

Finance and Policy Committee

Date: 17 June 2015

Item: Operational and Financial Performance and Investment
Programme Reports – Fourth 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 fourth quarter of 2014/15 (7 December 2014 – 31 March 2015). 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 – fourth quarter, 2014/15.**

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 – Fourth Quarter 2014/15

Appendix 3: Investment Programme Report – Fourth Quarter 2014/15

List of Background Papers:

None

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TfL's quarterly finance, investment and operational performance reports

Quarter 4, 2014/15

MAYOR OF LONDON



**TRANSPORT
FOR LONDON**
EVERY JOURNEY MATTERS

About Transport for London

We are responsible for London Underground, London Buses, Docklands Light Railway, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, the Capital's cycle hire scheme and the Emirates Air Line.

We regulate taxis and the private hire trade, run the Congestion Charging scheme, manage the city's 580km red route network of key strategic roads, operate all of the Capital's 6,200 traffic signals and ensure a safe environment for pedestrians and cyclists.

TfL is delivering one of the world's largest programmes of transport capital investment, which is building Crossrail, modernising Tube services and stations, improving the road network and making the roads safer, especially for more vulnerable road users.

We are a pioneer in integrated ticketing and providing information to help people move around London. Oyster is the world's most popular smartcard, and contactless payment is making travel ever more convenient. Real-time travel information is provided by us directly and through third parties who use the data which TfL makes openly and freely available to power apps and other services.

Transport is central to driving economic growth, jobs and housing. In partnership with more than 14,000 organisations, we work to improve life in London.

Executive Summary

Quarter 4 (Periods 10-13), 7 December 2014 – 31 March 2015

Customer

- Customer satisfaction has continued to improve for most of our services over the year. London Underground (LU) customer satisfaction was the highest ever at 84, with an all-time high of 85 in Quarter 4. The DLR also achieved its highest ever score, with 89 over the full year, three points better than target. Bus customer satisfaction also reached record levels over the year, reaching 85, an improvement of two points from last year.
- These improvements have been achieved while passenger numbers continue to increase, fuelled by population and economic growth. Full-year passenger journeys are up 3.2 per cent in LU, 8.5 per cent on the DLR and 19 per cent on the river. Records for the busiest day on LU were broken in Quarter 3, with daily passenger numbers of 4.7 million on 28 November 2014 surpassing levels seen during the 2012 Games.
- Bus passenger journeys over the full year are up on last year. However, Quarter 4 saw a decrease in journeys of two per cent from the same quarter last year, thought to be a result of the slight deterioration in bus reliability caused by increased traffic levels, our roads modernisation plan, and town centre improvements.
- Cycling continues to flourish, with levels at the highest ever recorded for the quarter, and full-year levels 11 per cent higher than last year.

Reliability

- LU underlying reliability continues to improve. Underlying reliability, which excludes the effects of industrial action, is nine 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.
- London Overground (LO) reliability is down on both target and last year, with reliability affected by incidents on the East London Line (ELL). ELL performance has been significantly affected by reduced performance from Southern and from disruption caused by the London Bridge station works, reducing ELL reliability by approximately three per cent and overall LO reliability by one per cent. Performance on all routes except the ELL has improved over the past financial year.
- Both bus excess wait time and Transport for London Road Network (TLRN) journey time reliability continue to be affected by increased traffic levels from economic growth, our roads modernisation programme and by town centre improvements. It is expected bus excess wait time will be maintained at this level throughout 2015/16, returning to 1.0 in 2016/17 following investment in reliability and bus priority schemes.

Safety and security

- The number of people killed and seriously injured (KSI) on London's roads has been reduced further since last year. Indicative KSIs are now 39.7 per cent lower than the 2005-2009 KSI average; we remain well on track to achieve our target of an annual 40 per cent reduction by 2020. However, future increases in traffic flows, the number of journeys cycled and walked, and increases in London's

¹ From the 2011 calendar year baseline

population mean that sustaining a yearly 40 per cent reduction in KSIs to 2020 remains an ambitious challenge.

- 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 over 40 per cent on the bus network and by 31 per cent on LU and DLR network.

Financial update

- Over the full year, fares income is close to Budget, with income £50m lower than expected, a variance of one per cent.
- TfL's cash balances (beyond a prudent minimum) are almost £4.7bn at the end of 2014/15. TfL's total cash balances (including funds ring fenced for the Crossrail project) are £760m higher than Budget over the full year, driven by:
 - Timing differences in expenditure, with net investment rephasing (after taking into account the release of overprogramming) of £253m rescheduled to future years
 - Further timing differences from the rephasing of £213m of Crossrail investment to future years
 - Acceleration of investment projects totalling £56m, including the Earl's Court joint venture
 - a £164m working capital upside, due to liabilities being settled later than earlier anticipated in the Budget, which will reverse out in the following year
 - a group items upside of £56m, largely from the release of contingency, which is no longer required
- Our cash balances have increased as we have received funding and undertaken borrowing before we incur costs and complete projects:
 - Government funding is paid in line with the agreed schedule, and is fully allocated to our investment programme, including the deliverables in the DfT Annex B milestones agreed as part of the 2013 Spending Review
 - We also undertake borrowing to fund our investment, within annual limits. This means we borrow before we incur project costs and that our cash balances increase in the short term until projects are fully complete
 - Expenditure has also slipped on some of our projects – but with no impact on overall project delivery – with our cash balances showing a temporary upside before spend catches up.
- All of our income, funding and cash balances are allocated to the improvements set out in our latest Business Plan, including:
 - Completion of the Crossrail project, with over £2.2bn of cash ring fenced solely for this purpose
 - Over £1bn for new Crossrail trains, with the contract now awarded to Bombardier
 - A further £1bn for the Sub-Surface Railway upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
 - £800m for key cycling programmes, as part of the Mayor's overall £913m Cycling Vision commitment.

Delivery

Reliability

Reliability	2014/15	Variance to Target
LU: lost customer hours ¹	22.7	2.0 ▲
LU: lost customer hours excl. industrial action ²	18.8	-1.9 ▼
LU: excess journey time ³	4.63	-0.27 ▼
LU: excess journey time excl. industrial action ⁴	4.50	-0.40 ▼
DLR departures ⁵	99.3	0.5 ▲
London Overground PPM ⁶	95.2	-0.8 ▼
Buses: excess wait time ⁷	1.1	0.1 ▲
TLRN reliability ⁸	88.3	-0.5 ▼

Reliability levels remain high for most services. Underling LU reliability – measured by Lost Customer Hours (LCH) – has continued to improve, showing a nine per cent improvement on last year. LU expects to meet its 30 per cent reliability target⁹ early in the new financial year. DLR performance is up on both last year and target. LO PPM is down on target and last year, with reliability affected by incidents on the East London Line (ELL). ELL performance has been significantly affected by reduced performance from Southern and from disruption caused by the London Bridge station works, reducing the ELL's PPM by approximately three per cent and overall LO PPM by one per cent. Both bus excess wait time and TLRN journey time reliability have been significantly affected by increased traffic levels, our roads modernisation programme and by town centre improvements. After some stabilisation of traffic flows in Quarter 3, these increased in Quarter 4, rising by 0.7 per cent from the same quarter last year. TLRN journey time reliability was 88.3 per cent, 0.7 index points down on last year. Bus excess wait time was 1.1 minutes over the full year, 0.1 minutes higher than both last year and target. It is expected bus excess wait time will be maintained at this level throughout 2015/16, returning to 1.0 in 2016/17 following investment in reliability and bus priority schemes.

Safety and security

Recorded crime ¹⁰	2014/15	Variance to Target
LU and DLR	6.9	-0.5 ▼
London Buses	7.3	-0.2 ▼

Provisional figures show further reduction in crime rates and the total number of incidents on the LU, DLR and bus network. Both the rate and levels of crime have improved on the LU and DLR network and on buses over recent years. Since 2010/11, the crime rate has fallen by 40 per cent on

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

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

⁴ The 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

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

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

⁷ 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

⁸ 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

⁹ Target based on a 30 per cent reduction in lost customer hours from the 2011 calendar year baseline

¹⁰ Recorded crime per million passenger journeys

buses to 7.2 crimes per million passenger journeys, and by 31 per cent on the LU and DLR network to 6.8 crimes per million passenger journeys.

Along with the British Transport Police, Metropolitan Police and the City of London Police, and with advice from the Everyday Sexism Project, the End Violence Against Women Coalition and Hollaback London, we are continue to encourage the reporting of sexual assault and unwanted sexual behaviour on the transport network.

From 2015/16 onwards, crime rates on London Overground will also be reported every quarter.

Safety	2014/15	Variance to Target
Cumulative reduction in killed and seriously injured ¹	39.7	5.4 ▲

The number of people killed and seriously injured (KSI) on London's roads has been reduced further since last year. Indicative KSIs are now 39.7 per cent lower than the 2005-2009 KSI average; we remain well on track to achieve our target of an annual 40 per cent reduction by 2020. However, future increases in traffic, the number of journeys cycled and walked, and increases in London's population mean that sustaining a yearly 40 per cent reduction in KSIs to 2020 remains an ambitious challenge.

Project and milestone progress

As part of TfL's £23bn investment programme, we made numerous improvements in 2014/15, including:

- Completion of the Northern Line upgrade and the introduction faster and more frequent trains in December 2014. This increased 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
- In November 2014 we introduced the first five-car trains on the London Overground network. On completion, the project will increase capacity by 25 per cent
- Investment in signalling has seen train frequency now reach 34 trains per hour at peak times on the Victoria Line, the most frequent train service in the UK
- The last C-stock train was removed from service on the Circle and Hammersmith & City lines and the full fleet of new longer, air conditioned S-stock trains have now been rolled out on the Circle and Hammersmith and City

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

lines

- Ground treatment works were completed at Victoria station enabling the start of tunnelling works. The completed project will alleviate congestion, make entry and exit quicker, reduce delays and provide step-free access
- Bond Street station re-opened to Jubilee line customers three weeks ahead of schedule and in time for the Christmas shopping period
- Installation of new average and spot speed camera on the road network commenced

Budget milestone completion ¹	Full year
Completed on time or early	84%
Late by less than 90 days	10%
Late by 90 days or more	6%

The investment programme completed 94 per cent of its significant milestones early, on time, or within 90 days of the deadline. Milestones that were completed late include:

- Bearing installation on the Hammersmith Flyover strengthening project is delayed due unforeseen condition of the concrete pits housing the bearings
- A number of cycling schemes, including Cycle Superhighways, have been delayed due to consultation and post-consultation design changes
- 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	Full year actuals	Full- year variance to Budget	Full- year variance to forecast
Capital expenditure	(1,979)	77 ▲	17 ▲
Revenue investment	(414)	88 ▲	3 ▲
Total investment	(2,393)	165 ▲	19 ▲

Over the full year, investment expenditure² – including all capital expenditure and over £400m of operating costs that are included in investment projects in 2014/15 – was £165m lower than Budget. Against our latest forecast, we are £19m lower than forecast, largely due to net investment rephasing (after taking into account the release of overprogramming) of £253m to future years, which has been partly offset by the acceleration of investment spend on the Earl's Court joint venture, Fore Street tunnel and Hogarth flyover.

¹ Automatic Train Control (ATC) milestones have been excluded from these scores following the cancellation of the ATC contract in December 2013

² A reconciliation between the investment programme financials and the OFR is provided in Appendix B, page 39

Value

Financial summary

£m	Full year actuals	Full-year variance to Budget	Full-year variance to forecast
Fares income	4,281	(50) ▼	(2) ▼
Other income	720	11 ▲	7 ▲
Operating expenditure	(6,152)	216 ▲	42 ▲
Group Items	(303)	56 ▲	(10) ▼
Margin	(1,453)	233 ▲	36 ▲
Net capital expenditure	(1,906)	72 ▲	(2) ▼
Crossrail expenditure	(1,475)	213 ▲	106 ▲
Net service expenditure	(4,835)	518 ▲	141 ▲
DfT grants	1,833	60 ▲	45 ▲
GLA precept	6	0 ►	0 ►
Business rates retention	828	0 ►	0 ►
Other grants	132	(14) ▼	(4) ▼
Crossrail funding sources	1,702	15 ▲	8 ▲
Working capital	(389)	164 ▲	16 ▲
Net borrowing	646	18 ▲	0 ►
Cash movements	76	(760) ▲	(206) ▲

TfL's fares income over the full year was very close to Budget, with a variance of just one per cent. Passenger demand continues to increase – fuelled by population and economic growth – with journeys up 3.2 per cent in LU and 8.5 per cent on the DLR. Fares income is £50m below Budget over the full year, due a combination of lower than anticipated journey growth in LU, lower than expected fare-paying journeys on buses, the impact of industrial action on the Tube in April and August 2014 and on the bus network in January and February 2015, and the real-terms fares freeze in January 2015.

Operating expenditure is £216m – three per cent – lower than Budget over the full year. This is due to net rephasing of £86m of expenditure to later years, savings and other cost reductions of £117m, and £41m of costs reclassified to capital – which has no net effect on TfL. Rephasing to later years includes £26m which largely relates to provisions, £22m in London Rail for concession payments, capacity improvements and station improvements works, £22m in Surface Transport for LIPs major schemes and cycling initiatives, £18m for the track rail defects reduction programme, and £15m for LU's Fit for the Future – Stations programme. Savings include £44m on bus contract costs from a combination of lower than anticipated incentive payments, lower contract indices, as well as from industrial action where fewer services were run.

Group items are £56m under Budget over the full year. This is due to a £38m reduction in group contingency which is no longer required and £14m from lower than anticipated debt service costs, with TfL issuing bonds at rates significantly lower than previously expected.

Over the full year, net capital expenditure (excluding Crossrail) is £72m lower than Budget, due to net rephasing (after taking into account release of overprogramming) of £196m, offset by acceleration of £56m into 2014/15 and a reclassification of £41m of operating costs to capital. Rephasing to future years includes £150m for the Sub-Surface Rail upgrade due to slippages on the ATC programme and rescheduled trains and spares delivery, £117m on capacity optimisation projects including £44m on

the Northern Line Extension (NLE), £22m on London Overground capacity improvements, £16m on SCOOT and highways renewals and £12m on cycle superhighways. This has been offset by £308m of overprogramming to correct for optimism bias in our Budget. Accelerated expenditure of £56m, includes £36m for commercial development projects including the Earl's Court joint venture and £15m for Hogarth Flyover, Fore Street Tunnel works, and increased delivery of New Routemasters.

Over the full year, Crossrail costs are £213m lower than Budget. Direct project costs are £187m lower than Budget, largely from lower drawdown of programme risk, slower progress on Systemwide design and procurement activities, lower Projectwide spend following a renegotiation with Thames Water and rephasing of Network Rail traction power works. These have been partly offset by costs increases due to delays at Whitechapel, crossover on SCL tunnels, Farringdon and Tunnels West and Canary Wharf programme. Indirect costs are £29m below budget, due to delayed recruitment of Systemwide staff, and later than expected consultancy and building maintenance costs for Land and Property.

Against our latest forecast net service expenditure is £141m lower, with the main differences including:

- Lower operating costs of £42m, with £16m from lower than forecast bus operating costs – due to industrial action on the bus network and lower than expected incentive payments – and a further £16m from rephasing in London Rail, including movements in provisions
- Crossrail project expenditure, which is now £106m lower than forecast. These costs have been rephased to future years.

Cash balances

£m	Year to date actual	Year to date actual variance to Budget	Full-year forecast variance to Budget
Crossrail SFA	2,209	269 ▲	116 ▲
Other TfL	2,487	491 ▲	90 ▲
Closing cash	4,696	760 ▲	206 ▲

Cash movements

£m	Full-year forecast variance to Budget
Net investment rephasing	253 ▲
Crossrail	213 ▲
Working capital	164 ▲
Net efficiencies	106 ▲
DfT grants	60 ▲
Group items and debt service	56 ▲
Fares income	(50) ▼
Investment acceleration	(56) ▼
Other	14 ▲
Cash movements	760 ▲

Cash balances including Crossrail now stand at just under £4.7bn with £2.2bn ring fenced for Crossrail. Cash balances excluding Crossrail are almost £2.5bn at the end of 2014/15, £473m less than at the end of Quarter 3, but £491m more than Budget.

TfL's total cash balances are £760m higher than expected when the Budget was completed. This upside is largely due to timing differences, where costs are now expected to be incurred later than originally anticipated. Variances to Budget have been driven by:

- Timing differences in expenditure, with £253m of net investment rephased to future years
- Rephasing of £213m of Crossrail investment to future years
- a £164m working capital upside, due to liabilities being settled later than earlier anticipated in the Budget
- £106m in net efficiencies that have been secured earlier than expected
- £60m in grant from the DfT to help towards the costs of the Ultra Low Emission Zone and Garden Bridge – these costs will be incurred by TfL in future years
- a group items upside of £56m, largely from the release of contingency, which is no longer required
- offset by £50m from fares income, which is lower than expected; and
- Acceleration of investment projects totalling £56m.

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 greater capacity through new rolling stock, increased train frequency, 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

Our cash balances have increased as we have received funding and undertaken borrowing before we incur costs and complete projects:

- Government funding is paid in line with the agreed

schedule, and is fully allocated to our investment programme, including the deliverables in the DfT Annex B milestones agreed as part of the 2013 Spending Review

- We also undertake borrowing to fund our investment, within annual limits. This means we borrow before we incur project costs and that our cash balances increase in the short term until projects are fully complete
- Expenditure has also slipped on some our projects – but with no impact on overall project delivery – with our cash balances showing a temporary upside before spend catches up.

Efficiencies

£m	Full-year actuals	Full-year actual variance to Budget	Full-year actual variance to forecast
Net efficiencies	136	106 ▲	2 ▲

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 £13bn of savings to date, and have a further £3bn 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,

Over the full year we have saved £136m on new efficiencies introduced this year, £106m more than target. Our savings programme is reported net of implementation costs; £50m of savings are from the rephasing of implementation costs to generate efficiencies, with £46m from the rephasing of LU's Fit for the Future - Stations programme into 2015/16.

Customer

Passenger journeys

Million	Full year	Variance to Target
London Underground	1,305	-7.6 ▼
London Buses	2,385	-40 ▼
DLR	110.2	2.8 ▲
London Overground	139.8	-5.2 ▼
Tramlink	30.9	0.6 ▲
Emirates Air Line	1.5	-0.3 ▼
London River Services	10.0	1.5 ▲

Over the full year passenger journeys are up, or have been maintained, on every TfL service with the exception of London Tramlink. Demand continues to increase – fostered by population and economic growth – with full-year passenger journeys up 3.2 per cent in LU, 8.5 per cent on the DLR and 19 per cent on the river. Records for the busiest day on LU were broken in Quarter 3, with daily passenger numbers of 4.7 million on 28 November 2014 surpassing levels seen during the 2012 Games. Bus passenger journeys were 15 million down in Quarter 4 compared to last year, significantly affecting the full year figure. Quarter 4 saw a decrease in journeys of two per cent from the same quarter last year, thought be from the slight deterioration in bus reliability caused by increased traffic levels, our roads modernisation plan, and town centre improvements.

Cycling

Cycling index	Full year	Variance to Target
Cycling levels on TLRN ¹	330	32 ▲
Cycling journeys – average daily kms ²	466,660	NA

Cycling continues to flourish in the Capital. Over the full year, the cycling index of 330 represents 11 per cent growth from last year, and total growth of 230 per cent since March 2000.

£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. Work is now underway on flagship Cycle Superhighway routes, with the beginning of construction on the North-South route and advanced works on site for the East-West route. In addition the Better Junctions programme is on track to deliver ten improved junctions by May 2016, with main works having started at Oval Triangle and consultation for both the Archway Gyratory and Stockwell Cross complete. Furthermore, work is now well underway to deliver a network of orbital and radial Quietway routes, with two routes due for completion this year and at least a further five in 2016. The initial routes that make up the Central London Grid, comprising of Cycle Superhighway and Quietway routes in Zone 1, will also be complete in 2016 and work is also progressing well in the three

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

successful Mini-Holland boroughs to deliver enhanced facilities for cyclists in Enfield, Waltham Forest and Kingston.

Customer satisfaction and complaints

CSS score	Full year	Variance to Target
London Underground	84	1 ▲
London Buses	85	2 ▲
DLR	89	3 ▲
London Overground	83	2 ▲
Tramlink	89	- ►
Emirates Air Line	93	- ►

Customer satisfaction levels are high across most of TfL's services. Over the full year, LU achieved its best ever customer satisfaction result. Quarter 4 also saw a record result for any quarter. This has been achieved despite the challenges of record passenger numbers. Satisfaction with the DLR also achieved its best ever score with a result of 89, an improvement of two points on last year and three against target. Bus customer satisfaction remains high, reaching 85 over the full year; this is up two points from both last year and against target.

Complaints per 100,000 journeys	Full year	Variance to last year
London Underground	1.14	-0.15 ▼
London Buses	2.66	0.19 ▲
DLR	1.63	-0.92 ▼
London Overground	2.64	-0.58 ▼
EAL	3.94	-3.79 ▼
Congestion Charge	8.54	-2.61 ▼
Cycle Hire	7.44	4.49 ▲
Dial-a-Ride ¹	113.74	-37.89 ▼
Contactless payment cards	0.73	NA

In tandem with the very high level of customer satisfaction, customer complaint rates are down across many TfL services, with LU, the DLR, London Overground, EAL, Congestion Charge and Dial-a-Ride all seeing significant reductions from the same quarter last year.

Buses saw a slight increase in complaint rates in the quarter, correlating with a slight worsening of bus reliability caused by increased traffic levels, our roads modernisation programme and by town centre improvements. On the DLR the number of complaints declined. Complaints about ticket vending machines remain the main source of complaint. A programme is underway to significantly improve the resilience and reliability of the machines to address this issue.

London Overground continues to record the lowest complaints rate of any of the train operating companies in the Office of Rail and Road's² rankings. A key area of complaint in the quarter is the disruption at London Bridge. Additionally, overcrowding has been a common complaint, in particular on the East London Line. Five-car services are now in operation for all services on the East London Line, which has increased capacity by 25 per cent on the line. Work is progressing on London Overground's North London Line, where the additional carriages will also be introduced.

¹ Per 100,000 journey requests

² Previously the Office of Rail Regulation

People

Headcount

FTE	End of Quarter 4	Variance to Budget	Full-year forecast variance to Budget
London Underground	21,500	(705) ▲	(196) ▲
London Rail	285	(37) ▲	36 ▼
Surface Transport	3,533	(77) ▲	59 ▼
Corporate	4,137	(580) ▲	90 ▼
Crossrail	953	(20) ▲	(20) ▲
Total TfL	30,408	(1,417) ▲	(31) ▲

TfL (including Crossrail) employed 30,408 FTE at the end of 2014/15, 1,417 more than Budget. These variances to Budget are due to:

- Additional FTEs in LU largely due to later than expected implementation of Fit for the Future-Stations modernisation programme and revised requirement on other capital programmes
- Additional FTEs in LR largely due to the transfer in-house of previously outsourced Trams maintenance
- Increases in Surface Transport largely due to Strategy and Planning areas to work on the increased levels of investment
- Additional FTEs across the Corporate directorates to work on projects, including network Wi-Fi improvements, Fit for the Future – Stations, Spitfire SharePoint and IM transformation.

Operational and Financial Performance Report

Quarter 4, 2014/15

Operational and Financial Performance Report

Quarter 4 (Periods 10-13), 7 December 2014 – 31 March 2015




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Delivery

Reliability

Table 1: Reliability performance

Performance indicator	Unit	Quarter 4, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Actuals	Variance to target	Variance to last year	2010/11 – 2014/15
▼ lower is better								
London Underground: total lost customer hours	Millions of hours	5.5	-0.9▼	-3.9	22.7	2.0▲	-1.6	
London Underground: total lost customer hours (excl. industrial action)	Millions of hours	5.5	-0.9▼	-0.4	18.8	-1.9▼	-1.9	
London Underground: excess journey time	Minutes	4.33	-0.52▼	-1.04	4.63	-0.27▼	-0.58	
London Underground: excess journey time (excl. industrial action)	Minutes	4.33	-0.52▼	-0.64	4.50	-0.40▼	-0.59	
London Buses: excess wait time	Minutes	1.1	0.1▲	0.1	1.1	0.1▲	0.1	
TLRN: serious and severe disruption	Hours	1,214	-▶	381	3,555	1,560▲	1,292	
TLRN: unplanned serious and severe disruption per event	Hours per event	2.2	0.2▲	0	2.0	-▶	-	NA
▲ higher is better								
DLR: Departures	%	99.3	0.5▲	0.1	99.3	0.5▲	0.1	
London Overground: public performance measure	%	95.2	-0.8▼	-0.9	95.2	-0.8▼	-0.9	
Emirates Air Line: availability	%	92.7	-2.1▼	3.3	96.3	1.5▲	1.4	
TLRN: journey time reliability (AM peak)	%	88.2	-0.4▼	-0.6	88.3	-0.5▼	-0.7	
TLRN: carriageway in state of good repair	%	91	-▶	-	91.0	-▶	-	NA
Dial-a-Ride: trip requests scheduled	%	91.7	1.7▲	1.1	90.2	0.2▶	-0.5	NA

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 2014/15, underlying reliability – measured by lost customer hours, excluding the effects of industrial action – improved by nine per cent and met the annual target. Total lost customer hours, which includes industrial action, showed a six per cent improvement on last year. Industrial action accounted for over 3.8 million lost customer hours in 2014/15. Taking this into account, LU was two million short of its target for the year.
- 1.2 These improvements are the outcome of LU's far-reaching Tube Reliability Programme, modernisation of the network and the introduction of a range of new techniques and practices to reduce delays, including:
- Sustained investment and modernisation in LU's signalling, track and trains
 - The benefits of the Northern Line upgrade, which has reduced delays on one of the busiest sections of the network
 - New techniques to predict when maintenance on the lines is required in order to prevent unexpected equipment failure
 - The introduction of advanced signal monitoring technology that helps indicate potential failures and Automated Track Monitoring Systems which automatically identifies any track related defects so that corrective maintenance can be planned, minimising disruption to passengers
 - Working with the British Transport Police to respond to incidents more quickly by enabling emergency LU engineers to get to incidents under 'blue light' conditions
 - Increasing incident response capabilities, and co-locating engineering and operations staff in one command and control centre to speed up the time it takes to recover from incidents
 - The installation of covers on the emergency call units on trains, which has significantly reduced the number of accidental activations by passengers.
- 1.3 Excess journey time including industrial action over the full year averaged 4.63 minutes, 0.27 minutes better than target. Excluding industrial action, it was 0.40 minutes better than target.
- 1.4 London Overground's operational performance, as measured by the public performance measure (PPM) moving annual average (MAA) was 95.2 per cent at the end of the year. This was significantly higher than the national average for train operators of 89.7 per cent, and secured LO's third place in the national PPM league. It was, however, 0.8 per cent below target and lower than last year, with punctuality on the East London Line (ELL) a concern. ELL performance has been significantly affected by reduced performance from Southern and from disruption caused by the London Bridge station works, reducing the ELL's PPM by approximately three per cent and overall LO PPM by one per cent. Performance on all routes except the ELL has improved over the past financial year. LO has been working with Network Rail and Southern Rail on a regulation policy for four key conflict points where trains are often stopped, and has agreed a revised arrangement to reduce delays to customers.
- 1.5 DLR departures performance for the year was 99.3 per cent, 0.5 per cent better than target and also up on last year. KeolisAmey Docklands (KAD) began operating the DLR franchise from Monday 8 December 2014, with excellent operational performance to date. DLR customers have also benefitted from a new timetable introduced on 2 February 2015. This provides quicker journeys, shaving a

minute (or 3.4 per cent) off the Lewisham to Bank route while maintaining the strong levels of reliability.

- 1.6 Operational availability on the Emirates Air Line (EAL) was affected by high gusting winds in Quarter 4. Full-year availability exceeded 2013/14 levels by 1.4 index points.

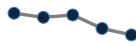


Journey times and disruption on London's roads

- 1.7 Reliability levels on the Transport for London Road Network (TLRN) have been affected by a combination of increased traffic levels, continuing economic growth, town centre improvement works as well as TfL's extensive road modernisation programme plan, which began in February 2015. This has had an adverse impact on bus excess wait time – which maintained at its record high from 2011/12 to 2013/14 – and TLRN journey time reliability.
- 1.8 Traffic flows have continued to increase. Historically, Quarter 4 flows are lower than the rest of the year; nonetheless, flows in Quarter 4 were 0.7 index points up on the same quarter last year. As a result, London-wide average traffic speeds (between 07:00 to 19:00) decreased by 0.69 mph to 18.4 mph. The corresponding fall in network speeds indicates that increased traffic flows, in addition to incident and event disruption, are the current drivers of journey time reliability.
- 1.9 Over the full year, bus excess wait time was 1.1 minutes, 0.1 minutes down on target and on last year. A package of measures is being introduced to ensure bus service reliability is protected against these adverse trends in traffic conditions arising from growth and from major roads schemes.
- 1.10 TLRN (all directions) journey time reliability for 2014/15 was 88.3 per cent, 0.5 index points lower than target and 0.7 index points worse than last year. Much of the overall reduction came in periods two to five, affecting most parts of London, but particularly the East and central areas which showed a strong correlation in performance changes. A key driver was again the impact of increasing traffic levels. However in the last three periods it has been performance in the East area which has been primarily responsible for overall TLRN deterioration, in large part due to the combination of works involving temporary signals and lane reductions. A similar pattern is expected in other areas as the roads modernisation programme intensifies in the new financial year.
- 1.11 Across Quarter 4 there were a number of planned and unplanned incidents that contributed to a large number of disruption hours across all four periods. Planned disruption was up 272 hours compared to the same quarter last year. The increase in planned disruption was due to an increase in Highway Authority and Utility works, particularly the large volume of works on the A13 Ripple Road at the Lodge Avenue Flyover causing a total of 75.32 hours of serious and severe disruption, HA maintenance and refurbishment works taking place overnight in the Fore Street Tunnel causing 59.8 hours of serious and severe disruption and HA maintenance works taking place on Chiswick Bridge (both directions) causing 37.31 hours of serious and severe disruption.
- 1.12 Unplanned disruption was up 109 hours compared to the same quarter last year. The main drivers for the increase in Unplanned Serious and Severe (S&S) disruption include increased Traffic Incident Collisions, Breakdowns, Emergency Works (Unplanned) and Infrastructure Issues. The two largest events were a burst water main on Battersea Park Road/Latchmere Road on 9 January–1 February causing 36.27 hours of serious and severe disruption; and the second was an HGV jack-knifed on the A406 North Circular 21–22 January causing 12.48 hours of serious and severe disruption

- 1.13 Overall in Quarter 4 there were 1,214 hours of S&S disruption resulting from unplanned and planned events spread across 445 separate incidents. This is an increase of 381 hours compared to Quarter 4 2013/14, attributable to an increase of 272 planned S&S disruption hours and 109 unplanned S&S disruption hours. This compares to 833 hours spread across 393 incidents in Quarter 4 last year.
- 1.14 In Quarter 4, the hours of S&S disruption per event, a measure of effectiveness of resolving unplanned incidents, was 2.2 hours, an increase from the 2.1 hours per event in Quarter 4 last year. Planned figures met the estimated planned works forecast of 1,000 hours with an end of year total of 931 serious and severe hours. Unplanned figures met the estimated unplanned disruption forecast of 2,660 hours with an end of year total of 2,624 serious and severe hours. Both of these forecasts took into account the fact that significant new construction activities continued to occur throughout the year.
- 1.15 In 2014/15 Dial-a-Ride (DaR) achieved its target, scheduling 1,519,942 of the 1,685,884 trip requests received during the full year, a rate of 90.2 per cent. In Quarter 3, an action plan was introduced to address shortfalls arising from industrial action earlier in the year.

Safety and security

Table 2: Safety and security

Performance indicator	Unit	Quarter 4, 2014/15			Full year 2014/15			
		Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010/11 – 2014/15
▼ lower is better								
LU and DLR recorded crime *	Million passenger journeys	7.0	-0.4 ▼	-1.0	6.8	-0.5 ▼	-1.1 ▼	
London Buses: recorded crime *	Million passenger journeys	7.8	0.4 ▲	0.8	7.2	-0.2 ▼	-0.3 ▼	
London Underground & Rail significant injuries per million hours	Rate	0.31	-0.24 ▼	NA	0.31	-0.24 ▼	NA	NA
▲ higher is better								
Cumulative reduction in KSI Londonwide ¹	%	40.9	6.1 ▲	8.2	39.7	4.6 ▲	5.5	

* Quarter 4 refers to snapshot crime figures for December – March. The information reported here may be different to other quarterly 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

Crime

- I.16 Both the rate and levels of crime have improved on the LU and DLR network and on buses over recent years. Since 2010/11, the crime rate has fallen by 40 per cent on buses to 7.2 crimes per million passenger journeys, and by 31 per cent on the LU and DLR network to 6.8 crimes per million passenger journeys.
- I.17 Over the full year, the crime rate on the LU and DLR network was 0.5 index points better than target and in line with last year. The rate of crime on LU and DLR in Quarter 4 is better than target, and 7.3 per cent lower in Quarter 4 than the same quarter last year, with 259 fewer offences. The most notable reduction was seen in theft of passenger property, down 10.2 per cent with almost 167 fewer offences. These results build on the significant reductions in crime over recent years and reflect the work done by TfL with our policing partners.
- I.18 Sexual offences were 15.1 per cent - 21 additional offences - higher in Quarter 4 compared to the same quarter last year. This is in line with the expectations of Project Guardian, a partnership initiative with the British Transport Police, Metropolitan Police and the City of London Police, and with advice from the Everyday Sexism Project, the End Violence Against Women Coalition and Hollaback London, which aims to increase confidence in reporting sexual offences which occur on London's transport system, reduce the risk of becoming a victim, challenge unwelcome sexual behaviour and to target offenders. There was also an increase in Violence Against the Person offences (VAP), up by 7.3 per cent (55 additional offences), which reflects the increase in VAP offences seen across London and the wider UK. This is being addressed through targeted police activity such as Operation Station. Despite these increases, crime remains very low on the LU and DLR network.
- I.19 Over the full year, bus crime was 0.3 index points better than last year and achieved the annual target. The rate of crime on London buses was higher than target in Quarter 4. The volume of crime on the bus network was 7.9 per cent higher in Quarter 4 than the same quarter last year, with 437 additional offences. A notable reduction was seen in robbery, down 26.2 per cent, with 126 fewer offences. Sexual offences rose by 31.1 per cent - 56 additional offences - which is line with the expectations of Project Guardian. VAP offences also rose by 29.5 per cent, with 470 additional offences. The increases in VAP on the transport network reflect increases seen in VAP across London and the wider UK. Changes to the recording of VAP offences were introduced in Summer 2014 which has resulted in an increase in the number of minor VAP offences being recorded, where these offences would not have been recorded previously. Resources have been reallocated and additional measures have been put in place to address the increase in VAP being experienced in some boroughs. Despite these increases, crime remains very low on the bus network.

Safety

- I.20 The Rail and Underground network continues to be a safe way to travel and we are always working to make it even safer. Nonetheless, tragic accidents do occur. On 28 March 2015 two customers were hit by a train at Old Street station as one tried to help the other, who, it is believed, was retrieving an item he had dropped onto the tracks. He suffered critical injuries and subsequently died. The customer on the track suffered life changing injuries. We are investigating these incidents to understand exactly what happened, and to put actions in place to prevent reoccurrence. Sixty vinyl signs were recently installed in priority locations warning customers to take care of their possessions near the track.

- I.21 Across the London Underground & Rail network, significant injuries per million hours has improved over the year, with the rate 0.24 better than target.

Road safety

- I.22 Provisional data for Quarter 4 of 2014/15 shows that 574 people were killed or seriously injured (KSI) on London's roads. This is 40.9 per cent below the 2005-2009 baseline and the lowest level of KSIs on record for Quarter 4.
- I.23 The number of KSIs on London's roads has been reduced further since last year. Indicative KSIs are now 39.7 per cent lower than the 2005-2009 KSI average; we remain well on track to achieve our target of an annual 40 per cent reduction by 2020. However, future increases in traffic flows, the number of journeys cycled and walked, and increases in London's population mean that sustaining a yearly 40 per cent reduction in KSIs to 2020 remains an ambitious challenge.
- I.24 TfL will continue to deliver its road safety strategy, as set out in Safe Streets for London and the vulnerable road user action plans, to improve road safety across London not only through improved infrastructure, but also through education, training and enforcement. 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.
- I.25 During Quarter 4 of 2014/15 the second annual TfL Road Safety Conference, 'Working together to save lives on London's roads', focused on delivering in partnership with boroughs and key road safety stakeholders. In addition eight trial sites for 20mph limits on London's main roads were announced, with implementation to begin in summer 2015. Preparations are also underway for the Safer Lorry scheme, which was announced in January 2015 and will go live in September 2015. Finally, three road safety campaigns were introduced, including share the road, targeted at changing the behaviour of all road users to improve the safety of the most vulnerable.

Value

The operating budget table below shows financial variances for the full year against the 2014/15 Budget, as well as the 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)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 forecast
Fares income	4,281	4,331	(50) ▼	4,284	(2) ▼ 1%
Other operating income	720	709	11 ▲	713	7 ▲ 0%
Total income	5,002	5,041	(39) ▼	4,997	5 ▲ 1%
Operating expenditure (net of third-party contributions)	(6,152)	(6,368)	216 ▲	(6,194)	42 ▲ 3%
Operating margin	(1,150)	(1,328)	177 ▲	(1,197)	47 ▲ 10%
Interest income ¹	28	25	3 ▲	27	1 ▲ 5%
Debt interest	(358)	(372)	14 ▲	(353)	(5) ▼ 7%
Contingency and group items	27	(11)	38 ▲	34	(7) ▼ 399%
Margin	(1,453)	(1,686)	233 ▲	(1,489)	36 ▲ 12%
Finance sources					
General grant	897	835	62 ▲	850	48 ▲ 1%
Overground grant	26	28	(2) ▼	29	(3) ▼ 0%
GLA precept	6	6	(0) ►	6	(0) ► 0%
Business Rates Retention	828	828	(0) ►	828	(0) ► 0%
Other revenue grants	8	6	2 ▲	8	(0) ► 27%
Total revenue grants	1,766	1,703	62 ▲	1,721	45 ▲ 1%
Operating contribution to fund investment	313	17	295 ▲	231	81 ▲

¹ Includes interest on the Crossrail Sponsors' Fund Account

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

TfL group (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Capital expenditure	(1,979)	(2,056)	77 ▲	(1,996)	17 ▲ 3%
Third-party contributions – capital	25	36	(11) ▼	42	(17) ▼ 18%
Sales of property and other assets	47	42	6 ▲	49	(2) ▼ 17%
Net capital expenditure excl. Crossrail	(1,906)	(1,978)	72 ▲	(1,904)	(2) ▼ 4%
Crossrail capital expenditure	(1,475)	(1,689)	213 ▲	(1,582)	106 ▲ 6%
Net capital expenditure incl. Crossrail	(3,382)	(3,666)	285 ▲	(3,486)	104 ▲ 5%
Finance sources					
Surplus/ -deficit to fund investment	313	17	295 ▲	231	81 ▲ 1190%
Investment grant	909	909	0 ►	909	(0) ► 0%
Crossrail funding sources	1,702	1,687	15 ▲	1,694	8 ▲ 16%
Other capital grants	124	141	(16) ▼	128	(4) ▼ 4%
Working capital	(389)	(553)	164 ▲	(405)	16 ▲ 35%
Net borrowing and reserve movements	722	1,465	(742) ▼	928	(206) ▼ 72%
Total	3,381	3,666	(285) ▼	3,486	(105) ▼ 6%

Fares income

- 2.1 Over the full year, fares income was £50m lower than Budget, driven by a combination of lower than expected travelcard apportionment payments, a lower fare rise than anticipated – due to lower inflation than previously assumed and the real terms fares freeze from January 2015 – industrial action on the Tube in April and August 2014 and on the buses in January 2015 and February 2015, as well as lower than expected passenger demand.

Table 5: Fares income

Fares income (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
London Underground	2,410	2,447	(37) ▼	2,408	2 ▲
London Rail	336	334	2 ▲	331	5 ▲
London Buses	1,536	1,551	(15) ▼	1,545	(10) ▼
Total fares income	4,281	4,331	(50) ▼	4,284	(2) ▼

- 2.2 Over the full year, LU fares income was £37m – 1.5 per cent – lower than Budget, mainly due to lower travelcard apportionment of £14m, lower than budgeted fare increase of £13m (which includes the effects of lower than expected inflation rates as well as the real terms fares freeze in January 2015), lower passenger demand of £8m and industrial action of £6m.
- 2.3 London Rail fares income (excluding EAL) was £3m – 0.9 per cent – higher than Budget, with increased passenger demand on the DLR and Tramlink partly offset by fewer than anticipated journeys on London Overground, the latter due to engineering closures relating to the introduction of five-car trains later this year. Against forecast, London Rail fares income was £5m – 1.5 per cent – higher than expected, with increased journeys on DLR and favourable travelcard allocations on London Overground. Emirates Air Line fares income was £1m lower than Budget over the full year, due to lower than expected passenger demand. Against forecast, EAL fares income was on target.
- 2.4 Full-year bus fares income was £15m lower than Budget, primarily due to fewer fare paying passenger journeys than expected, with almost 20 million less than anticipated. This reduction is thought to be caused by the slight deterioration in the reliability of the bus network due to increased traffic levels from economic growth, our roads modernisation programme and by town centre improvements. In addition, fares income was down by £3m due to industrial action by bus drivers on 13 January 2015 and 5 February 2015.

Other operating income

Table 6: Other operating income

Other operating income (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
London Underground	213	210	3▲	211	3▲
London Rail	15	19	(4)▼	15	(0)►
Congestion Charge and LEZ and Road Network Compliance	300	307	(7)▼	304	(4)▼
Cycle Hire	16	14	2▲	15	0►
Other Surface Transport	126	108	18▲	114	12▲
Corporate	51	52	(1)▼	53	(2)▼
Total other income	720	709	11▲	713	7▲

- 2.5 London Underground other operating income was £3m – 1.4 per cent – higher than Budget over the full year, primarily due to improved advertising revenues. Against forecast, operating income was also £3m higher, driven by a mix of advertising and property revenues.
- 2.6 London Rail other operating income was £4m lower than Budget for the full year primarily due to lower than anticipated funding from third parties, which has been rephased in line with improvement works.
- 2.7 Road User Charging, which includes Congestion Charge (CC), Low Emission Zone (LEZ) and Road Network Compliance (RNC), income in the full year was £7m lower than Budget, mainly due to lower RNC Penalty Charge Notice (PCN) volumes. Over the full year RNC income was £4m lower than forecast, with £1m from lower PCN volumes and £3m from lower CC autopay registrations and detections than anticipated.
- 2.8 Cycle Hire income in the year was £2m higher than Budget, with higher daily access fee income from non-members substantially higher than expected. Furthermore, additional sponsorship was agreed with Barclays for the intensification of sites and extension of the pre-existing zone further South West. Barclays Cycle Hire sponsorship ended on the 13 March 2015, which was succeeded by a new agreement with Santander from 1 May 2015.
- 2.9 Other Surface Transport income was higher than Budget and forecast partly due to the recognition of surplus income from various historic Section 278 and Traffic Infrastructure completed schemes – £6m higher than Budget and £4m higher than forecast. Taxi and Private Hire driver and vehicle volumes were higher than Budget and forecast, resulting in £4m additional income against the Budget and £1m against forecast. Over the full-year we received £2m of additional lane rental income from utility companies for unplanned works as a result of uncontrollable events such as burst water pipes during the cold weather.

2.10 The Corporate directorates were broadly in line with Budget over the full year, with a small variance of just £1m. Against the latest forecast, operating income was £2m lower than forecast. This is largely due to a land remediation relief rebate which was anticipated in the latter part of 2014/15, but is now expected to be received in early 2015/16, and from the cessation of the Chiltern Project which is fully funded by Chiltern Railways.

Operating expenditure

Table 7: Operating expenditure

Operating expenditure (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 Forecast
London Underground	(2,296)	(2,414)	118▲	(2,279)	(17)▼
London Rail	(372)	(410)	38▲	(383)	10▲
Surface Transport	(2,810)	(2,879)	69▲	(2,838)	29▲
Corporate	(674)	(666)	(9)▼	(694)	20▲
Total operating expenditure	(6,152)	(6,368)	216▲	(6,194)	42▲

2.11 Over the full year, TfL's operating expenditure was £216m under Budget, a variance of three per cent. This was due to: net rephasing of £86m, including LU's Fit for the Future – Stations implementation delays, re-profiled central provisions, London Overground capacity improvement and DLR costs; savings and cost reductions of £117m, including LU staff vacancies, lower than expected power costs, staff reorganisation, DLR unutilised provisions and £44m from bus contracts. These have been offset by reclassification of LU operating costs of £41m to capital expenditure.

2.12 London Underground operating expenditure was £118m – 4.9 per cent – lower than Budget for the full year. The main drivers include: rephasing of £77m, including £15m for Fit for the Future – Stations implementation delays, £18m due to reprioritisation of scope on the Track Rail Defects Reduction programme and £26m largely due to reprofiled central provisions. In addition, there were cost decreases of £34m including £10m from unfilled vacancies, higher employee attrition rates and industrial action, and £8m from lower power costs due to industrial action, revised working timetables and other smaller movements. Other reductions include additional efficiencies of £13m and reclassification of operating costs of £41m to capital expenditure. Cost reductions were offset by increased costs of £45m including £18m in Support directorate mainly driven by increased provisions, £11m in Infrastructure due to higher than expected contractor payments, and £7m in the Integrated Stations Programme, notably for Embankment and Earl's Court.

2.13 London Underground operating expenditure was £17m – 0.7 per cent – higher than forecast for the full year. The main variances included cost increases of £26m primarily due to £11m in Operations including additional signalling and track works, higher material usage and other movements, and £11m for increased central provisions. These were offset by cost decreases of £13m driven by a number of reductions across the Operations and Support directorates including asset maintenance, power costs and staff vacancies.

- 2.14 London Rail operating expenditure was £38m – 9.3 per cent – lower than Budget for the full year. This was partly due to rephasing of £22m, with £8m for concession payments, capacity improvement and stations delays on London Overground, £6m for DLR vehicle costs, £3m slippage on the Tramlink Wimbledon works and a further £3m on Crossrail station enhancement and mobilisation costs. In addition, there were cost decreases of £19m largely due to DLR provisions not utilised during the year.
- 2.15 London Rail operating expenditure was £10m – 2.6 per cent – lower than forecast. This was mainly due to rephasing of £16m, with £7m movements in provisions and re-profiled vehicle costs for the DLR, £4m capacity improvement and station upgrade delays on London Overground, £3m on Crossrail station and mobilisation activities and £2m relating to West Anglia devolution. These were partly offset by higher than expected costs of £6m relating to performance payments and other franchise costs for DLR.
- 2.16 Surface Transport full-year operating expenditure was £69m lower than Budget – a variance of 2.4 per cent – primarily due to a £44m reduction in bus contract costs. This was a result of lower than anticipated incentive payments, lower average weekly earnings and diesel price indices that determine the annual contract price, and industrial action undertaken by bus drivers in January and February 2015 which resulted in lower contract payments to bus contractors where services were not run. In addition, £22m of investment has been re-profiled into future years, including Local Implementation Plans (LIPs) major schemes with London boroughs, and road safety and Cycle Super Hubs in line with our refined delivery plans. There has additionally been £6m of favourable bad debt movements in Congestion Charge outstanding payments, with customers settling Penalty Charge Notices (PCNs) earlier than expected.
- 2.17 Against forecast, Surface Transport operating expenditure was £29 million below forecast, primarily due to: £16m from lower bus contract costs resulting from lower incentive payments, with the average excess wait time – which partly determines the value of payments to bus operators – lower than forecast; and reduced bus contract payments through lost mileage due to bus drivers' industrial action on Tuesday 13 January 2015 and Thursday 5 February 2015. In addition there were £4m of delays in installing Selective Catalytic Reduction Technology (SCRT) due to lack of bus availability, with those delayed now being installed early next year.
- 2.18 Across the Corporate Directorates, operating expenditure at year end is £9m higher than Budget. This is largely due to a £6m unbudgeted payment on account to ATOC following the January 2015 fares revision, £6m for new Planning projects including the Ultra Low Emission Zone, Elephant & Castle Ticket Hall, Roads Task Force and the Bakerloo Line Extension. These overspends are partially offset by £3m of efficiency savings, including reductions in external legal costs.
- 2.19 Operating expenditure is £20m lower than forecast. This is due to: a £5m reclassification from operating to capital costs for IM projects; £3m following an extensive commercial negotiation to re-profile a payment to a supplier for IM user licences; £5m of commercial savings and efficiencies for backdated rates refunds, reduced building maintenance costs, lower managed utilities resulting from a milder winter, and lower demand for telephones and mail. A further £2m relates to lower than expected insurance claims than forecast and £2m of rephased Planning projects, including Garden Bridge and the Silvertown tunnel.

Interest income, debt service and other group items

- 2.20 Interest income was broadly in line with the Budget over the year. The positive variance of £3m was the result of a higher average cash balance over the year and an improvement in interest yield achieved due to additional approvals to the investment strategy. This included investments in USD and EUR denominated assets.
- 2.21 For the full year 2014/15, debt service is £14m under Budget, mainly due to TfL issuing a total of £500m of bonds at rates significantly below those expected when completing the Budget. In addition, a small remaining amount of planned borrowing was raised through the Commercial Paper programme at the end of the year at lower rates that was anticipated in the Budget.
- 2.22 Contingency and other group items are £38m lower than budget over the year. This is primarily due to contingency that has not been used. In the full year, Contingency and other group items are £7m higher than forecast. This is primarily due to a credit of £6m added in the forecast to take account of planned savings in pay awards; these savings have now been realised in the business areas and there is, therefore, no net impact on TfL.

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

Interest income, debt service and other group items (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Interest income	28	25	3▲	27	1▲
Debt service	(358)	(372)	14▲	(353)	(5)▼
Contingency and other group items	27	(11)	38▲	34	(7)▼
Total interest, debt service and other group items	(303)	(358)	56▲	(292)	(10)▼

Capital expenditure

Table 9: Capital expenditure

Gross Capital expenditure (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
London Underground	(1,241)	(1,313)	72 ▲	(1,239)	(2) ▼
London Rail	(227)	(254)	27 ▲	(236)	9 ▲
Surface Transport	(399)	(379)	(20) ▼	(405)	5 ▲
Corporate	(112)	(110)	(2) ▼	(116)	4 ▲
Gross capital expenditure	(1,979)	(2,056)	77 ▲	(1,996)	17 ▲

- 2.23 Over the full year, capital expenditure was £77m lower than Budget, a variance of just under four per cent, due to: net rephasing of £196m to future years, including £150m for the SSR upgrade due to the schedule slippage in awarding the ATC contract re-let, £117m for Capacity Optimisation primarily due to Northern Line Extension works, £43m on rail infrastructure renewals, £16m for SCOOT and other highways capital renewals and £12m for Cycle Superhighways, partly offset by the release of £308m of overprogramming; and a reclassification of £41m of LU costs from operating expenditure.
- 2.24 London Underground capital expenditure was £72m – 5.5 per cent – lower than Budget for the year. Of this variance there was £159m of expenditure rephased into future years. This includes £150m of SSR upgrade expenditure due to schedule slippage in awarding the ATC programme contract re-let and the rescheduled train and spares deliveries. In addition, there was £117m of Capacity Optimisation expenditure, including rephasing of the Northern Line Extension to align with the contractor's schedule following the contract award. Within Infrastructure Renewals, £43m was rephased due to reprioritising the schedule on the Rail Defects Reduction programme and optimising the scope on civils works. There was also £24m on Stations Capacity upgrade works including Bank Congestion Relief and Victoria Station Upgrade projects and £12m of Fit for the Future - Stations implementation delays. These rephasing variances were offset by the release of a £210m overprogramming provision. In addition to the rephasing related variances, there were £34m of new activities mainly relating to additional scope on Infrastructure track renewals and SSR Upgrade interoperability project. There was also reclassification of operating costs of £41m to capital expenditure.
- 2.25 Against forecast, LU capital expenditure was £2m – 0.2 per cent – higher. £15m has been rephased into future years. This is due to £45m on the SSR Upgrade, mainly from the rescheduled delivery for rolling stock spares and aligning other works with the revised ATC schedule whilst we work towards the contract award; £30m within Stations, mainly due to the delays on property acquisitions and compensation payments for the Bank Congestion Relief programme; and £24m within Capacity Optimisation, including a change in rail grinding strategy for the Northern Line Upgrade I track speed improvements and delays on the Northern Line Extension tunnel boring machine procurement and related insurance. These rephased variances were offset by the release of a £91m overprogramming provision. Offsetting rephasing, there were cost increases of £13m driven by the completion of additional track drainage works ahead of schedule.

- 2.26 London Rail capital expenditure was £27m lower than Budget for the year. This is mainly due to rephased expenditure, including: £22m on London Overground capacity improvements, stations and renewals programme, including introduction of the five-car trains; £14m for DLR Beckton train shed works and North Route double tracking, £6m for the Tramlink Wimbledon project; and £6m for Crossrail unutilised contingency. Project rephasing has been partly offset by £27m overprogramming release.
- 2.27 London Rail capital expenditure was £9m lower than forecast. This is primarily due to rephased costs across the area including: £7m for additional Trams purchase, rephased Tramlink maintenance and reassessment of Wimbledon double tracking project; £6m for Crossrail unutilised contingency; £3m for various DLR delays; offset by £8m overprogramming release.
- 2.28 Surface Transport full year capital expenditure was £20m – 5.3 per cent – higher than Budget. Slippages of £57m and cost reductions of £18m were largely offset by accelerated works of £15m, cost increases of £11m and the release of overprogramming. The most significant slippages included; £12m of Cycle Superhighways expenditure, largely due to extensions and delays to public consultations, and revision of plans following consultation; £9m on the Structures and Tunnels Improvement programme (STIP) with delays on Power Bridge Road, Woodlands Retaining Wall, Upper Holloway Bridge and Ardleigh Green Bridge; £8m from the Safety Camera Replacement Project with delays during the procurement process; £6m on Cycling, Road Safety and Cycle Super Hubs as programmes are not yet fully scoped; £4m on Energy Efficient Street Lighting; and £4m on the Congestion Charging & Traffic Enforcement (CC & TE) contract re-let due to re-alignment of delivery milestones following contract detail agreed in January 2015.
- 2.29 Cost reductions of £18m include £4m on SCOOT traffic signals arising from lower unit costs, £6m across Asset Management including savings on capital renewal expenditure programmes, bridge safety with works not proceeding on Brent Cross and reduced tunnel safety costs following a review of the programme. These were partly offset by £9m of accelerated spend on the Fore Street Tunnel and Hogarth Flyover works, and £2m on New Routemaster delivery as well as £11m of cost increases, including £4m on Hammersmith Flyover for additional strengthening works relating to the bearings package and increased costs in capital renewals due to changes in scope and materials.
- 2.30 Surface Transport capital expenditure was £5m lower than forecast over the year. This includes £4m from delays in Structures and Tunnels Improvement programme – including Upper Holloway Bridge, Highbury Corner Bridge and Fore Street Tunnel – and minor rescheduling of projects including SCOOT rollout and Hammersmith Flyover. These variances from delays and rescheduling have been largely offset by overprogramming.
- 2.31 Capital expenditure across the Corporate directorates was £2m higher than Budget. Variances against Budget include: £36m of expenditure approved following Budget finalisation for the Earl's Court joint venture, 40 Long Acre, Stucley Place, 211–213 Whitechapel, Embankment and Southwark station. These were partly offset by the rephasing of £15m of IM projects to 2015/16, including Run Better, End User Computing and Technical Refresh. In addition, £16m of management contingency, £3m largely from ticketing project, and £4m from Planning projects have been rephased to 2015/16.
- 2.32 Capital expenditure across the Corporate directorates was £4 million lower than forecast. This is primarily due to £9m of Commercial Development projects which have been rephased into 2015/16, including the delay to purchase rights of insurance for Earl's Court, development of Alperton, Buck

Street and Southwark stations, as well as delay to the roll out of Automatic Number Plate Recognition and bay sensor technology across TfL car parks. These favourable variances have been partly offset by a £5m reclassification of IM operating costs to capital (see Section 2.19).

Capital third-party contributions

Table 10: Capital third-party contributions

Third-party contributions (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
London Underground	7	20	(13)▼	18	(11)▼
London Rail	3	4	(1)▼	4	(1)▼
Surface Transport	13	8	4▲	16	(4)▼
Corporate	3	4	(1)▼	3	(0)▼
Capital third-party contributions	25	36	(11)▼	42	(17)▼

2.33 London Underground third-party contributions were £13m and £11m lower than Budget and forecast respectively. The shortfalls relate to rephased funding on Crossrail and Croyley Rail Link.

2.34 Surface Transport full-year third-party contributions were £4m higher than Budget, largely due to increased works on Traffic Infrastructure Signal Enhancements for both Borough and development schemes and highway renewals funded by the DfT.

Sales of property and other assets

Table 11: Sales of property and other assets

Sales of property and other assets (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Total sales of property and other assets	47	42	6 ▲	49	(2) ▼

- 2.35 Over the full year, property sales and other asset income was £6m higher than Budget. This is primarily due to the rephasing of property sales. Income from Hammersmith Met, Moorfields, Fleet Street, Hanger Lane, Inglis Road and Aldgate East was accelerated into this year. This was partly offset by delays for Hanworth Road, A40 site 4 & 7, White City petrol station and Kenbrooke House where income is now expected in 2015/16. Seven Sisters and Whitechapel development sites have been retained as an ongoing revenue stream.
- 2.36 Compared to forecast, property sales income was £2m lower than anticipated. This is due to £18m of delays to sales of property including the A40 site, Wapping and Kidbrooke National Grid, £3m for East Finchley substation which is no longer being put forward as a development opportunity as this site is required for the Northern Line upgrade programme. These are partially offset by a £17m over programming adjustment to provide risk contingency against the volatility of property development activities and £2m additional income for re-profiled capital receipts for White City and opportunities which were not anticipated in the Quarter 3 forecast, including Seagry Road and Elm Close.

Crossrail

Table 12: Crossrail

Crossrail (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Crossrail	(1,475)	(1,689)	213 ▲	(1,582)	106 ▲

- 2.37 Over the full year, Crossrail costs are £213m lower than Budget. This was due to: Direct costs are £187m lower than budget, largely from lower drawdown of Programme Risk, slower progress on Systemwide design and procurement activities, lower Projectwide spend following a renegotiation with Thames Water and rephasing of Network Rail traction power works. These have been offset by costs increases due to delays at Whitechapel, crossover on SCL tunnels, Farringdon and Tunnels West and Canary Wharf programme. Indirect costs are £29m below budget, due to delayed recruitment of Systemwide staff, and later than expected consultancy and building maintenance costs for Land and Property.
- 2.38 Compared to forecast, Crossrail expenditure is £106m lower than anticipated. This was due to: Direct costs are £87m below forecast, principally from unplanned TBM stoppages, lower spend at Ilford Yard, Thames and Connaught Tunnels. These were partly offset by overspend on West due to the delayed demobilisation of the Tunnels West contract. Indirect costs are £11m below forecast, due to lower staff costs over Christmas period, the release of Pier Walk offices and later than expected consultancy and building maintenance costs. Land and property costs are £8m below forecast due to the rephasing of commitments at Plumstead, downward revaluations at Limmo Peninsula, Maidenhead Station and Slough Station, offset by an upwards revaluation at Pudding Mill Lane and Ealing Broadway.

Working capital

2.39 Over the full year, working capital is £164m favourable compared to Budget. This was mainly driven by higher balances from £82m of trade creditors and accruals and £78m from capital creditors. This was due to timing differences, with liabilities being settled later than anticipated in the Budget, together with a longer than expected lead time in capital accruals crystallising into invoices.

Table 13: Working capital

Working capital (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Working capital	(389)	(553)	164▲	(405)	16▲

Government grants and other funding

Table 14: Government grants and other funding

Government grants and funding (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Forecast
DfT General grant	897	835	62 ▲	850	48 ▲
DfT Investment grant	909	909	0 ►	909	(0) ►
DfT Overground grant	26	28	(2) ▼	29	(3) ▼
GLA precept	6	6	(0) ►	6	(0) ►
Business Rates Retention (BRR)	828	828	(0) ►	828	(0) ►
Crossrail funding sources	1,702	1,687	15 ▲	1,694	8 ▲
Other capital grants	124	141	(16) ▼	128	(4) ▼
Other revenue grants	8	6	2 ▲	8	(0) ►
Total grants and funding	4,501	4,440	61 ▲	4,452	49 ▲

- 2.40 Over the full year, grants and funding are £61m higher than Budget and £49m higher than forecast. The main drivers for this are additional transport grants from the DfT, with £30m for Garden Bridge, £25m for the Ultra Low Emission Zone and £7m of compensation for freezing fares in real terms. The latter was included in the forecast together with £7m for Garden Bridge.
- 2.41 Other capital grants includes funding for the Northern Line Extension, which is accrued in line with the reprofiled expenditure on the project.
- 2.42 The increase in Crossrail funding sources reflects higher than expected receipts from the Community Infrastructure Levy (CIL) which were partially offset by lower than expected income from S106 contributions. Over the Crossrail project duration, we expect receipts to equal those forecast in our latest Business Plan.

Borrowing and reserve movements

Table 15: Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Borrowings Raised	667	650	17 ▲	668	1 ▲
Borrowings Repaid	(22)	(22)	0 ►	(22)	0 ►
Net borrowing	645	628	17 ▲	646	1 ▲
Reserve movements	76	836	(760) ▲	282	(206) ▲
Net borrowing and reserve movements	722	1,465	(742) ▲	928	(206) ▲

2.43 Over the full year, TfL raised £667m through its borrowing programme, of which £650m represent the incremental borrowing agreed in the 2013 Spending Review – as per budget – and £17m represent a variance due to the refinancing of a small portion of borrowing maturing in year. The refinancing was agreed during the year and hence was not reflected in the Budget.

Cash movements

Table 16: Cash movements ¹

Cash summary (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Crossrail Sponsors' Funding Account	2,209	1,940	(269) ▲	2,094	(115) ▲
Other TfL cash balances	2,487	1,996	(491) ▲	2,396	(91) ▲
Closing cash	4,696	3,936	(760) ▲	4,490	(206) ▲

2.44 TfL's closing cash balances (including Crossrail) at the end of the financial year are £4.7bn. Our cash balances (beyond a prudent minimum) are committed to delivering the improvements outlined in TfL's latest Business Plan, published in December 2014, and the 2015/16 Budget.

2.45 TfL's total cash balances are £760m higher than expected when the Budget was completed. This upside is largely due to timing differences, where costs are now expected to be incurred later than originally anticipated. Variances to Budget have been driven by:

- Timing differences in expenditure, with £253m of net investment rephased to future years

¹ The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well as fair value adjustments for long-term investments.

- Rephasing of £213m of Crossrail investment to future years
- Acceleration of investment projects totalling £56m
- a £164m working capital upside, due to liabilities being settled later than earlier anticipated in the Budget
- £106m in savings that have been secured earlier than expected
- £60m in grant from the DfT to help towards the costs of the Ultra Low Emission Zone and Garden Bridge – these costs will be incurred by TfL in future years
- a group items upside of £56m, largely from the release of contingency, which is no longer required
- offset by £50m from fares income, which is lower than expected.

2.46 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:

- Completion of the Crossrail project, with over £2.2bn of cash ring fenced solely for this purpose
- Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
- A further £1bn for the Sub-Surface Railway upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
- £800m for key cycling programmes, as part of the Mayor's overall £913m Cycling Vision commitment.

2.47 Our cash balances have increased as we have received funding and undertaken borrowing before we incur costs and complete projects:

- Government funding is paid in line with the agreed schedule, and is fully allocated to our investment programme, including the deliverables in the DfT Annex B milestones agreed as part of the 2013 Spending Review
- We also undertake borrowing to fund our investment, within annual limits. This means we borrow before we incur project costs and that our cash balances increase in the short term until projects are fully complete
- Expenditure has also slipped on some our projects – but with no impact on overall project delivery – with our cash balances showing a temporary upside before spend catches up.

TfL's efficiency programme

Table 17: Efficiencies

Efficiencies Programme ¹ (£m)	Full year 2014/15				
	Actual	Target	Variance to Budget target	Quarter 3 forecast	Variance to Forecast
Progress towards TfL's total efficiency programme	136	29	106 ▲	108	2 ▲





- 2.48 TfL is committed to saving £16bn of efficiencies up to 2020/21, allowing us to further invest in infrastructure improvements while bearing down on fares and managing with lower levels of government funding. We have already secured £13bn, with a further £3bn still to be secured. Our savings target 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.
- 2.49 In 2014/15 we recognised £106m more than our target of £29m. In the year, £16m of efficiencies were secured, with £7m from the restructuring of the JNP contingency and £9m from a number of smaller initiatives. The Commercial directorate, HR and Finance secured additional efficiencies of £10m from management action, from rates rebates, managed property costs, rebates from commercial negotiations and efficiencies in overhead management. Additional savings from a review of staff pay and reward has led to a further saving of £8m in the year and further savings identified in the business planning round helped to absorb centrally-held implementation costs.
- 2.50 Our savings programme is reported net of implementation costs; £50m of savings are from the rephasing of implementation cost of future initiatives, with £46m from the rephasing of LU's Fit for the Future – Stations programme.

¹ Efficiencies are quoted net of implementation costs

Customer

Passenger journeys

Table 18: Passenger journeys

Millions	Quarter 4, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010/11 – 2014/15
▲ higher is better							
London Underground	409.2	2.8▲	27.2	1,305.4	(7.6)▼	40.8	
London Buses	719	(30)▼	-15	2,385	(40)▼	3	
DLR	34.5	1.9▲	3.3	110.2	2.8▲	8.6	
London Overground	43.7	(1.6)▼	3.2	139.8	(5.2)▼	4.1	
London Tramlink	9.7	(0.1)▲	0.0	30.9	0.6▲	(0.3)	
Emirates Air Line	0.4	0.0▼	0.0	1.5	(0.3)▼	0.0	
London River Services	2.1	0.1▲	0.3	10.0	1.5▲	1.6	

- 3.1 Over the full year passenger journeys are up compared to last year on every TfL service with the exception of London Tramlink. Demand continues to increase – fostered by population and economic growth – with full-year passenger journeys up 3.2 per cent in LU, 8.5 per cent on the DLR and 19 per cent on the river. Records for the busiest day on LU were broken in Quarter 3 surpassing levels seen during the 2012 Games. Bus passenger journeys were 15 million down in Quarter 4 compared to last year, significantly affecting the full-year figure. This recent decline is thought to be from a combination of reduced bus reliability – from increased traffic levels, roads modernisation and other improvement schemes – and from lower fuel prices, with some hitherto bus customers shifting to car use as these become less expensive than before.
- 3.2 LU experienced record demand in the year, breaking daily passenger number records. LU's busiest day ever was on Friday 28 November 2014, with a staggering 4.7 million passenger journeys, higher than the daily record demand levels seen during the 2012 Games.
- 3.3 Underlying bus passenger journey growth¹ (incorporating the validation issue below and seasonal effects) is 0.8 per cent higher, with fare paying passenger growth up 0.2 per cent and non-fare paying

¹ Non-fare paying passenger journeys have been restated for prior years. 11–15 year old and 16+ journeys numbers reported via the Greater London Bus Passenger Survey (GLBPS) were previously 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.


passenger journey growth up 1.8 per cent. Over the full year bus passenger journeys were 39.8 million – 1.6 per cent - lower than target. Fare paying passenger journeys were 19.6 million or 1.2 per cent below budget, with non-fare passenger journeys 20.2 million or 2.4 per cent below budget.

- 3.4 In Quarter 4 bus passenger journeys were 29.8 million - 4.1 per cent - lower than target. Fare paying passenger journeys were 17.2 million or 3.5 per cent below budget. Quarter 4 saw a decrease in journeys of two per cent from the same quarter last year, thought be from the slight deterioration in bus reliability caused by increased traffic levels, our roads modernisation plan, and town centre improvements. Further passenger reductions were a result of industrial action on the bus network in January and February 2015, reducing passenger journeys by an additional 7.5 million, of which five million were expected to be fare-paying passengers.
- 3.5 Non-fare passenger journeys for the quarter were 12.6 million or 4.9per cent below budget. The non-fare paying passenger journey reductions are mostly due to the 11-15 year old and 16+ PJs 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.
- 3.6 There were 110.2 million passenger journeys on the DLR this year, 8.5 per cent more than last year, and 2.8 million better than budget. Tram passenger journeys were 30.9 million, 2.0 per cent better than budget.
- 3.7 LO carried 139.8 million people in 2014/15, 3.0 per cent more than last year.
- 3.8 EAL passenger journeys for the year were 1.54 million, with year-in-year growth of 2.1 per cent.

Cycling

- 3.9 More than 580,000 cycle journeys are made every day in London, and cycling has more than doubled in the last decade. Cycling levels in Quarter 4 were 3 per cent – 8 index points – lower than the same quarter last year, which saw record levels of cycling, but 9 per cent (21 index points) above the Quarter 4 target. Recorded levels of cycling on the TLRN have been corrected as a result of a high number of highway repairs and schemes during Quarter 4 of 2014/15, with some affecting cycle count sites.

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

Millions	Quarter 4, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010/11 – 2014/15
▲ higher is better							
Cycling levels on the TLRN ¹	263	21 ▲	-8	330	32 ▲	34	
Cycling journeys – average daily kms ²	425,287	N/A	N/A	466,660	N/A	N/A	

- 3.10 The full-year index of cycle flows forecast on the TLRN for 2014/15 is 330, an increase of 11 per cent – 34 index points – from last year and over 11 per cent – 32 index points – above this year's cycling target. 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 currently run in parallel with the existing cycling index. Monitoring using this metric covers the central London congestion zone and shows that a daily average of 425,287 kilometres – or about 139,000 journeys – were cycled during Quarter 4, 6 per cent higher than the first quarter, which partially reflects seasonal trends in cycling. A daily average of 466,660 kilometres – or about 153,000 journeys was cycled over the full year 2014.

- 3.11 The Mayor published his Vision for Cycling in March 2013, outlining plans to spend £913m on cycling improvements over 10 years. In Quarter 4 of 2014/15 work began on the flagship Cycle Superhighways, with construction underway on the North-South route and advanced works on site for the East-West route. Public consultation for phase two of the East-West route and upgrades to existing Cycle Superhighway routes closed during Quarter 4 of 2014/15, with works planned to begin in summer 2015. Works are also on site for Quietways 1 and 2 and the next phase of the Central London Grid schemes. Phase 2 of the Quietways programme has been defined and will see the delivery of up to 30 cycle routes. The Better Junctions programme is on track to deliver ten junctions by May 2016 with main works having started at Oval Triangle and consultation for the Archway Gyratory and Stockwell Cross complete. Detailed designs for schemes are underway in each of the Mini-Holland boroughs, including the Ruckholt Road Cycle Lane and Walthamstow Village area scheme in Waltham Forest.

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

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







Cycling vision £m	2014/15			2012/13 – 2021/22	
	Actual	Variance to Budget	Variance to Forecast	Original budget	Variance to original budget
Gross Cycling Vision expenditure	(60)	47 ▲	6 ▲	(913)	- ►
Overprogramming adjustment ¹	0	(26) ▼	(12) ▼	-	- ►
Net Cycling Vision expenditure	(60)	21 ▲	6 ▲	(913)	- ►

3.12 To date, £157m has been invested in the Cycling Vision, with a total budget of £913m over 10 years. £60m was invested in 2014/15, compared to the budgeted £81m. The difference reflects rephasing of programme delivery into future years, including Cycle Superhighways, which will ensure that sufficient time is spent designing and delivering the best possible schemes. Whilst in some cases construction start dates have moved, completion dates are unchanged. In addition, there have been savings on Cycle Hire, including contractual changes, back office savings and efficiencies made during expansion and intensification. These savings will be reinvested in other cycling activities.

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 4, 2014/15			Full year 2014/15			
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010/11 – 2014/15
▲ higher is better							
London Underground	85	2 ▲	2	84	1 ▲	1	
London Buses	86	3 ▲	3	85	2 ▲	2	
DLR	88	2 ▲	1	89	3 ▲	2	
London Overground	83	2 ▲	1	83	2 ▲	1	
London Tramlink	89	- ►	0	89	- ►	-	
Emirates Air Line	94	1 ▲	2	93	- ►	-	
Transport for London Road Network (TLRN)	74	- ►	0	74	-1 ▼	0	

- 3.14 Customer satisfaction levels are higher or equal to target across all of services in Quarter 4, with the exception of the TLRN. LU's Quarter 4 Customer Satisfaction Survey (CSS) score was 85, an all-time high, whilst the full year result of 84 was also a best ever. It reflects notable improvements in reliability, the delivery of line modernisations, and increased service frequency. Most train service scores improved significantly in Quarter 4, with only five per cent of respondents saying they had experienced disruption or delay.
- 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 Bus customer satisfaction increased back to its peak score of 86 – first achieved in Quarter 2, 2014/15 – after dropping down to 84 in Quarter 3. This is also two points up on the same quarter last year. Specific areas where satisfaction increased included bus stop and shelter measures (safety & security, information, freedom from litter, and crowding); bus journey measures (level of crowding and availability of seats on the bus) and in driver approachability and helpfulness. Quarter 4 2014/15 also saw the lowest percentage of passenger journeys that experienced delays and disruptions since the measure was introduced in Quarter 4, 2013/14.
- 3.17 At 88, the DLR CSS score in Quarter 4 was two points higher than target. This was enough to secure the DLR's highest ever full year score of 89, three points better than target.
- 3.18 The LO customer satisfaction score for the year and in Quarter 4 exceeded target by 2 points. Over the full year, customer satisfaction was up one point on 2013/14.

3.19 The EAL's Quarter 4 CSS score of 94 is the highest since opening. Across the full year, EAL met target and maintained last year's score.

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 4, 2014/15			Full year 2014/15		
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year
▲ higher is better						
Buses compliant with Euro III particulate standards	1 250	N/A	0	1,250	- ►	0
Hybrid bus introduction	253	N/A	240	1,253	- ►	575

Customer complaints

Table 23: Customer complaints

No. complaints per 100,000 journeys	Quarter 4, 2014/15	
	Actual	Variance to Quarter 4, 2013/14
▼ lower is better		
London Underground	1.14	-0.15 ▼
Docklands Light Railway	1.63	-0.92 ▼
London Overground	2.64	-0.58 ▼
Emirates Air Line	3.94	-3.79 ▼
London Buses	2.66	0.19 ▲
Congestion Charge	8.54	-2.61 ▼
Cycle Hire	7.44	4.49 ▲
Dial-a-Ride ¹	113.74	-37.89 ▼
Oyster	0.85	-0.38 ▼
Contactless payment cards	0.73	NA
River	0.72	0.66 ▲
Taxi and Private Hire ²	6.98	NA
Tramlink	1.43	0.45 ▲

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 Dial-a-Ride all seeing significant reductions.

3.22 London Underground (LU) consistently records the lowest complaints rate of our high volume services and the figure this quarter is down on the same time in last year. Delayed journeys continue to be the most significant cause for complaint, contributing 29.5 per cent of the total, up from 27.8 per in the previous quarter. LU service performance was better than target during the quarter and lost customer hours were seven per cent lower than the same period in 2013/14 (excluding industrial action).

3.23 The responsibility for handling DLR complaints has now been brought in-house, which we hope will lead to a further reduction in the complaints rate, a figure that is down on the same period last year. The number of absolute complaints about ticket vending machines is reducing but still remains the main area of concern for customers. A programme is underway to significantly improve the resilience and reliability of the machines that is aimed at addressing this pain point. There was a service change

¹ Per 100,000 journey requests

during this quarter on the Beckton line and this attracted a number of complaints in January and February.

- 3.24 London Overground continues to record the lowest complaints rate of any of the train operating companies in the Office of Rail and Road's rankings. Train performance is the most common cause of complaint. One of the main themes this quarter was the effect of the disruption at London Bridge. Overcrowding has been a common complaint, in particular on the East London Line. Five car services are now in operation for all services on the East London Line, which have increased capacity by 25 per cent on those services. Work is now underway on the North London Line to introduce the same additional capacity.
- 3.25 The number of complaints about EAL service was lower than the previous quarter despite it being a longer and busier period and the overall rate per 100,000 journeys was down by nearly 50 per cent compared to the same time last year. There were 14 complaints reported, of these three related to fares and tickets and three related to the planned annual maintenance closure that occurred in March. There was one staff-related issue, fully investigated with appropriate action was taken.
- 3.26 Buses complaints decreased from 3.30 per 100,000 journeys in quarter 3 to 2.74 in this reporting period, which is slightly higher than same time last year. Complaints from on-screen feedback forms on apps, which first started to appear during Q4 last year, account for around 15 per cent of complaints. Complaints about bus drivers not stopping remain the highest single source of complaint, and actions from the research into the subject undertaken last year continue to be implemented, with further interventions being looked at. The number of complaints year-on-year about service performance have risen which correlates with a slight worsening of bus reliability, caused by increased congestion on the roads and the knock-on impact of falling traffic speeds.
- 3.27 Most Congestion Charge complaints are dealt with at the first point of contact, with a low proportion escalated. Compliance rates with the Low Emissions Zone remain in excess of 97 per cent, so the number of customers having issues with the policy remains low. Congestion Charging Auto Pay continues to operate well with in excess of 250,000 active registrations. Being part of the scheme helps to reduce instances of card payments failing, which is a common source of dissatisfaction for customers.
- 3.28 Customers using the cycle hire scheme have previously told us that the charging structure could be clearer. We have improved the signage on the terminals this quarter to reduce instances of this type of complaint. We are always trying to improve the availability of bikes at docking stations as we know it matters to users of the scheme. Additional stations and docking points are being installed as part of our intensification programme.
- 3.29 Dial-a-Ride's customer satisfaction rating for Quarter 4 was 91 out of 100, resulting in an annual score of 92, and remaining amongst the highest of our services. However, although Dial-a-Ride averaged under four complaints per day in Quarter 4, the complaint rate is high compared to our mass transit services. This reflects the highly personalised nature of the service and the fact that Dial-a-Ride is the only option for many of its customers. Following the implementation of an action plan to increase the proportion of booking requests scheduled, there has been a significant reduction in the number of complaints about this element of the service and it has dropped from top to third most common reason complaint. Driver conduct was instead the main source of complaint in Quarter 4 although this should be considered in the context of a customer satisfaction of

95 out of 100 for helpfulness and courtesy of the driver. Although only six per cent of trips were undertaken in Taxis and Private Hire Vehicles, these accounted for 28 per cent of journey-related complaints. This is an improvement on the previous quarter and reflects ongoing initiatives with our taxi supplier to improve the customer experience.

- 3.30 Oyster customers told us that they were having difficulty accessing their Oyster online account, so we have made it easier to reset the password. More customers are using the online option to monitor how much they are being charged, which has led to fewer complaints about billing. Other areas remained consistent with little variation between periods.
- 3.31 The complaints rate for River Services is slightly up on quarter four of last year but the absolute numbers are very low, with only 15 recorded over this reporting period.
- 3.32 The complaints rate for Tramlink is slightly higher than the same quarter last year and there was an increase in complaints in March compared to the rest of the reporting period. The bulk of these were in relation to planned closures and changes to the timetable required to facilitate improvements to the town centre environment in Croydon, which are part of the Connected Croydon programme. These works are being carried out jointly with the local council. Customers were advised of the disruption and alternative routes in advance.

People

Headcount

Table 24: TfL full-time equivalent (FTE)

	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
London Underground	21,500	20,796	(705) ▲	21,304	(196) ▲
London Rail	285	248	(37) ▲	321	36 ▼
Surface Transport	3,533	3,457	(77) ▲	3,592	59 ▼
Corporate	4,137	3,557	(580) ▲	4,227	90 ▼
Crossrail	953	933	(20) ▲	933	(20) ▲
Total FTE	30,408	28,991	(1,417) ▲	30,377	(31) ▲

4.1 At the end of the year TfL employed 30,408 full-time equivalent (FTE) staff, 1,417 more than Budget. This increase is due to a number of reasons, including:

- Additional FTEs in LU largely due to later than expected implementation of FftF-S modernisation programme and revised requirements on capital programmes.
- Additional FTEs in LR largely due to the transfer in-house of previously outsourced Trams maintenance.
- 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 network Wi-Fi improvements, Fit for the Future – Stations, Spitfire SharePoint and IM transformation.

4.2 London Underground headcount at the end of the year was 705 FTE higher than Budget. The operations directorate was 508 FTE higher primarily caused by delay in implementation of LU's FftF-S efficiencies programme, with staff now expected to leave the organisation later than assumed in the budget, and additional resource requirements for Night Tube, working timetable changes and other projects. The capital programmes directorate was 165 FTE higher with increased programme requirements, in particular within Stations and SSR Upgrade, being the main driver. There was also an additional 32 FTE across the support areas mainly due to project resource requirements.

4.3 At the end of the year, London Underground was 196 FTE higher than forecast. Individual areas were 21 above, in addition to a central vacancy provision of 175. The operations directorate was 49 above forecast due to recent increased recruitment activity for Night Tube and FftF-S training coverage. The capital programmes directorate was 35 over forecast due mainly to a slower release of staff due to delayed ATC contract award. The other directorates are 64 under forecast, where there were a number of recruitment delays, primarily in Commercial, where there were delays in the authorisation process and Strategy, where recruitment for a number of projects has slipped.

- 4.4 London Rail headcount at the end of the year was 37 FTE higher than Budget. This was primarily due to 33 Trams maintenance staff transferring in-house, with other smaller variances making up the balance.
- 4.5 At the end of the year, London Rail was 36 FTE lower than forecast, reflecting a number of vacancies within DLR covering the engineering and projects teams, plus vacancies within London Overground programme requirements.
- 4.6 Surface Transport was 77 FTE over budget at the end of the year. This was largely due to a 63 increase in Strategy Planning staff for consultation, behavioural change, freight and fleet and to support delivery of the increased Surface Transport investment plan; working on projects such as Cycle Superhighways and Ultra Low Emission Zone. This was partly offset by a decrease in Buses, where Technical Services vacancies were attributable to a restructure, ongoing recruitment and recent leavers. There was a transfer of 40 Intelligent Traffic Systems FTE from Road Space Management to IM during the year. In addition, there was a budget vacancy factor of (106) FTE to reflect the trend of being unable to recruit to full establishment.
- 4.7 Surface Transport was 59 FTE under forecast at the end of the year primarily as a result of delayed recruitment for Road Space Management, Asset Management, Traffic Infrastructure, Buses, Enforcement and Strategy Planning which is taking longer than anticipated because of difficulties recruiting employees with the required specialist skills. PPD also had similar issues finding candidates which extended the length of the recruitment process. In addition, there were vacancies in London River Services and vacancies resulting from secondments in Cycle Hire. These vacancies have been partly offset by the vacancy factor of 93 FTE.
- 4.8 The Corporate directorates headcount was 580 higher than budget at the end of the year. This is largely driven by 341 project funded, volume increase new roles, predominantly working on Wi-Fi, Fit for Future Stations, SharePoint and Transforming IM; 322 of these roles are undertaken by non-permanent staff. There are a further 100 new roles which are not project funded driven equally by new activity and volume increase. The majority of these roles are being utilised within the CEM&C directorate ahead of the Future Ticketing Project (FTP) launch. These FTE are currently being trained and multi-skilled to deal with all queries and additional call volume.
- 4.9 Across the Corporate Directorates, there are 90 fewer FTEs to Forecast. This variance is largely due to vacancies of 66 FTE within Customer Experience, Marketing & Communications, 32 within Finance and 27 within HR. Slippage in recruitment is due to lack of suitable applications and challenging market conditions, which has caused unexpected delays to projects.
- 4.10 Crossrail is 20 FTE higher than Budget at the end of the year, due to staff being hired to replace external Project Delivery Partner staff. Headcount has increased to address and recover the delay now planned into the Mater Operational Handover Shcedule.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground & London Rail (£m)	Full year, 2014/15					Section
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast	
London Underground	2,410	2,447	(37) ▼	2,408	2 ▲	2.2
London Rail	330	327	3 ▲	325	5 ▲	2.3
Emirates Air Line	6	7	(1) ▼	6	0 ►	2.3
Total fares income	2,746	2,781	(35) ▼	2,738	7 ▲	
Other operating income	228	229	(1) ▼	226	3 ▲	2.5 and 2.6
Total operating income	2,974	3,010	(36) ▼	2,964	10 ▲	
Chief Operating Officer	(1,652)	(1,657)	5 ▲	(1,645)	(7) ▼	
Capital programmes directorates operating costs	(47)	(35)	(13) ▼	(46)	(2) ▼	2.13 and 2.14
Other Operational Expenses	(380)	(431)	51 ▲	(375)	(5) ▼	
London Rail Operations	(372)	(410)	38 ▲	(383)	10 ▲	2.15 and 2.16
Renewals and reliability Projects	(216)	(292)	75 ▲	(213)	(4) ▼	
Total operating expenditure	(2,668)	(2,824)	156 ▲	2,662	(7) ▼	
Capital expenditure						
London Underground	(1,241)	(1,313)	72 ▲	(1,239)	(2) ▼	2.25, 2.26 and 2.34
LU third-party contributions	7	20	(13) ▼	18	(11) ▼	
London Rail	(227)	(254)	27 ▲	(236)	9 ▲	2.27 and 2.28
London Rail third-party contributions	3	4	(1) ▼	4	(1) ▼	
Net capital expenditure	(1,458)	(1,543)	85 ▲	(1,453)	(5) ▼	
Net Service Expenditure	(1,152)	(1,357)	205 ▲	(1,150)	(1) ▼	

Surface Transport

Surface Transport (£m)	Full year, 2014/15					Section
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast	
Bus fares income	1,536	1,551	(15)▼	1,545	(10)▼	2.4
Bus contract costs & ticket commission	(1,948)	(1,986)	38▲	(1,968)	19▲	
Direct Bus Subsidy	(412)	(436)	23▲	(422)	10▲	
Other Bus Income	29	27	2▲	28	1▲	
Bus operating Expenditure (net of third-party contributions)	(84)	(89)	6▲	(85)	2▲	2.17 and 2.18
Bus Capital Expenditure (net of third-party contributions)	(103)	(110)	7▲	(104)	1▲	2.29, 2.30 and 2.35
Net Bus Service Expenditure	(570)	(608)	38▲	(584)	14▲	
Other Surface Transport						
Other Operating Income	403	394	9▲	398	5▲	2.7, 2.8 and 2.9
Other Operating Expenditure (net of third-party contributions)	(769)	(795)	26▲	(777)	8▲	2.17 and 2.18
Other Capital Expenditure (net of third-party contributions)	(283)	(261)	(23)▼	(284)	1▲	2.29 and 2.30
Net Service Expenditure	(1,220)	(1,270)	51▲	(1,248)	28▲	

Corporate directorates

Corporate (£m)	Full year, 2014/15					Section
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast	
Other Operating Income	51	52	(1)▼	53	(2)▼	
Operating Expenditure (net of third-party contributions)	(674)	(666)	(8)▼	(694)	20▲	
Net Capital Expenditure	(62)	(65)	3▲	(63)	2▲	
Net Service Expenditure	(685)	(678)	(7)▼	(704)	20▲	

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

TfL group (£m)	Full year, 2014/15					Section
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast	
TfL gross capital expenditure						
London Underground	(1,241)	(1,313)	72▲	(1,239)	(2)▼	2.25 and 2.26
London Rail	(227)	(254)	27▲	(236)	9▲	2.27 and 2.28
Surface Transport	(399)	(379)	(20)▼	(405)	5▲	2.29, 2.30 and 2.31
Corporate directorates	(112)	(110)	(2)▼	(116)	4▲	2.32 and 2.33
Total gross capital expenditure	(1,979)	(2,056)	77▲	(1,996)	17▲	
Plus revenue investment (included in operating expenditure):						
London Underground	(217)	(292)	75▲	(213)	(4)▼	2.13 and 2.14
Surface Transport	(197)	(210)	13▲	(204)	7▲	2.17 and 2.18
TfL revenue investment	(414)	(502)	88▲	(417)	3▲	
TfL gross investment programme						
London Underground	(1,458)	(1,605)	147▲	(1,452)	(6)▼	
London Rail	(227)	(254)	27▲	(236)	9▲	
Surface Transport	(597)	(592)	(5)▼	(608)	12▲	
Corporate	(112)	(110)	(2)▼	(116)	4▲	
TfL gross investment programme	(2,393)	(2560)	165▲	(2,412)	19▲	

Appendix C: Balance Sheet

TfL Group Balance Sheet at Quarter 4 (£m)	Full year 2014/15			
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Forecast
Non-current assets (-higher / lower than budget)	33,300	271	33,466	166
Current assets (exc. cash & investments) (-higher / lower than budget)	991	(416)	688	(303)
Cash & investments (-higher / lower than budget)	4,686	(750)	4,490	(196)
Creditors (higher / -lower than budget)	(2,934)	163	(3,006)	(72)
Derivative liabilities (higher / -lower than budget)	(84)	16	(84)	-
Borrowings (higher / -lower than budget)	(8,513)	17	(8,514)	(1)
Provisions (higher / -lower than budget)	(2,779)	43	(2,729)	50
Total Net Assets – (higher) / lower than budget	24,667	(656)	24,311	(356)

Non-current assets

5.0 Non-current assets were £33,300m at the end of Quarter 4, £271m lower than Budget. This is predominantly the result of fixed assets being £282m lower than Budget, with lower than planned capital expenditure activity of £290m combined with year end valuation movements, transfers to 'assets held for sale' held within current assets, and lower disposals. Long term cash investments were above budget by £10m, representing a change in the mix of investments held.

5.1 Compared to the Quarter 3 forecast, non-current assets were £166m below budget, with fixed assets below forecast by £185m off-set by £10m higher long-term investments and £9m higher long term debtors. As above, the fixed asset variance was distorted by the net impact of year end revaluations and transfers to current assets of £78m. The underlying variance was a result of activity underspends of £123m offset by lower depreciation and disposals.

Current assets

5.2 Current assets at £991m were £416m higher than budget at year end. However, the actuals include the £373m transfer of the Earl's Court development property to 'assets held for sale', in advance of completion of the disposal on 2 April 2015. Short-term debtors were £37m higher than budget, with higher grant debtors of £74m due to later than expected receipt of Northern Line Extension (NLE) funding offset by lower trade debtors across the group of £37m, the latter including East London Line works contributions being received earlier than assumed in the budget.

5.3 Compared with the Quarter 3 forecast current assets were £303m higher than expected, but again removing the effect of the Earl's Court transfer leaves underlying current assets £70m lower than expected across the group. This includes the impact of the timing of receipt of NLE funding, where the actual debtor of £74m was £12m below the forecast as well as a £14m lower traffic debtor due from the train operating companies arising from small changes in travel patterns and other minor variances across the Group.

Cash and investments

- 5.4** At the year end, total cash and investments (long and short term) stood at £4,696m. This represented a variance to budget of £760m and to the quarter 3 forecast of £206m. The cash variance to budget reflects the lower net activity for the year of £519m and increased grant of £61m (mainly additional NLE and Garden Bridge funding), together with higher net creditor balances of £163m and higher borrowings of £17m (see below).
- 5.5** Cash balances were £206m above the forecast, again due to activity underspends of £141m (mainly within Crossrail), increased grant of £49m (see paragraph 2.42), and higher net creditors of £17m. A breakdown of the cash variances to date against both budget and forecast is shown in the table at the foot of Appendix 2 and in Appendix 3..

Creditors

- 5.6** Total long and short-term creditor balances at the year end were £163m higher than budget. This was mainly driven by higher balances in R&U where trade creditors and accruals (£82m) and capital creditors (£78m) were all above budget. Much of this was due to timing differences arising from a change in spending profile compared with the budget.
- 5.7** Compared to forecast, total creditors were £72m lower, with minor variances across the Group.

Derivatives

- 5.8** The derivatives position 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

- 5.9** External borrowings were £17m above budget, due to the unbudgeted re-borrowing of the £22m repayments during the year to take advantage of low interest rates. This was offset by £5m of fees and discounts incurred which were not included in the budget. The refinancing of scheduled debt repayments is permitted by TfL's funding settlement with Government and had been factored into the operational boundary for Prudential Indicators.

Provisions

- 5.10** Provisions were £43m higher than budget primarily due to lower payments for property compensation against the Crossrail project. Provisions were £50m higher than forecast at Q3, again predominantly relating to Crossrail property and non-property related claims.

Balance Sheet (£m)	Full year, 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Forecast
Intangible assets	123	126	3	181	58
Property, plant & equipment	31,853	31,977	124	31,798	(55)
Investment properties	438	593	155	620	182
Investment in associate	-	-	-	-	-
Long term investments	10	-	(10)	-	(10)
Long term debtors	876	875	(1)	867	(9)
Non Current Assets	33,300	33,571	271	33,466	166
Stocks	54	48	(6)	48	(6)
Assets held for Sale	373	-	(373)	-	(373)
Short term debtors	564	527	(37)	640	76
Short term derivative	23	-	(23)	4	(19)
Cash and Short Term Investments	4,686	3,936	(750)	4,490	(196)
Current Assets	5,700	4,511	(1,189)	5,182	(518)
Short term creditors	(2,059)	(1,931)	128	(2,168)	(109)
Short term derivatives	(1)	-	1	(1)	-
Short term borrowings	(784)	(709)	75	(749)	35
Short term lease liabilities	(86)	(44)	42	(87)	(1)
Short term provisions	(219)	(162)	57	(167)	52
Current Liabilities	(3,149)	(2,846)	303	(3,172)	(23)
Long term creditors	(105)	(73)	32	(84)	21
Long term borrowings	(7,729)	(7,787)	(58)	(7,765)	(36)
Long term lease liabilities	(659)	(698)	(39)	(667)	(8)
Long term derivatives	(106)	(68)	38	(87)	19
Other provisions	(93)	(105)	(12)	(94)	(1)
Pension provision	(2,467)	(2,469)	(2)	(2,468)	(1)
Long Term Liabilities	(11,159)	(11,200)	(41)	(11,165)	(6)
Total Net Assets	24,692	24,036	(656)	24,311	(381)
Capital and Reserves					
Usable reserves	4,785	3,952	(833)	4,621	(164)
Unusable reserves	19,907	20,084	177	19,690	(217)
Total Capital Employed	24,692	24,036	(656)	24,311	(381)
Cash and Investments					
CRL Sponsor funding account	2,209	1,940	(269)	2,094	(115)
Other cash and investments	2,487	1,996	(491)	2,396	(91)
Total as above ¹	4,696	3,936	(760)	4,490	(206)

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 Forecast
Margin	(1,453)	(1,686)	(233)	(1,489)	(36)
Working Capital Movements	(15)	(62)	(47)	8	23
Cash Spend on Operating Activities	(1,468)	(1,748)	(280)	(1,481)	(13)
Net Capital Expenditure	(1,906)	(1,978)	(72)	(1,904)	2
Crossrail	(1,475)	(1,689)	(213)	(1,582)	(106)
Working Capital Movements	(11)	(163)	(152)	(99)	(88)
Cash Spend on Capital Activities	(3,392)	(3,830)	(438)	(3,585)	(193)
Cash Settlement of derivatives	-	-	-	-	-
Non-cash items included in activity	16	65	49	60	44
Fair value adjustment for long term investments	-	-	-	-	-
Loans to third parties (paid) / repaid	(378)	(391)	(13)	(374)	4
Non-Activity Cash Movements	(362)	(326)	36	(314)	48
Grants, Precept & other contributions	4,501	4,440	(61)	4,452	(49)
Borrowings Raised	667	650	(17)	668	1
Borrowings Repaid	(22)	(22)	0	(22)	0
Total Funding	5,146	5,068	(78)	5,098	(48)
Net Movement in Cash	(76)	(836)	(760)	(282)	(206)

Appendix E: Financial comparison with 2013/14

TfL group finances – operating income, expenditure and funding

TfL group (£m)	Full Year			
	Actuals, 2013/14	Actuals, 2014/15	Year on year change	
Fares income	4,095	4,281	186	5%
Other operating income	646	720	74	11%
Total income	4,740	5,002	262	6%
Operating expenditure (net of third-party contributions)	(5,875)	(6,152)	(277)	5%
Operating margin	(1,135)	(1,150)	(15)	1%
Interest income	21	28	7	33%
Debt interest	(344)	(358)	(14)	4%
Contingency and group items	16	27	11	69%
Margin	(1,442)	(1,453)	(11)	1%
Finances sources				
General grant	1,094	897	(197)	-18%
Overground grant	29	26	(3)	-10%
GLA precept	6	6	0	0%
Business Rates Retention	803	828	25	3%
Other revenue grants	43	8	(35)	-81%
Total revenue grants	1,974	1,766	(208)	-11%
Operating contribution to fund investment	532	313	(219)	-41%

TfL group finances – capital expenditure, income and funding

TfL group	Full Year			
(£m)	Actuals, 2013/14	Actuals, 2014/15	Year on year change	
Capital expenditure	(1,638)	(1,979)	(341)	21%
Third-party contributions – capital	67	25	(42)	-63%
Sales of property and other assets	41	47	6	15%
Net capital expenditure excl. Crossrail	(1,531)	(1,906)	(375)	24%
Crossrail capital expenditure	(1,576)	(1,475)	101	-6%
Net capital expenditure incl. Crossrail	(3,108)	(3,382)	(274)	9%
Finance sources				
Surplus/ -deficit to fund investment	532	313	(219)	-41%
Crossrail funding sources	2,066	1,702	(364)	-18%
Investment grant	895	909	14	2%
Metronet grant	184	0	(184)	-100%
Other capital grants	110	124	14	13%
Working capital	(138)	(389)	(251)	-182%
Net borrowing and reserve movements	(543)	722	1,265	-233%
Total	3,108	(3,382)	(274)	9%

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	%	<p>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.</p>
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	%	<p>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 O₂.</p>
TLRN: journey time reliability (am peak)	%	<p>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.</p>

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



Photo: Willesden ready for five car configuration

Investment Programme Report Quarter Four

January – March 2015

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TfL Investment Programmes

Our purpose is to keep London working and growing and to make life in the Capital 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 8.6 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 three days. 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 – Summarisation of the performance of the whole Investment Programme
- Programme Update – Commentary update to the significant projects and programmes within the Investment Programme
- Financial Variance – Variance with commentary on key financial Key Performance Indicators
- Milestone and Project variance – Variance and commentary on significant movement on delivery milestones



New Routemaster bus in New York

Q4 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 start of many schemes across the capital which will help to deliver greater safety on our roads and increase capacity on our network. Work started on the Oval Triangle to improve road safety and introduce new traffic control technology. Construction commenced on three of the Cycle Superhighway routes and two of the Mini Holland areas in Waltham Forest and Walthamstow Village. At St Pancras, the first significant scheme segregating the cycle path from the main highway to protect vulnerable road users and promote cycling as part of the Mayor's 'Vision for Cycling' began. On the Northern Line Extension programme we took possession of the sites and Nine Elms lane at Kennington Park allowing preliminary works to begin on this vital scheme for the area.

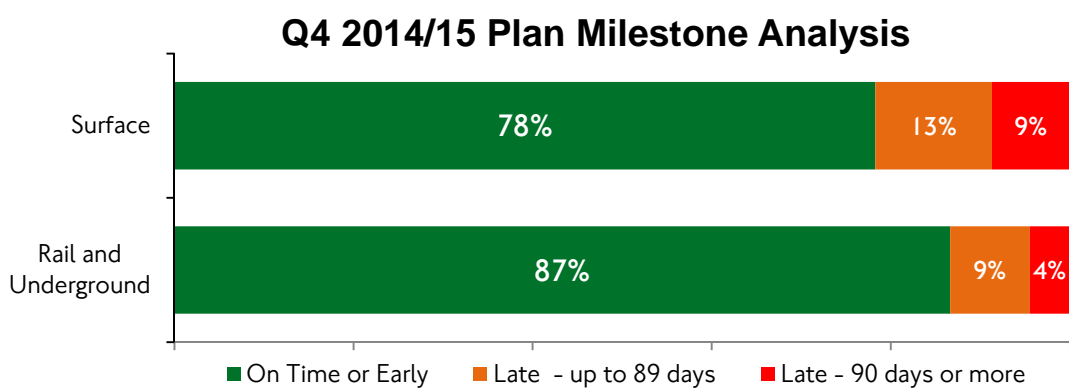
We delivered 84 per cent of our budget milestones for the year on time or early. Work was completed on the stabilisation works at Embankment, Baker Street and Farringdon stations. This has brought them back to an acceptable condition removing safety and operational risks due to the age of the escalators and other assets.

IPR Programme Update

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London Underground and London Rail

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London Underground



Ruislip depot shed conversion completed

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's (DfT's) target milestone. The Metropolitan line S8 fleet has been handed over to in house maintenance and disposal of the old District line stock began in January 2015.

S Stock Infrastructure

From 2 February 2015, S stock operated in regular, timetabled, passenger service across the full line routes for the first time, across all four lines. We are planning to have nine S stock trains in peak-hour services on the District line between Upminster and Ealing Broadway by May 2015.

Work has now been completed at several sites to improve the platform to train interface including adjusting platform nosing stones at priority sites. Track re-alignment, and adjustment works on the One Person Operation CCTV system to improve driver visibility of the platform have been completed at the first three sites with a plan to complete the design of other affected sites by July 2015.

ATC Signalling and Infrastructure

Work to agree a delivery programme for the Automatic Train Control (ATC) contract continues. The bidder's programme will be integrated with the LU supporting works programme. Award of the ATC contract is targeted for quarter two of 2015/16.

Early preparatory work is being undertaken in readiness for ATC to minimise the effect of the delay to contract award. Works include the installation of ATC equipment on a test site to help validate the signal system functionality and reliability. The conversion to enable Ruislip depot to fit ATC equipment to trains was also completed.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	Estimated Final Cost (EFC) £m	Authority £m	Variance to Authority	Commentary
3,374.0	*	4,259.1	*	

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

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	TBC	-	-	The date is subject to agreeing a delivery schedule with the signalling supplier and the associated impact assessment on the Programme's overall schedule. Award of the new Automatic Train Control (ATC) signalling supply contract is targeted for quarter two of 2015/16.
Sub-Surface Upgrade complete delivering 33% capacity increase	31-Dec-18	TBC	-	-	

All future ATC milestones and any impact have been removed from this section until the 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	The EFC exceeds authority as additional work is required due to asset condition, prolongation issues, and risk regarding the commercial settlement with the contractor. We are currently negotiating a settlement with the contractor for the first phase at Ealing and Upminster and completing detail design for future stages. This will better define future work and address the key issues.
SSR Upgrade - Signal Immunisation	■	-4	10	The immunisation projects are now complete with final accounts agreed with both contractors.

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
SSR Upgrade - ATC	45	138	92	67	The contract award process has taken longer than anticipated for ATC. We are working towards obtaining authority to award the ATC signalling contract in Q2 2015/16, which has slipped from 2014/15.
SSR Upgrade - Rolling Stock	245	303	58	19	Following the mutually beneficial agreement with the contractor to slow down train production, we deferred spend into 2015/16. Additionally, we are working on identifying sufficient storage capacity for rolling stock spares resulting in the associated payment milestone being deferred.
SSR Upgrade - Signal Immunisation	13	4	-9	-224	We have recovered prior year delays across the immunisation projects. These are now complete and final accounts have been agreed with both contractors.
SSR Upgrade - Depots	56	35	-20	-57	We recovered previous delays within depots and we are now operating S-Stock trains into passenger service at Ealing and Upminster and will be ready for any severe winter weather operation at Neasden.



Track renewal at Earl's Court during a major closure

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

During a major closure on the District line at Earl's Court, work was undertaken with over 760 metres of track and 500 metres of track drainage at Fulham Broadway and Sloane Square being renewed. Work was also undertaken on two bridges over the subways beneath the track, four points and crossings and on one of the remaining platforms. Elsewhere on the District line, we delivered 866 metres of new ballasted track across three locations between Bromley-by-Bow and Whitechapel, one of the longest two-day volumes of new track delivered to date.

Track and drainage renewals were completed for the new crossover at King's Cross St Pancras ahead of its delivery at Christmas 2015. This included track drainage work between Euston Square and King's Cross station. In addition, opportunity work was delivered in these closures, including installation of a track drainage system at Farringdon station to strengthen and prolong the life of this asset.

The Track Delivery Unit (TDU) supported the Victoria Station Upgrade works by removing and reinstating track above the new 'slab' installed as part of the new subway at Victoria Station. TDU teams completed 3.5km of rail grinding. Rail grinding is essential to help remove surface defects that can lead to cracks in rails, to help us meet our target of cutting delays by a further 30 per cent by the end of 2015.

We renewed two sets of points and crossings units at Neasden, this is one of the highest priority track renewal sites on the network and is planned for completion later in 2015. Post quarter four, these works continued during a major closure at Easter.

Work commenced at Finchley Road with 288 metres of track being renewed through the southbound Jubilee line platform. This work will continue later in 2015 with the renewal of the track on the Metropolitan line platforms, to provide a better interface between the platform and the train. This will improve safety by reducing any gaps.

In total, the programme delivered over 3.9km of ballasted track renewal, 4.3km of drainage works, renewed six points and crossings units, 2.3km of deep tube renewals and completed 42km of rail grinding.

During the quarter we successfully trialled the 'slotted bucket' innovation, this technique allows ballast to be removed while the running rails remain in position. This significantly

increases the delivery rate and reduces the unit cost of reballasting. With this technique we will replace assets with long lasting concrete sleepers and a full depth of ballast to prolong its life.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1,065.7	2,820.3*	1,805.4	-1,014.9▲-36.0%	The EFC exceeds current authority due to the inclusion of future unapproved expenditure from 2018/19 to 2023/24.

*EFC does not include JNP works.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Ballasted Track Renewal & Re-ballast Metres - Achieve 13,260 metres	10-Oct-14	10-Sep-14	-	Complete	
Track Drainage Renewal - Achieve 7,100 metres	10-Oct-14	10-Sep-14	-	Complete	
25,344m of Track replaced (total 13% replaced)	31-Mar-15	18-May-15	-48	▲	Some site possessions were lost owing to changes to sporting events in London. These works have been reprogrammed into 2015/16.
Renew Points & Crossings units - Achieve 30 units	31-Mar-15	17-Mar-15	14	Complete	
Ballasted Track Renewal & Re-ballast Metres - Achieve 18,600 metres	31-Mar-15	23-Feb-15	36	Complete	
Track Drainage - Renewal 9990 metres	31-Mar-15	18-Jan-15	72	Complete	Milestone completed early due to overnight midweek renewals achieving more than originally planned.
Deep Tube Renewal - Achieve 6,852 metres	31-Mar-15	31-Mar-15		Complete	
Rail Defect Programme- Project works complete.	31-Mar-15	30-Mar-15	1	Complete	

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Track	246	265	19	7	A value engineering exercise carried out within the Rail Defect Reduction Project, resulted in subsequent scope reduction and unused authority being returned to the business. It also drove the re-profiling of signal replacement activity into future years.



Cable-laying at Neasden depot.

The SSR Upgrade will mean more trains, running more frequently, serving more customers and therefore requiring more power. Systems are being upgraded by constructing substations, bulk supply points and transformer rectifiers, and installation of distribution cabling

Milestone variance



Financial variance



SSR Major Power Works (Traction)

The final trenching, and associated cable laying and backfilling, has been completed between Hendon grid station and Neasden depot. This completes a 5.7km cable route including two horizontal directional drills under the River Brent. Work has now commenced to join all the cables together.

All equipment at the new Upminster Bridge substation has now been energised, increasing power capacity and resilience at the eastern end of the District line.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
421.7	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 3B - Structural Works Substantially Completed at Farringdon	30-Oct-14	02-Oct-14	-	Complete	
Package 7B - 132kV Cable Factory Acceptance Test	31-Oct-14	17-Sep-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 3A - First Substation Full Completion	26-Jan-15	19-Dec-14	-	Complete	
Package 7 - Complete Trenching from Hendon to Neasden Playing Field	05-Mar-15	09-Jan-15	47	Complete	
Package 7B - Commence jointing	31-Mar-15	30-Mar-15	-21	Complete	Rescheduled to bring energisation and finished cable within time limits set by Distribution Network Operator.

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
SSR Power	40	46	6	12	The programme for installation of high voltage reinforcement cables across the network has been re-phased to align with the preferred bidder's programme. Risk has been re-phased on sub-station works on the Metropolitan and District lines to align with the contractor's programme.



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

Following a stage 1 feasibility study review in December 2014, a migration plan to identify programme dependencies in the most challenging areas of track power upgrade and train delivery was produced for the Northern line. Further reviews to develop an overall strategy are planned in June 2015 with approval of the final stage 2 feasibility report being sought in December 2015.

Availability of key resources continues to be a concern for both Jubilee and Northern lines to deliver the software changes required for Night Tube operation, but this is being managed in close collaboration with the SUP project team.

A contract brief was submitted to Siemens for the signalling work on Victoria line. Though the content of the brief has been agreed in principle, there remain a number of technical issues requiring resolution and discussion to enable them to price the work accurately.


Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
8.6	1,000.3	74.2	-926.1 ▲ -92.6%	The EFC exceeds current authority due to the inclusion of future uncommitted expenditure, which will be authorized as the programme develops.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Issue Pre - Feasibility Study report "Stage 0" to sponsor	30-May-14	16-May-14	-	Complete	
Issue Final Feasibility Study report to sponsor	31-May-14	30-Apr-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	-	Complete	-

Significant quarterly milestones movement

Milestone Description	Target Date	Q4 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Issue Invitation to Tender (ITT) for supply of Rolling Stock	28-Aug-15 	31-Jul-15	-126	Milestone delayed due to changing business priorities, though it still remains ahead of target.

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
World Class Capacity	6	28	21	77	The business has gone through a reprioritization process and expenditure has been rephased to future years.



Battery loco undergoing works

This programme is responsible for all renewals projects associated with legacy fleets and associated line signalling and communication systems. The aim is to ensure that the existing asset base is kept in a safe and reliable condition until planned 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 on the modernisation programmes across the network and delays will have an impact on its delivery.

Installation of the Automatic Track Monitoring System (ATMS) on S-stock trains was delayed as work was reprioritised following the rephasing of the SUP programme as part of the ATC contract negotiations. ATMS was fitted on three trains out of five, resulting in the achievement of the milestone on 24 February 2015. The remaining two S stock trains were completed at the end of March 2015 as planned and the facility was handed back to Bombardier Transportation. Post quarter four the modified trains were delivered to the depots.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
148.5	792.5	349.0	-443.5 ▲ -56.0%	The EFC exceeds current authority due to the inclusion of future uncommitted expenditure across a number of programmes that are in the early stages of development.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
92 TS Gearboxes 608 Gearbox Overhauls Complete	16-May-14	28-Mar-14	-	Complete	
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	03-Sep-14	-	Complete	
Battery Loco Life Extension Loco 12 - Complete	03-Mar-15	15-Dec-14	30	Complete	
Loco 13 Complete	23-Mar-15	23-Mar-15	-	Complete	
1612 Gearboxes Complete	31-Mar-15	23-Jan-15	-	Complete	
Battery Loco Life Extension 750v Upgrade 10th Loco Complete	24-Apr-15	02-Feb-15	24	Complete	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
ATMS Installed on 3rd S Stock	28-Oct-14	-119	This milestone was delayed due to reprioritising SUP work. Milestone has now been achieved.

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Legacy Train Systems	26	40	15	36	Reduced access to lifting roads at Ruislip and Hainault Depots on the Central line delayed the 1992 Tube Stock gearbox bearing replacement works. Other unapproved projects have been deferred and the tunnel cleaning train was terminated.



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 exhibited at MetroRail in March 2015. The Director of Major Programme Sponsorship presented LU's vision for the future tube.

Development of the rolling stock Invitation to Tender (ITT) suite of documents continued with a series of internal and external reviews. Cross working with other TfL teams that are also procuring rolling stock continues, to maximise alignment.

In support of the development of a programme information strategy, work commenced to develop a building information modelling (BIM) approach to articulate the requirements for the collaborative production of all programme data and to ensure compliance with the Government strategy.

Work continued to engage and gauge the railway control system supply market with a third round of supplier consultation meetings undertaken with positive feedback. The recommendations from the initial Infrastructure UK Routemap review are being considered.

The inverter trial was successfully completed during engineering hours and the electromagnetic compatibility safety case was signed off. This has enabled a trial of the inverter during traffic hours which is a significant engineering achievement with the further potential benefit of reducing our energy bill.

Lightweight glazing samples for the platform edge doors were delivered and the fabrication of the platform edge door frames was completed, ready for testing.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
33.9	57.5	59.1	1.6 ▼ 2.8%	EFC and authority covers design and specification until March 2016. The variance represents potential savings across the various work streams.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
PMM Piccadilly Line Rolling Stock PQQ Issued	17-Jun-14	31-Mar-14	-	Complete	
PMM NTfL Saloon Air Cooling Stage 2 (Hybrid) Report Complete	02-Jul-14	21-May-14	-	Complete	

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
PMM RS PQQ Shortlist Recommendation	19-Nov-14	01-Oct-14	-	Complete	

Significant quarterly milestones movement

Milestone Description	Target Date	Q4 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Issue ITT for New Tube for London (NTFL) Rolling Stock	29-Dec-15 ■	30-Nov-15	-278	Milestone moved to align the design and procurement phases of Rolling Stock & Railway Control Systems.



Vauxhall station shaft excavation

The Vauxhall station upgrade will reduce congestion and queuing, increasing station capacity and reduce 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

Following the relocation of staff accommodation, customers now have additional space within the ticket hall. The bus station lift strip-out was completed and the new lift is scheduled to be in service by October 2015.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
20.7	32.6	35.1	2.5 ▼ 7.7%	The reduction reflects savings against the signalling requirements and risk that did not materialise.

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)	08-Jan-16	18-Nov-15	-	●	



Embankment station platform

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)

The Integrated Stations Programme (ISP) will supersede the Station Stabilisation Programme (SSP). SSP commenced in 2013/14 and the first seven stations are in progress and due for completion during 2015/16. The ISP will deliver improvements at 26 stations by 2020. The improvements will remove safety and operational risks and bring assets back to an acceptable condition in order to keep stations safe, maintainable and operable.

Work was completed at Embankment, Baker Street and Farringdon stations on or ahead of target.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
94.8	696.3	163.6	-532.7 ▲ -76.5%	The EFC exceeds current authority due to the inclusion of future uncommitted expenditure not yet authorised.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Finish On site - Embankment	13-Mar-15	13-Mar-15	-31	Complete	Delayed as snagging works finalised.
Finish On site - Baker Street	31-Mar-15	31-Mar-15	-34	Complete	
Finish On site - Paddington	30-Apr-15	30-Apr-15	-20	●	Additional work required to the ceiling in the Lawn Ticket Hall.
Finish On site - South Kensington	21-Aug-15	24-Jul-15	-42	●	Delay occurred in obtaining access to switchroom due to the subsequent discovery of asbestos.
Finish On Site - Farringdon	31-Aug-15	21-Mar-15	-25	Complete	
Practical Completion - Earls Court	18-Sep-15	21-Aug-15		●	
Mandatory Asset Information Deliverable (MAID*) Approved - Baker Street	09-Oct-15	30-Apr-15	-20	●	Delayed in agreeing the final asset handover date.

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

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Stations Stabilisation Programme	59	51	-8	-15	The forecast increase is due to the Baker Street overbridge project and other works packages being brought forward from 2015/16.



Completed lift at West Ham 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

Eight escalators and four lifts were brought back into customer use across the network including Canary Wharf, Brixton, West Ham and Bond Street stations. Work has commenced at Elephant and Castle lifts.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
443.7	1,088.3	646.6	-441.7 ▼ -40.6%	EFC exceeds current authority due to the inclusion of future expenditure for 2015/16 to 2023/24 that is not currently authorised.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Hyde Park Corner E1 - Bring Into Use	01-Dec-14	03-Nov-14	-	Complete	
Bond St E3 & 5 Bring into Use	25-Jan-15	20-Nov-14	-	Complete	-
Bring into Use, Russell Square Lift 2	24-Feb-15	11-Feb-15	-	Complete	-

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Canada water E1 - Bring Into Use	10-Mar-15	10-Feb-15	-	Complete	-
West Ham L2 & L4 - Bring into Use	19-Mar-15	16-Feb-15	3	Complete	-
Green Park E4 - Bring Into Use	12-Apr-15	16-Mar-15	-3	Complete	-
Brixton - Return To Service E1	27-May-15	09-Apr-15	20	●	Additional working hours enabled work to be completed ahead of schedule post quarter four.
Queensway - Bring into Use L2	05-Jun-15	22-May-15	-16	●	Minor delay to lift 2 works but the completion of these works will not impact the end date.
Euston E1 - Bring Into Use	13-Jul-15	15-Jun-15	-4	●	
Canada Water E2 - Bring Into Use	20-Jul-15	22-Jun-15	-	●	
Kings Cross E 1-3 Bring into Use	03-Aug-15	06-Jul-15	-	●	
Angel E5 - Bring Into Use	13-Aug-15	09-Jul-15	-	●	
Green Park E9 - Bring Into Use	18-Aug-15	20-Jul-15	-	●	-

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Lifts & Escalators	53	59	6	12	There has been rephasing and reprioritisation across the programme of individual station Lift & Escalator works.



New interchange passenger tunnels two and four

The modernisation of Tottenham Court Road station 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

Following the opening of the new ticket hall, work started to demolish the old ticket hall and reduce the strain caused by the additional weight on the roof. Work on the wall to retain the New Oxford Street roadway has also started

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
402.7	485.7	538.0	52.3 ▼ 10.8%	Commitment to efficiency savings has 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	-	Complete	
Completion of Phase 1 (Partial Opening of Ticket Hall)	31-Mar-15	04-Jan-15	8	Complete	
TCR - New Passenger Facilities Open - (Annex B: 2016)	20-Nov-16	09-Sep-16	-	●	

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Tottenham Court Road Station	62	50	-12	-23	The main contract of this programme has been re-assessed, and reprofiled accordingly.



Bond Street tunnelling

The work at 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 of the Jubilee line platforms.

Milestone variance	●
Financial variance	●

Bond Street Station Upgrade

The project won 'Transport Team / Partnership of the Year' at the Annual London Transport Awards for the success of the 'One Team' approach. This is a collaborative approach with the contractor that maximises chances of successful project delivery by working closer together.

Concourse 2 was completed and is ready for breakthrough to the Crossrail link passage. Construction was also completed on the Jubilee line over-bridge and progress was made on the Crossrail link over the Central line. The hoarding was removed at the base of escalators 6, 7 and 8 and the area has been re-opened to the public

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority		Commentary
227.6	307.8	307.6	-0.2	▲ -0.1%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Close escalators 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	-	Complete	
Bond St station upgrade - practical completion (Annex B:2017)	28-Apr-17	23-Mar-17	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q4 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Over site development (OSD) frame to be handover to developer - planned date	28-Apr-17 ■	30-Mar-17	-181	We are now fitting out the OSD frame prior to handover to the developer adding value to TfL on disposal.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Tunnelling set up decommissioned	28-Sep-15	-232	The tunnelling construction methodology and sequencing was revised to maintain the overall project programme.

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Bond Street	46	30	-15	-50	Risk was rephased and drawn down upon from later years into 2014/15. This followed a renegotiation of the main contract to include incentivisation.



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 & City concourse.

Milestone variance ●
Financial variance ●

Bank (Waterloo & City)

The design of the station fit-out is progressing to plan and budget. The developer's construction works remain on plan for handover to us in August 2015. Proposals to incorporate the John Hutton glazed panels within the scheme were agreed.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
27.8	57.4	58.0	0.6 ▼ 1.0%	

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Contract award for implementation works	03-Feb-14	04-Aug-14	-	Complete	
Bank stn (W&C) - bring into use (Stage 5) (Annex B:2015)	31-Dec-17	31-Dec-17	-	●	



The 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 re-development of this critical interchange serving the financial centre of London is required to reduce congestion and improve journey times through the station, principally to the Northern line and DLR areas as well as provide step-free access to both areas. The work will include a new station entrance as well as construct a new tunnel and platform for the southbound Northern line and convert the old platform into passenger walkways.

The Corporation of London and London TravelWatch have confirmed that they will submit letters of support to the forthcoming Public Inquiry. We continue to work with key objectors to reach agreement with them. Evidence has been prepared to address the submissions presented by nine of the remaining key objectors. Post quarter, the Public Inquiry commenced on 14 April 2015 and is scheduled to last four weeks.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
137.6	607.6	254.3	-353.3 ▲-58.1%	The EFC exceeds current authority due to the inclusion of uncommitted expenditure for future phases of work.

Programme milestones forecast

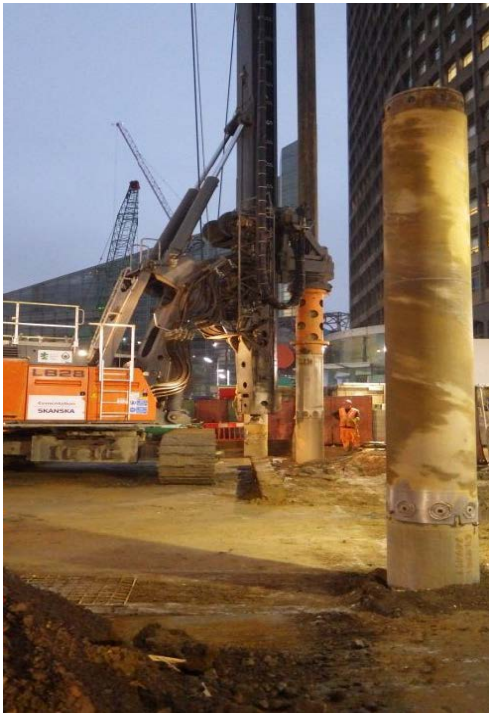
Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Submit for Transport & Works Act Order (TWAo)	27-Aug-14	14-Aug-14	-	Complete	
Completion of all designs in compliance with S1538	23-Feb-16	23-Feb-16	-	●	
TWAo Grant of Powers	15-Jun-16	21-Apr-16	-	●	
Start 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	-	●	

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

Project Name	Project EFC (£m at Q4)	% change since Q3 2014/15	Variance Commentary
Bank Station Capacity	608	7	Following a review of over station development income, the EFC has been increased accordingly

Year end actual v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
Bank Station Capacity	44	34	-10	-29	There is an increase due to the provision for freehold acquisition of properties. Also as a result of reprofiling of costs based on progressing the Transport and Works Act Order.



Victoria station upgrade Cardinal Place secant wall piling

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

We completed the civils works for the north ticket hall on 12 March 2015, achieving a significant milestone. Secant (interlocking) piling has been completed to form the Cardinal Place stairs and the second phase of interlocking piling has been completed for the westbound link. The pre-cast stairs for the new Wilton Road entrance were delivered and are ready for installation.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
396.3	606.2*	677.4	71.2 ▼ 11.7%	Commitment to efficiency savings has resulted in the forecast EFC being significantly below authority. Following TfL Board approval the EFC now also includes platform works, power supply upgrades and ventilation work for District & Circle platforms.

*EFC includes £20m of asbestos removal costs.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Ground Treatment Complete	11-Nov-14	11-Sep-14		Complete	
North Ticket Hall Civils Complete	13-Mar-15	12-Mar-15	-38	Complete	
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) - DIS (Annex B:2016)	23-Oct-16	31-Dec-16	-	▲	Review of mitigation actions to recover to target underway

Significant quarterly milestones movement

Milestone Description	Target Date	Q4 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
South Ticket Hall and remainder of VSU works (Sectional completion S4) - DIS (Annex B:2018)	04-Jun-18 ▲	21-Nov-17	-62	The requirement to line the Thames Water sewer in Victoria Street has added approximately nine weeks to the schedule though the milestone remains ahead of target.

Year end actual v budget (+/- £5m)

Project Name	Year end Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
Victoria Station Upgrade	77	88	12	13	There is a reduction due to the main contractor rephasing work into future years. This mainly impacts the fit-out and station modernisation package.



Whitechapel Station Winthrop St bridge removal

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 Crossrail network will be operational in 2019, connecting Reading and Heathrow in the west, across to Shenfield and Abbey Wood in the east. The construction includes 21 km of twin tunnels running under central London connecting Paddington with the Isle of Dogs and Pudding Mill Lane. As a result, the Crossrail works will impact directly and indirectly on the existing London Underground network and associated infrastructure.

London Underground will be the Infrastructure Manager for 5 Central Stations; Bond Street, Tottenham Court Road, Farringdon, Liverpool Street and Whitechapel. London Underground is supporting Crossrail by facilitating the design and build to ensure successful handover into LU operations and maintenance of the 5 stations.

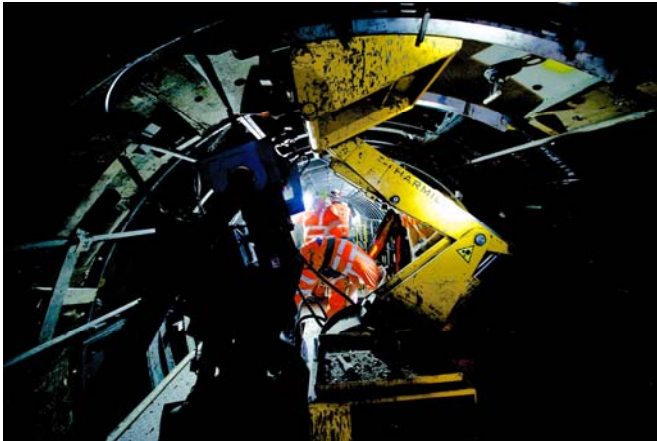
Approval was given for Crossrail's decommissioning of ground movement monitoring equipment at Bond Street station in the Jubilee line running tunnels, bringing to a successful close a major Crossrail interface with LU infrastructure. Two bridges at Whitechapel were removed during possessions and an escalator was removed at Moorgate to facilitate Crossrail's adjacent tunnelling works.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
230.4	293.0	253.5	-39.5 ▲ -13.5%	The EFC exceeds current authority due to the inclusion of future 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	-	●	-



Baker Street to Bond Street crown replacement work

The Baker Street to Bond Street tunnel lining project will replace 215 metres 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 314 rings have been successfully installed. There are 45 rings remaining of the original 359 tunnel rings. The project is confident that this will be achieved by the completion date of June 2015, four months earlier than the original programme.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
28.1	34.3	34.4	0.1 ▲ 0.3%	

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	



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 supports the regeneration of the Vauxhall Nine Elms Battersea 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 Underground network. The extension is expected to reduce pressure on Vauxhall station and the wider infrastructure will grant better access to leisure and employment opportunities and support the creation of 25,000 new jobs and the delivery of 16,000 new homes.

We took formal possession of the four main work locations at Battersea Power Station, Nine Elms, Kennington Park and Kennington Green. The Nine Elms site establishment made good progress, with Sainsbury's completing the removal of their temporary store and handing over responsibility for the site.

Two contracts were awarded to NFM Technologies for the design, manufacture and delivery of two tunnel boring machines which are planned to be launched in summer 2016 and Joy Global for the design, manufacture and delivery of the conveyor that will remove waste.

The Nine Elms station and over-site development public consultation was launched on 16 March 2015 and concluded post quarter on 7 April 2015. Public drop-in sessions were held as well as a session with residents of the sheltered housing scheme in Pascal Street; these saw a high volume of attendance.

Battersea Park Station Development Company (BPSDC) have requested further changes which could significantly impact the current station design leading to further time delays and increase the design and construction costs. We are working closely with Ferrovial Agroman Laing O'Rourke and Mott MacDonald to understand the impact of these changes. In addition, we are looking to BPSDC to agree a formal deed of variation to the funding and delivery agreements to reflect the revised requirements and station design.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
124.5	968.6	1,044.0	75.4 ▼ 7.8%	Cost savings have been identified following the award of the main design and build contract, predominantly through inflation savings and the finalisation of engineering resource requirements.

Programme milestones forecast

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Award Tunnel Boring machine contract	16-Mar-15	03-Mar-15	-54	Complete	
Site mobilisation, office establishment and welfare	27-Mar-15	13-Feb-15	35	Complete	
Commence demolition of Covent Garden Market Association (CGMA) boiler house	27-Mar-15	27-Mar-15	-	Complete	
Possession of Site at Nine Elms	30-Mar-15	16-Feb-15	7	Complete	
Possession of Site at Kennington Park	31-Mar-15	16-Feb-15	58	Complete	
Mobilise for Bentonite farms	18-May-15	18-May-15	-41	●	Earlier quarterly movement corrected when TfL target date was moved.



The Northern line 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 Modernisation

The successful introduction of the new timetable 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 an additional 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.

Reliability on the Northern line has improved to three delay minutes per day from 15 minutes last quarter, this brings it below the target four minutes.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
373.9	388.4	464.4	76.0 ▼19.6%	Cost savings have been achieved in the delivery of the Northern line signalling upgrade through risks not materialising and realisation of our share of the savings being made by the signalling contractor.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
All Northrn 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	-	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

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

The contractor's latest forecast to complete all the Northern line trains is the end of May 2015 which is a delay to the February 2015 target.

There are a further 63 trains on the Jubilee line that will be refurbished. The contract to carry out this work is due to be let in June 2015 and work will commence in November 2015.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
28.3	56.7	67	10.3 ▼18.2%	The EFC reflects an agreed reduced forecast cost target. Work is underway to achieve the delivery of the refurbishments by ensuring that all scope delivered provides value for money.

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	-	Complete	-
Northern line Complete fitment of 106 trains	28-Feb-15	31-May-15	-38	■	Slippage due to resourcing issues causing a slower than planned turnover of each train. Impact to the business is low.
Award "key" contracts for Jubilee line rolling stock midlife fit out	28-Feb-15	28-Jun-15	-31	■	Milestone deferred to take into consideration a later start of the refurbishment of the Jubilee line trains due to delays on the Northern line train fitment.
Northern Line Rolling Stock Mid-Life Refurbishment - Project Closeout	28-Dec-15	30-Nov-15	-91	●	
Complete JL fitment of the first train	05-Jan-16	08-Dec-15	-19	●	

London Rail



Platform track slab laying at Wimbledon station

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

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

The re-modelling of platform 10 commenced at Wimbledon station with the start of excavation and track slab installation work.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
18.9	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	

Year end actual v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
Wimbledon Line Enhancements	13	21	7	35	Programme slippage resulting from late site clearance on Platform 10 and delays to twin tracking work, partially offset by acceleration of Tram deliveries.



Development of the C-Sidings at Willesden

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

All platform extensions on the North London line have been brought into use in readiness for five-car services which will begin to roll out on this part of the network from April 2015. Adding the fifth carriage to the existing stock will increase capacity by 25 per cent and help ease congestion.

Work also continued at Willesden to prepare the depot facilities and sidings to accommodate the five-car trains.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
135.4	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	-	Complete	

Year end actual v budget (+/- £5m)

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
Overground Capacity Improvement	81	97	16	16	The variance reflects delayed works on New Cross Gate depot and North London line stations works. This change was reflected within the Q3 forecast and has no impact on EFC.



Installation of the gull-wing canopy over Crystal Palace Station

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

Milestone variance ●

Financial variance ●

London Overground Stations Capacity Programme (LOSTAT)

Platform widening work at West Hampstead station has been completed and excellent progress has continued at the other priority stations. At Crystal Palace station, installation of the gull-wing canopy over the platforms is underway; steel support work has commenced for the Hackney Interchange scheme and the installation of new lift shafts at South Tottenham and Kensal Rise stations.

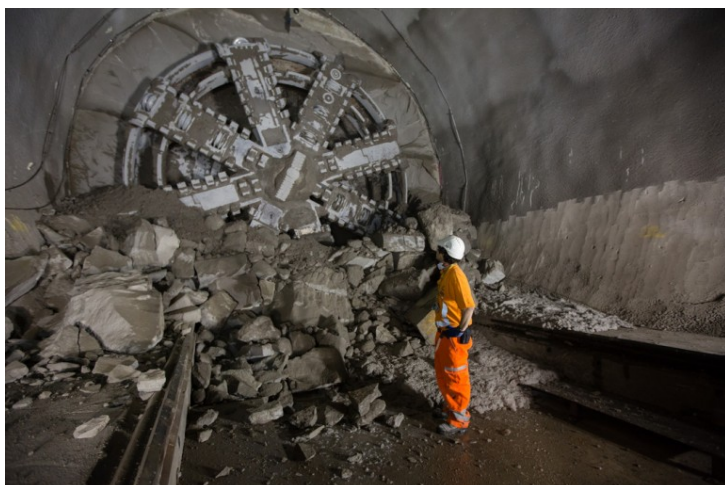
Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
12.4	35.4	29.3	-6.1 ▲ -17.2%	The EFC exceeds current authority due to the inclusion of uncommitted expenditure for future phases of work.

Programme milestones forecast

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

Crossrail



Tunnelling machine Victoria arrives at Liverpool Street – March 2015

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 four Crossrail remains on time and within the funding envelope of £14.8bn. Overall, the project is now almost 65 per cent complete. Tunnel Boring Machine tunnelling is more than 95 per cent complete. The £2.3bn upgrade of the existing rail network for Crossrail being undertaken by Network Rail is 40 per cent complete with progress on a number of surface stations (including Harold Wood, West Drayton, Goodmayes, Southall and Hayes & Harlington).

During the quarter around £350m was spent progressing the project. While our cost and schedule performance remained stable, challenges are being addressed and mitigations identified. There remains a 20 per cent chance that some of the £600m TfL contingency funding may be needed.

Three of the four scheduled milestones for the year were not achieved. These have been rescheduled without affecting the critical path in the new master operational handover schedule which has been developed ready for implementation in quarter one 2015/16.

Crossrail anchor milestones forecast

Anchor Milestones	Baseline Early Date	Baseline Late Date	Actual / Forecast	RAG	Commentary
Scheduled* Q4 2014/2015					
Network Rail – Stage B1 Abbey Wood Interim Station Complete	04-Jan-15	25-Jan-15	27-Oct-14	Complete	
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	■	Slower than planned progress at Whitechapel station has delayed achievement of this milestone by three weeks.
ENG – Complete all Interim Design Overviews	30-Jan-15	31-Mar-15	27-Nov-15	■	Stations, portals, shafts and system-wide contracts were separated reviews in February 2015. There is no additional risk as the reviews are now being undertaken at the appropriate time in the design life cycle.

Anchor Milestones	Baseline Early Date	Baseline Late Date	Actual / Forecast	RAG	Commentary
TBM tunnels 100% complete	31-Mar-15	14-Apr-15	16-May-15	■	Delay was experienced for the two TBMs driving to Liverpool Street Station as well as increased duration required for the traverse of the station.
Scheduled* 2015/2016					
Network Rail – Western outer signalling – relock recontrol data change complete	06-Apr-15	06-Apr-15	06-Apr-15	●	
Whitechapel - Complete Phase I Durward Street Shaft / Handover to C510 station tunnels for escalator installation	23-Apr-15	08-Jul-15	23-Apr-15	●	
Systems – Complete signaling design for trainborne equipment	30-Apr-15	30-Jun-15	30-Apr-15	●	
Network Rail – Infrastructure complete for systemwide installation at Plumstead	11-May-15	11-May-15	11-May-15	●	
Completion of Y Drive tunneling	16-May-15	31-May-15	16-May-15	●	
Drive H - Thames Tunnel available for systemwide installation	15-Jun-15	08-Sep-15	15-Jun-15	●	
Handover Victoria Dock Portal to systemwide	25-Jun-15	18-Sep-15	25-Jun-15	●	
Access via Fisher Street to FTS West of TCR for C610	01-Aug-15	01-Oct-15	01-Aug-15	●	
Final handover of Bond Street western ticket hall	31-Aug-15	25-Nov-15	31-Aug-15	●	
Nine urban realm principal station consents obtained for central section	11-Nov-15	04-Feb-16	11-Nov-15	●	
ETCS completion of outline design	30-Nov-15	30-Nov-15	30-Nov-15	●	
Handover East and Westbound running tunnels Victoria Dock Portal to Stepney Green	30-Nov-15	25-Jan-16	30-Nov-15	●	
Access through Pudding Mill Lane portal for track delivery by systemwide	01-Dec-15	11-Dec-15	01-Dec-15	●	
Network Rail – Completion of Old Oak Common stage works (KD32)	04-Jan-16	04-Jan-16	04-Jan-16	●	

Anchor Milestones	Baseline Early Date	Baseline Late Date	Actual / Forecast	RAG	Commentary
Westbourne Park railhead established and ready for track installation	15-Feb-16	15-Feb-16	15-Feb-16	●	

MOHS – Crossrail Master Operational Handover Schedule version 1 RAG Key

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

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

Surface Transport

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Surface Transport

Investing in assets

This £1.8bn investment portfolio will bring our assets up to, and maintain them in, a good state of repair to deliver more reliable journeys to road users. 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.



Internal deviator steelwork External post tension cable installation

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

Milestone variance ●

Financial variance ▲

Hammersmith Flyover Strengthening

This final phase of work follows on from repairs made in early 2012 to strengthen Hammersmith flyover by summer 2015. Completed in 1961, the Hammersmith flyover carries the four-lane A4 arterial road over the Hammersmith gyratory and links the west to central London. Strengthening the flyover will prolong its life and mean no major maintenance will be required for many years.

The request to increase the financial, project and procurement authority and rebaseline the published milestones, due to the significant amount of additional works required to further strengthen the bearing pits, was approved by TfL Board on 4 February 2015.

The additional strengthening of the bearing pits has now been completed and the work to replace the bearings is underway, with 36 jacking operations during full night-time closures of the flyover being undertaken. This has allowed seven sets of bearings to be replaced. The installation of the external post tensioning anchors was completed and the stressing of the cables commenced. All of the internal long tendon deviator steelwork has been completed and the installation and stressing of the cables will start next quarter.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
69.3	101.1	101.1	0.0%	Due to the significant amount of additional works required to further strengthen the bearing pits TfL Board approved an increase in Financial, Project and Procurement Authority to £101.1m in February 2015.

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	
Post-tensioning tendon stressing commenced	26-Jun-15	16-May-15	-	●	

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Bearing installation completed	31-Dec-14	-294	Due to the significant amount of additional works required to further strengthen the bearing pits TfL Board approved a re-baselined milestone of 21 October 2015.
Project close completed	27-Nov-16	-109	Due to the significant amount of additional works required to further strengthen the bearing pits TfL Board approved a re-baselined milestone of 21 March 2017.
Finish on site completed	30-Aug-15	-108	Due to the significant amount of additional works required to further strengthen the bearing pits TfL Board approved a re-baselined milestone of 31 March 2016.

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

Project Name	Year end Actual (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
Hammersmith Flyover Strengthening	51	46	-5	-11	A significant amount of additional works to further strengthen the bearing pits has been carried out.



A1 Archway road carriageway 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 four delivery included 191,416m² of carriageway resurfacing at locations including A102 and A2 Rochester way, A23 London road and A3 Roehampton vale. A third of the 38,475m² of footway resurfacing was delivered at A1 Lyttleton Road and A20 Sidcup Road. Expansion joints were replaced at A2-11 Birdbrooke Road, Lea Valley Viaduct and Ilford Flyover North as well as other repairs made on another 22 bridges. Fifteen pumping stations were upgraded including A4 Chiswick Lane and the A4 Hogarth Roundabout Subways. The programme also delivered 4,013 luminaires and 8.5km of vehicle restraint barriers.

Slower than forecast delivery and road space availability contributed to a back-ended programme in 2014/15 – as a result, higher than normal delivery rates were required in Quarter 4 to achieve targets. Targets were achieved through collaborative working and a great team effort - in TfL and the supply chain. Lessons learnt from the 2014/15 delivery are being used to improve processes and practices to smooth 2015/16 delivery.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
537.5	1,096.1	569.0	-527.1 ▲ -48.1%	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	746,147	771,802	133% of annual target achieved.
Footway resurfacing	m ²	55,370	58,354	62,477	105% of annual target achieved.
Lighting columns	No.	1,000	1008	1200	101% of annual target achieved.
Luminaires renewed	No.	1,900	5,619	2,518	296% of annual target achieved.
Vehicle restraint barriers	km	13	14.3	15	110% of annual target achieved
Bridges repaired	No.	37	37	45	100% of annual target achieved.
Pumping station upgrades	No.	12	24	24	200% of annual target achieved.

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

Project Name	Year end Actual (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
TLRN Capital Renewal	63	56	-8	-13	Accelerated expenditure on energy efficient street lighting, carriageway resurfacing and Pumping station upgrades.

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.



Artist's impression of how the space could look.

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

Milestone variance ●

Financial variance ●

Elephant & Castle Northern Roundabout

The concept urban realm design was finalised in February 2015 and the detailed highway design was completed in March 2015. Further developments on the principle of the urban realm design are taking place, such as the layout of the street furniture and details on the paving arrangement. The bespoke elements are also progressing well for items including a one piece dropped kerb, large piece corner stone and high quality lighting column. These elements will be amalgamated into the detailed design by June 2015 and highway works started on site post quarter as planned on 9 April 2015.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.3	24.4	4.0	-20.4 ▲ -83.6%	The project was endorsed by the Finance and Policy Committee (F&PC) on 22 January 2015 and has now obtained the authority to spend the full £24.4m.

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	-	Complete	

Milestone	Current Plan Date	Actual/ Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Commencement of Phase 1 - Highways (*SG5.1 - Start)	11-Apr-16	13-Apr-15	-	●	Works commenced on site on 9 April 2015.
Substantial Completion of Phase 1 - Highways	02-Jun-17	30-Apr-16	-	●	
Completion of Phase 1 - Highways Construction Stage (*SG5.1 - Cert)	26-Sep-17	31-Dec-16	-	●	
Commencement of Phase 2 - Peninsular (*SG5.2 - Start)	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 (*SG5.2 - Cert)	30-Jun-20	30-Jun-20	-	●	
Project close	31-Mar-21	31-Mar-21	-	●	

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.



Artist's impression of changes at Stockwell Gyratory

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

Main construction works started at Oval Triangle on 22 March, following the commencement of enabling works in December 2014.

Public consultation reports for both Archway Gyratory and Stockwell Cross were published on 25 March 2015, following consultation in late 2014. The majority of respondents thought the proposals would deliver improvements for cyclists (63% for Archway, 75% for Stockwell) and pedestrians (68% for Archway, 69% for Stockwell). Following post-consultation design changes, and subject to relevant approvals, works are planned to start at Stockwell in late 2015 and Archway in early 2016.

Concept design continues for the Westminster Bridge South project, and proposed traffic modelling is being completed ahead of planned public consultation in summer 2015. Feasibility design activities are progressing for other Better Junction schemes.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
16.8	61.0	24.4	-36.6 ▲ -60.0%	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 Oval. 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	-	●	
Stockwell Gyratory: Start of main works construction	15-Dec-15	17-Nov-15	-	●	
Oval Triangle construction complete	31-Mar-16	03-Mar-16	-	●	



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 Superhighway Route 2 Upgrade – installation of the new segregated kerbs

Cycle Superhighways

Within this quarter, public consultations have been completed for Cycle Superhighway Routes 1, 3 Upgrade, 8 Upgrade and the additional phase of consultation for sections of East-West. Some design changes are being made to all of these routes following consultation. Detailed design has progressed this quarter for Cycle Superhighway Route 11 which is scheduled to start public consultation in August 2015.

Construction has commenced on Cycle Superhighway Routes East-West, North-South, 5 Inner and 2 Upgrade. Construction of Cycle Superhighway Routes 1 and 3 Upgrade is scheduled to start in July 2015 and October 2015 for route 8 Upgrade.

Project and procurement authority for construction was approved at TfL Board on 4 February 2015.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
53.7	216.3	161.7	-145.7 ▲ -68.6%	The authority relates to construction of routes East-West, North-South, 1, 5 Inner, 2 Upgrade and Upgrades to 3, 7 & 8, which was approved at TfL Board on 4 February 2015.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
CS11 Start of detailed design	02-Mar-15	02-Mar-15	-	●	
CS5 (Inner) Start of construction	04-May-15	09-Feb-15	- 118	Complete	
CS2U Start of construction	04-May-15	09-Feb-15	-	Complete	
NS Start of construction	30-Jun-15	09-Mar-15	29	Complete	
EW Start of construction	21-Jul-15	28-Apr-15	-	●	
CS 3, 7 & 8 Upgrades Start of Construction	30-Nov-15	07-Sep-15	-	●	
CS4 Start of construction	23-Sep-16	01-Jul-16	-	●	

Significant quarterly milestones movement

Milestone Description	Target Date	Q4 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
CS11 Start of construction	30-May-16 ■	07-Mar-16	-118	Delay in public consultation from May to August 2015 has caused a subsequent delay to the start of construction to March 2016.
CS1 Start of construction	11-Jan-16 ●	06-Jul-15	91	CS1 public consultation was brought forward to pre General Election purdah period resulting in an earlier start on site for construction.

Significantly late milestones

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
CS4 Start of detailed design	01-Sep-14	-456	The programme has been re-baselined following agreement with the sponsor and Cycling Commissioner. Target date cannot be changed as this is a budget deliverable for 2014/15.

EFC exceeds authority (more than 2.5 per cent)

Project Name	RAG	% over	£m	Variance Commentary
Cycle Superhighways	■	-34	55	The difference between Project Authority and the EFC relates to the construction of East West phase 2, CS 4, CS 11 and CS 5 Ext, which will be delivered post May 2016.

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

Project Name	Year end Forecast (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
Cycle Superhighways	17	28	12	42	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 delaying the

start of the construction for a number of the routes.



Ruckholt Road scheme in Waltham Forest, to complete mid 2015

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

Milestone variance ●

Financial variance ●

Cycling Mini Hollands

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. Two key projects in Waltham Forest are now under construction; Pembroke Road (Walthamstow Village) and Ruckholt Road. Construction on Enfield's Greenways and Quieter neighbourhoods is due to commence in the first quarter of 2015/16.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
3.2	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.



St Pancras Road, Camden – 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's Approval has been given for 44 of the 125 schemes, consultations are on going or complete for 25 of these schemes. The quality of designs being produced by Delivery Partners has been good and consultation responses positive. The St Pancras Road scheme in Camden has started on site and is the first significant scheme with segregated facilities to be constructed on the Grid. The two sections of Grid that form part of the first two Quietways Q1 and Q2, have also begun construction ahead of their launch in summer 2015.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
3.6	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	-	●	
Phase 3 approval to commence construction	30-May-15	30-May-15	-	●	

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
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	Q4 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.



Lynton Road/Chaucer Drive in LB Southwark, part of Q1

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 have been completed 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 summer 2015. 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 total of seven routes are due for delivery by May 2016, with a further 25-30 routes to be substantially complete by the end of 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 Tranche 2. Sustrans are now working as TfL's Delivery Agent on the Quietways programme.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
1.7	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.

Significant quarterly milestones movement

Milestone Description	Target Date	Milestone Bud Var (Days)	Variance Commentary
Detailed design of QW Waterloo to Greenwich completed	15-Mar-15 ▲	-16	Design completion to be reforecast to March 2015 as some key sections yet to be agreed with Cycling Commissioner.
Detailed design of QW Bloomsbury to Walthamstow completed	15-Mar-15 ▲	-16	

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 spot speed safety camera at Millbank.

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 four, 88 of 349 spot speed and 130 of 248 red light wet film cameras were replaced with digital cameras with the plan still on target to replace the remaining cameras by October 2016. These new digital cameras can monitor speed in both directions when located on the central reservation, 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 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
13.7	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 (£m)	Variance %	Variance Commentary
Safety Camera Replacement Project	13	21	8	37	Delay to procurement process due to the receipt of poor quality bids, inclusion of 20mph requirement and delay in achieving F&PC approval.

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.



Access point 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 Department for Transport milestone and the overall programme to deliver SCOOT technology to 1,500 traffic signal sites by September 2018, is on track. The end of year 2014/15 budget milestone of 600 sites commissioned was missed with 502 sites being achieved. This was due to the mobilisation of the new traffic signals maintenance contract Traffic Control Maintenance and Related Services 2 (TCMS2) which impacted the delivery rate.

The next milestone is to have 600 sites ready for enabling by the end of June 2015. This milestone will be challenging as it is currently behind forecast with only 309 sites ready for enabling against a forecast of 365 at the end of the financial year 2014/15. The main focus is to deliver sites in regions that can be enabled. The project team are working closely with the TCMS2 contractors to ensure the delivery rate is increased and maintained at the agreed level to meet this milestone.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
11.8	40.3	21.1	-19.2 ▲ -47.6%	Reduction in EFC owing to lower unit costs to date (circa £11.8m) and remainder relating to removal of full modernisation costs from April 2015, following agreement that in most cases these will be met by the Traffic Systems Modernisation budget.

Programme milestones forecast

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
Enabling completed for 200 sites	30-Sep-14	24-Sep-14	-	Complete	
Designs completed for 600 sites (cumulative)	31-Dec-14	07-Nov-14	-	Complete	

Snagging and paperwork completed for 320 sites commissioned	31-Mar-15	27-Mar-15	4	Complete	
600 sites commissioned (cumulative)	31-Mar-15	28-Jun-15	-89	▲	Missed milestone due to the reason mentioned in the narrative above.
537 sites commissioned (cumulative)	31-Mar-15	18-May-15	-48	▲	
600 sites enabled (cumulative)	28-Oct-15	30-Sep-15	28	●	
Enabling completed for 1500 sites (cumulative) (Annex B: 2018)	30-Sep-18	31-Aug-18	30	●	

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

Project Name	Year end Actual (£m)	Year budget (£m)	Variance (£m)	Variance %	Variance Commentary
Road Space Management SCOOT	9	14	5	38	£4m an underspend related to lower unit costs. £1m is as a result of the programme under delivering by 98 against a target of 600 due to a lack of sufficient resources. We continue to working to address this.

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

The LRUC go-live has moved from 1 November 2015 to 31 January 2016 due to the go-live date being driven by Capita's delivery timescales for service critical changes (Low Emission Zone, Web Account Authentication and the Mobile App for Congestion Charging) that are required by TfL. This additional time will minimise any impact on our customers.

Delays in System Integration Testing (SIT), has resulted in Capita not achieving System Development and Configuration Complete by 30 March 2015, impacting other dependent milestones. The top priority for the project is to ensure TENP SIT, User Acceptance Testing (UAT) and cutover activities are completed in time for TENP go-live on 22 June 2015.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
35	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	24-Apr-15	-25	▲	Forecast date to be revised to 8 May 2015, based on Capita Remedy plan

Milestone	Current Plan Date	Actual/Forecast Date	Movement since last quarter (Days)	RAG	Commentary
TE Service Proving complete	28-Jun-15	31-May-15	-	●	Current plan date now 31 May 2015
Traffic Enforcement Notice Processing go-live	22-Jun-15	22-Jun-15	-	●	
CC/LEZ System development and configuration complete	28-Aug-15	31-Jul-15	-	●	Current plan date to be revised to 29 October 2015
LRUC service proving complete	30-Sep-15	30-Sep-15	-	●	
Business Operations service go-live	01-Nov-15	01-Nov-15		●	Forecast date to be moved to 31 January 2016 to accommodate delivery of service-critical changes
Enforcement Operations service go-live	01-Nov-15	01-Nov-15		●	Forecast date to be moved to 31 January 2016 to accommodate delivery of service-critical changes



New Routemaster at Piccadilly Circus

New Routemaster (NRM) will deliver 800 New buses built by Wrightbus in Ballymena by the end of April 2016, using the same generic design as the prototypes that were introduced in February 2012.

Milestone variance	●
Financial variance	●

New Routemaster

By the end of quarter four a total of 452 New Routemaster buses had been delivered in to service. During quarter four Route 55/N55 and Route 15 were successfully converted bring the total number of routes using NRM buses to 12. Additionally conversion of Route 12 commenced during March 2015 increasing the total number of Euro VI engine vehicles in service to 96.

Programme financial forecast

Spend to end Quarter 4, 2014/15 (£m)	EFC £m	Authority £m	Variance to Authority	Commentary
165.7	285.6	302.5	16.9 ▼5.9%	£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: New points at Earls Court

Financial performance

1.1 Full-year investment expenditure was £165m lower than Budget, a variance of just over six per cent, and £19m lower than forecast a variance of one per cent.

Table 1: Investment programme financials as of Quarter 4, 2014/15

TfL group (£m)	Full year 2014/15				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Actual variance to Quarter 3 forecast
London Underground	(1,458)	(1,605)	147 ▲	(1,452)	(6) ▼
London Rail	(227)	(254)	27 ▲	(236)	9 ▲
Surface Transport	(597)	(592)	(5) ▼	(608)	12 ▲
Corporate directorates	(112)	(110)	(2) ▼	(116)	4 ▲
Total TfL investment	(2,393)	(2,560)	165 ▲	(2,412)	19 ▲

1.2 Over the full-year, TfL was £165m under Budget primarily due to a combination of: £603m of project rephasing to future years, including the Sub-Surface Rail upgrade, Capacity Optimisation projects including Northern Line Extension, Infrastructure Renewals, the London Overground Capacity Improvement project and Cycle Quietways and the Central London Cycling Grid. This was partly offset by £349m of overprogramming and net increase in project scope of £78m partly offset the project rephasing.

Table 2: Investment programme causal analysis, Quarter 4 full-year variance to Budget, 2014/15

TfL group (£m)	Full-year variance to Budget
Acceleration	(51) ▼
Change in scope	(78) ▼
Inflation	0 ►
Rephasing	603 ▲
Savings and efficiencies	6 ►
Release of overprogramming and contingency	(349) ▼
Other	36 ▲
Total	165 ▲

- 1.3** London Underground investment expenditure was £147m lower than Budget over the full year, mainly from £204m of expenditure rephased to future years. Rephasing includes £151m on the SSR upgrade, due to schedule slippage in awarding the ATC programme contract and the corresponding rescheduled train and spares deliveries. In addition, £128m of Capacity Optimisation expenditure is rephased, including expenditure for the Northern Line Extension to align with the revised schedule following the contract award. Within Infrastructure Renewals, £63m was rephased due to reprioritising the schedule on the Rail Defects Reduction programme and optimising the scope on civils works. In addition, £36m of Stations Capacity upgrade works, including Bank Congestion Relief and Victoria Station Upgrade projects, and £60m of Fit for the Future – Stations, have been rephased with a revised implementation schedule. Rephased variances were offset by the release of a £237m overprogramming provision. In addition, £34m of additional expenditure was required for new activities mainly relating to additional scope on infrastructure track renewals and the SSR interoperability project.
- 1.4** London Rail investment expenditure was £27m lower than Budget over the full year. This mainly relates to rephased expenditure including: £22m for London Overground capacity improvements, stations and renewals programme, including introduction of the five-car trains; £14m on the DLR relating to Beckton train shed works and North Route double tracking, £6m for the Tramlink Wimbledon project; £6m from Crossrail unutilised contingency. Variances from rephasing have been partly offset by the release of £27m of overprogramming.
- 1.5** Surface Transport investment expenditure was £5m higher than Budget for the year. This was due to slippages of £92m, which were offset by the release of £85m of overprogramming and £15m of works accelerated into 2014/15. Slippages including £25m of rephasing of Local Implementation Plans major schemes, Cycle Grid, Cycle Quietways and roads upgrades and Cycle Super Hubs in line with revised delivery plans. In addition there were £12m of Cycle Superhighways expenditure delays, £8m from the Road Safety Camera Replacement Project, £6m from Cycling, Road Safety and Cycle Super Hubs, £4m on energy efficient street lighting, £5m on Congestion Charging & Traffic Enforcement contract re-let, £9m on Power Bridge Road, Woodlands Retaining Wall, Upper Holloway Bridge and Ardleigh Green Bridge and £10m on Borough roads and bridges which was funded by the DfT. Cost increases including £5m on Hammersmith Flyover for additional strengthening works offset with lower units costs on SCOOT. These slippages were offset by £15m of accelerated works on the Fore Street Tunnel, Hogarth Flyover and delivery of three new Routemaster buses ahead of schedule. An overprogramming provision of £85m was released to offset project rephasing.
- 1.6** Over the full year, investment expenditure across the Corporate directorates was broadly in line with Budget with a slight variance of £2m. However, there are notable variances across the Corporate Directorates, such as; £36m accelerated expenditure approved following budget finalisation for the Earls Court Joint Venture which aims to secure long-term income stream to TfL, 40 Long Acre, Stucley Place, 211-213 Whitechapel, Embankment and Southwark station has been accelerated from future years. These have been offset by £15m of IM projects which have been re-profiled to 2015/16 such as; JNP, Run Better, End User Computing and Technical Refresh. £16m Management contingency due to phasing of Corporate projects, £3m within Customer Experience which is predominantly due to the re-profiling of FTP phase 3

development to next financial year and £4m within Planning which offsets within third party capital contributions.

- 1.7** Over the full-year, TfL's total investment expenditure was just £19m lower than forecast, a variance of less than one per cent from a total programme of over £2.5bn.

Table 3: Investment programme causal analysis, Quarter 4 full-year variance to Forecast, 2014/15

TfL group (£m)	Full-year variance to Forecast
Acceleration	0 ►
Change in scope	(13) ▼
Inflation	0 ►
Rephasing	161 ▲
Savings and efficiencies	10 ▲
Release of overprogramming and contingency	(131) ▼
Other	(8) ▼
Total	19 ▲

- 1.8** London Underground investment expenditure was £6m higher than forecast, with £4m rephased into future years. This is made up of £41m from the SSR upgrade, mainly due to the rescheduled delivery for rolling stock spares and alignment of other works with the revised ATC schedule whilst we work towards the contract award; £31m within Stations, mainly due to the delays on property acquisitions and compensation payments within the Bank Congestion Relief programme; and £21m within Capacity Optimisation including a change in the rail grinding strategy for the Northern Line Upgrade track speed improvements and delays on the Northern Line Extension tunnel boring machine procurement and related insurance. These rephased variances are offset by the release of a £101m overprogramming. There was an acceleration of £10m driven by the completion of additional track drainage works ahead of schedule.

- 1.9** London Rail investment expenditure was £9m lower than forecast. This is primarily due to rephased costs totalling £24m including: £7m for additional Trams purchase, rephased Tramlink maintenance and reassessment of Wimbledon double tracking project; £6m unutilised contingency; £3m for various DLR delays; offset by £8m overprogramming release.

- 1.10** Over the full-year, Surface Transport investment expenditure was £12m lower than forecast. This is primarily due to £26m has been re-profiled to future years, including £5m on the Structures & Tunnels Improvement Programme, £4m for the Hammersmith Flyover, Upper Holloway Bridge and Ardleigh Green Bridge and £4m from slippages on the Central London Grid and Cycling Quietways. We have also made cost reductions of £9m, including £5m from lower

system implementation costs on the Congestion Charging and Traffic Enforcement contract award, which was partly offset by cost increases totalling £3m from a number of minor movements. These variances are offset by £22m overprogramming release.

- 1.11** Investment expenditure across the Corporate directorates was £4m lower than forecast for the full- year. This is primarily due to £9m of Commercial Development projects which have been rephased into 2015/16, including the delay to purchase rights of insurance for Earls Court, development of Alperton, Buck Street and Southwark stations, as well as delay to the roll out of Automatic Number Plate Recognition and bay sensor technology across TfL car parks. These favourable variances have been partly offset by the £5m reclassification of IM operating costs to capital.

Variance Definitions and Key

Programme financial forecast

This report shows variance the between authority and Estimated Final Cost (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.