complete in spring 2015. Designs have been received and reviewed for the London Boroughs of Hackney, Lambeth, Camden, Islington, Southwark, Lewisham, Greenwich and Waltham Forest. The Quietways wayfinding system, toolkit and design guidance has been developed in consultation with Delivery Partners and approved by the London Councils Transport and Environment Committee for implementation on the first two routes. A further five routes are due for delivery by May 2016.

An authority paper was presented at the September 2014 Surface Board for an additional £13.76m of project authority to deliver the first two routes, design of the next five routes, and preparation of Route Delivery Plans for the next tranche, to be announced in February 2015. This is likely to include delivery of a further 15 Quietways and five discrete major interventions to break down the barriers to cycling. Sustrans has been announced as the delivery agent to assist TfL and delivery partners as required.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.1	121.7	14.6	-107.1 ▲ -88.0%	An authority paper was approved at the September Surface Board for an additional £13.76m and the milestones were rebaselined.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Construction started of first Quietway Route	17-Nov-14	1-Oct-14	47	Complete	
Completion of the 7 Route Delivery Plans	30-Sep-14	30-Sep-14	-	Complete	
OJEU contract awarded	14-Nov-14	1-Dec-14	-61	Complete	Additional financial clarifications were requested from the bidders, which resulted in further delay to the contract award.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Detailed design of QW Waterloo to Greenwich completed	31-Oct-14 ■	-151	The Cycling Commissioner has asked to review the final designs and TfL final comments, which has delayed sign off with the respective boroughs.
Detailed design of QW Bloomsbury to Walthamstow completed	31-Oct-14 ■	-151	

Road Safety Investment

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



New digital red light safety camera on the Edgware Road

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

Milestone variance ●

Financial variance ●

Safety Camera Replacement Programme

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

By the end of Quarter three, 15 of 349 wet film speed cameras have been replaced with spot speed digital cameras and 95 of 248 red light cameras with a plan to replace the remaining cameras by October 2016. These new digital cameras can monitor speed in both directions when located on the central reserve, providing a wider enforcement area. In addition, the first of four trial average speed corridors began installation on the A40. The A406, A316 and A2 will follow over the next two years, helping to further reduce the number of KSIs on these roads.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
8.2	36.6	36.6	0.0 – 0.0%	

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

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance £	Variance %	Variance Commentary
Safety Camera Replacement Project	15	21	6	30	£5m was transferred of the project to fund ongoing maintenance for the new cameras at Q1 and £1.3m of project costs and risk were rephased into future years due to a change in the prioritisation of sites.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All installation contracts awarded	26-Jun-13	15-Jul-14	-	Complete	
Red light speed camera installation started	16-Jun-14	19-May-14	-	Complete	
Average speed camera installation started	15-Oct-14	29-Sep-14	16	Complete	
Spot speed camera installation started	15-Oct-14	14-Oct-14	1	Complete	
Project close approved at Surface Board	31-Mar-17	31-Mar-17		●	

Keeping London moving

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



Magnetometer used as part of SCOOT installation

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

Milestone variance ▲
Financial variance ●

Road Space Management SCOOT

The overall programme to deliver SCOOT technology to 1,500 traffic signal sites is on track with successful delivery of 238 enabled sites against the baseline of 237 at the end of quarter three. An interim milestone of 500 sites commissioned by 31 March 2015 was agreed by the Surface Managing Director; the aim is to exceed this number by March 2015 and achieve delivery of 600 sites by June 2015.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
9.8	40.3	21.1	-19.2 ▲ -47.6%	Authority is less than EFC as the authority is being released in tranches. Full authority will be sought in August 2015 ready for the next tranche of work.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
200 sites commissioned	31-Mar-14	11-Jul-14	-	Complete	
Enabling completed for 200 sites	30-Sep-14	30-Sep-14	-	Complete	
Designs completed for 600 sites (cumulative)	31-Dec-14	31-Dec-14	54	Complete	
Snagging and paperwork completed for 80% of sites commissioned	31-Mar-15	31-Mar-15	-	●	
600 sites commissioned (cumulative)	31-Mar-15	30-Jun-15	-89	▲	The project is planning to commission 537 sites by the end of March 2015.
Enabling completed for 1500 sites (cumulative) (Annex B: 2018)	30-Sep-18	30-Sep-18	-	●	

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

Project Name	Project EFC (£m at Q3)	% change since Q2 2014/15	Variance Commentary
Road Space Management SCOOT	40	-29	Reduction in EFC due to lower unit costs experienced on the project to date (circa £11.8m). The remainder of the reduction relates to the removal of the signal modernisations costs with effect from 1 April 2015. There is an assumption that these costs will be funded from the Signals Modernisation Annualised Programme through closer collaboration between this and the SCOOT programme

Service operations & environment

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



Congestion Charging signage

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

Milestone variance ●

Financial variance ●

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

System development is progressing and Capita achieved their 'Service System in Pre-production' milestone as planned on 15 November 2014. System Integration Testing (SIT) commenced on 18 December 2014 with a planned completion date of 30 March 2015. A replanning exercise, conducted by Capita following concerns raised around slippage, confirmed an eight-week delay to the completion of SIT. However, this has been accommodated within programme through replanning and running activities in parallel to ensure the published milestones are met and the go-live dates for TENP and LRUC are not affected.

Progress continues to be made regarding the development of the LRUC & TENP web service. The project is focussed on ensuring the migration of data from the incumbent service providers is prepared prior to go-live. The delivery of service transition remains on track, with the TENP services due to go-live on 22 June 2015 and the LRUC services on 1 November 2015.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
33.5	72.2	77.0	4.8 ▼ 6.6%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
System design complete - CC & Low Emission Zone (LEZ) (Lot 1)	30-Jun-14	12-Jun-14	-	Complete	

Application deployed in system test environment	15-Aug-14	15-Aug-14	-	Complete	
Service system in pre-production	15-Nov-14	15-Nov-14	-	Complete	
Traffic Enforcement Notice Processing system development complete	30-Mar-15	30-Mar-15	-	●	
Traffic Enforcement Notice Processing go-live	22-Jun-15	22-Jun-15	-	●	
LRUC service proving complete	30-Sep-15	30-Sep-15	-	●	
Business Operations service go-live	01-Nov-15	01-Nov-15	-	●	
Enforcement Operations service go-live	01-Nov-15	01-Nov-15	-	●	



New Routemaster at Piccadilly Circus

New Routemaster (NRM) will deliver 800 New Routemaster buses by the end of April 2016. They will be built by Wrightbus in Ballymena to the same generic design as the prototypes that were introduced onto route 38 in February 2012.

Milestone variance ●

Financial variance ●

New Routemaster

Route 453 was converted to New Routemaster (NRM) Buses in late November 2015, the ninth route converted. Route 137 started conversion on 6 December, and completed on 19 December. This is the tenth route converted to NRM so that by the end of 2014 the fleet of NRMs reached 356, of which 45 are Euro VI.

Route 55/N55 will start to be converted from January 2015, ahead of the new contract which starts in February. This will be followed by the conversion of route 15 in February 2015 and route 12 in March 2015.

The TfL Board has approved funding to increase the number of NRMs in the bus fleet from 600 to 800 by 2016. Negotiations are taking place with manufacturer Wrightbus with the final vehicles anticipated to be delivered in April 2016. The forecast below has been updated to reflect the accelerated delivery of the initial 600 buses in conjunction with the increased order.

Programme financial forecast

Spend to end Quarter 3, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
136.7	285.6	304.1	18.5 ▼6.5%	£70.9m additional project authority was approved by TfL Board in November for an additional 200 New Routemasters.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Conversion of tenth route	31-Dec-14	19-Dec-14	12	●	
Build completion of vehicle no. 450	30-Jun-15	31-Mar-15	91	●	Revised to take account of increase from 600 to 800 buses by keeping both production lines open throughout 2015.
Delivery of 600 buses into service	30-Apr-16	30-Sep-15	213	●	
Delivery of 800 buses into service	30-Apr-16	30-Apr-16	-	●	

Financial Performance

Photo: Tottenham Court Road station ticket hall concourse flooring installation

Financial performance

- 1.1** TfL's investment programme continues to perform well against the target with 86 per cent of Budget milestones forecast to be delivered on time or early. Year-to-date investment expenditure is £106m under Budget, a variance of less than seven per cent. Over the full year, expenditure is now forecast to be £95m under Budget, with a variance of four per cent.

Table 1: Investment programme financials as of Quarter 3, 2014/15

TfL group (£m)	Year to date		Full year 2014/15			
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 2 forecast	Variance to Budget	
London Underground	(1,024)	97 ▲	(1,434)	90	152 ▲	11%
London Rail	(152)	17 ▲	(236)	(4)	17 ▲	7%
Surface Transport	(376)	(15) ▼	(608)	10	(16) ▼	3%
Corporate directorates	(74)	8 ▲	(114)	52	(4) ▼	4%
Total TfL investment	(1,626)	106 ▲	(2,392)	148	149 ▲	6%

- 1.2** In the year to date, TfL is £106m under Budget primarily due to a combination of: £408m decrease due to rephasing mainly consisting of; SSR upgrade, Northern Line Extension, Non-capital investment LOCIP and Quietways and Central London Cycling Grid works. A release of £234m of overprogramming and net increase in project scope of £74m partly offset the project rephasing.

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

TfL group (£m)	Year to date variance to Budget
Acceleration	(27) ▼
Change in scope	(74) ▼
Inflation	0 ▲
Rephasing	408 ▲
Savings and efficiencies	10 ▲
Release of overprogramming and contingency	(234) ▼
Other	24 ▲
Total	106 ▲

1.3 London Underground investment expenditure is £97m lower than Budget in the year to date, due to:

- £83m lower on the SSR upgrade programme, due to slippage on the ATC programme pending contract re-let, deferred delivery of maintenance spares, and rescheduling of the rolling stock programme following a mutually beneficial proposal from the contractor to slow down production. This is partly offset by a cost increase on Ealing Common & Upminster Depots
- £10m lower on the Northern Line Extension due to rephasing of expenditure following the stations and infrastructure contract award
- £23m lower than Budget from re-profiling of Risk on the Northern Line Upgrade and delayed delivery and scoping on the Jubilee Line Upgrade, offset by a cost increase in the contractor gain share
- £29m lower than Budget on Infrastructure Renewals due to rephasing of rail defects reduction works, unapproved track project spend, earth structure civil works and deep tube renewals impact by the power control room strike
- £11m lower than Budget on Legacy Train Systems due to rephasing of Bakerloo 72TS Life Extension and Waterloo & City 92TS Bearing Replacement works
- £15m lower than Budget on Delivery Partner due to rephasing of risk and Cockfosters train crew accommodation costs whilst the delivery strategy was agreed
- £18m lower than Budget on Stations Upgrades, Crossrail & Third Party because of rephasing at Bank, Victoria and Vauxhall stations
- Non-capital investment works are £51m lower than Budget, due to a number of programmes rephasing into future years, including Fit for the Future – Stations, Reliability and Value, and Sustainability projects
- The above variances are partially offset by the release of £164m of overprogramming and £18m of contingency in London Underground

1.4 London Rail investment expenditure is £17m under Budget in the year to date. This is mainly due to rephasing of £10m in DLR relating to Beckton train shed and North Route double tracking, and £9m in Trams primarily due to Wimbledon construction costs, tram purchase and power upgrades; and costs deferred to future years of £20m from rephasing of London Overground Capacity Improvement Programme (LOCIP). This rephasing has been partly offset by the release of £21m of overprogramming.

1.5 Surface Transport investment expenditure is £15m higher than Budget in the year to date, primarily due to £10m of additional works on Borough roads and bridges which was funded by the DfT. Slippages included £13m for capital renewals, £6m on Cycle Superhighways, £6m on Cycling Quietways and Central London Grid, £4m on the Safety

Camera Replacement Project, £3m on the SCOOT traffic signals programme and £3m on Woodlands retaining wall. These slippages were offset by other accelerated works and overprogramming, including £8m of on the Fore Street Tunnel and Hogarth Flyover works, £5m New Routemaster where ten buses were delivered ahead of the budgeted schedule and £5m accelerated Local Improvement Programme (LIPs) corridor works.

1.6 Investment expenditure across the Corporate directorates is £8m lower than Budget in the year to date. This is due to £4m rephasing of development expenditure relating to the Future Ticketing Project, £3m for improvements to Tottenham Hale and Elephant almost in line with Budget in the year to date.

1.7 Over the full-year, TfL's total investment expenditure is forecast to be £95m lower than Budget, with a variance of less than half per cent from a total programme of over £2bn. Again rephasing and overprogramming are being the main drivers for this underspend.

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

TfL group (£m)	Full-year Quarter3 forecast variance to Budget
Acceleration	(50) ▼
Change in scope	(56) ▼
Inflation	5 ▲
Rephasing	368 ▲
Savings and efficiencies	25 ▲
Release of overprogramming and contingency	(193) ▼
Other	51 ▲
Total	149 ▲

1.8 London Underground investment expenditure is now forecast to be £152m lower than Budget at the year end, the key changes align closely with explanations in section 1.3. A further summary of variances are listed below:

- £74m lower on the SSR upgrade expenditure programme due to slippage on the ATC programme and rescheduling of rolling stock programme
- £40m lower due to rephasing of the Northern Line Extension following the stations and infrastructure contract award

- £33m lower than Budget for World Class Capacity costs, from the rephasing of the Northern Line Upgrade 1 and, Jubilee Line Upgrade works, offset by an increase in the contractor gain share
- £49m lower than Budget on Infrastructure Renewals due to de-scoping and savings on Civils and Earth structure worksites, rephasing of JNP Track works and rail grinding alongside the impact of the Power Control Room strike. A further, £15.8m under on Track mainly due to rephasing of revised RAMS programme, DTR Renewals and unapproved works into next year
- £12m lower than Budget on Legacy Train Systems due to re-phasing of Bakerloo 72TS Life Extension and W&C 92TS Bearing Replacement works
- £19m lower than Budget from re-profiling of risk on Delivery Partner
- £6m over Budget on Stations Upgrades, Crossrail and 3rd Party mainly due to the reprofiling of a provision for a freehold acquisition as part of the Bank congestion Relief Programme (£17m) to bring works forward, which is offset by the schedule slippage on Victoria station upgrade due to reprofiling of work by the contractor (£11m)
- Non-capital investment works are £63m lower than Budget, due to a number of programmes rephased into future years, including Fit for the Future – Stations, Reliability and Value, and Sustainability projects into future years
- The above variances are partially offset by Release of £166m of overprogramming and £30m of contingency in London Underground

1.9 London Rail capital expenditure is now forecast to be £17m lower than Budget over the full year, mainly due to rephasing of LOCIP works to next year.

1.10 Surface Transport are forecast to be £16m higher than Budget over the full year, largely due to additional works on Borough roads and bridges of £10m funded by DfT, and accelerated expenditure, including Fore Street Tunnel (£5m) and Hogarth Flyover (£5m), where main works started earlier than expected. Slippages, which include £11m of Cycle Superhighways and £7m of rephasing on Cycling Quietways and the Central London Cycling as plans become more detailed, are offset by overprogramming. The full year forecast is £10m below what was anticipated at Quarter 2 mainly due to £6m of Hammersmith Flyover delays as a result of the poor state of concrete in bearing pits.

1.11 Corporate directorates investment is forecast to be £4m higher than Budget over the full year. £31m has been accelerated into this year, including property purchases for Camden, Covent Garden, Stucley Place, Whitechapel Road and Kingsland Viaduct. This has been offset by £20m for rephasing of IM projects, which is now scheduled to be delivered in future years.

Variance Definitions and Key

Programme financial forecast

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

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

Programme Milestones

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

Discrete projects	Status
On time or early	●
1-90 days late	▲
>90 days late	■

Significant late milestones

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

Significant quarterly milestone movements

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

Overall milestone variance RAG

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

EFC exceeds authority (more than 2.5 per cent)

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

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

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

Year end Spend Forecast v Budget

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