

Date: 5 June 2014

**Item 5: Operational and Financial Performance Report and
Investment Programme Report – Fourth Quarter,
2013/14**

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 2013/14 (7 December 2013 – 31 March 2014).
- 1.2 These reports will be considered by the Board at its meeting on 3 July 2014.

2 Recommendation

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

3 Reporting improvements

- 3.1 In order to provide clarity and consistency between financial information presented in the OFR and the IPR, a reconciliation between the investment programme financials and capital expenditure (in the OFR) is included in Appendix B of the OFR.
- 3.2 TfL has planned further improvements to its reporting - which it will introduce for Quarter 1, 2014/15 – to include:
 - (a) one combined Executive Summary for the OFR and the IPR that includes financial (including investment programme), headcount, operational performance and project delivery information; and
 - (b) reporting in a consistent format and structure across both the OFR and the IPR.

List of appendices to this report:

Appendix 1: Operational and Financial Performance Report – Fourth Quarter 2013/14
Appendix 2: Investment Programme Report – Fourth Quarter 2013/14

List of Background Papers:

None

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Transport for London

Operational and Financial Performance Report

Fourth Quarter 2013/14

Operational and Financial Performance Report – Fourth Quarter, 2013/14

Quarter 4 (Periods 10-13), 7 December 2013 – 31 March 2014

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Key

Financial tables

- ▲ Financial variance is positive: e.g. less expenditure or higher income than Budget/ forecast
- ▼ Financial variance is negative by less than 5%: e.g. more expenditure or less income than Budget/ forecast
- ▼ Financial variance is negative by more than 5%: e.g. more expenditure or less income than Budget/ forecast

Delivery and customer operational performance tables

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

All tables are subject to rounding

Operational and Financial Performance Report – Fourth Quarter, 2013/14

Quarter 4 (Periods 10-13), 7 December 2013 – 31 March 2014

Executive summary

- TfL has performed exceptionally well in 2013/14 against the performance measures in our Budget
- Reliability levels remained above or on target for all modes, with only journey time reliability on London's roads showing a slight deterioration, the result of increased traffic flows, believed to be the result of the improving economy
- Tube reliability was better than target, with an underlying improvement of 17 per cent against target and five per cent better than the previous year. Reliability was affected by the industrial action in February 2014, which saw lost customer hours increased by almost 3.5 million
- TfL remains on track to reduce Tube delays by 30 per cent¹ by 2015, further to the almost 40 per cent reduction achieved between 2007/08 and 2011/12
- Customer satisfaction was above or met target across all modes of transport; customer satisfaction shows continuing and marked year-on-year improvements, with buses is now at the highest rate since the survey began
- Crime rates and total number of incidents on the Tube, DLR and buses show further improvement; since 2010/11 the crime rate has fallen by almost 30 per cent on buses and by 25 per cent on the Tube and DLR network
- TfL is on track to reduce the number of killed and seriously injured on London's roads by 40 per cent by 2020, with a 34 per cent reduction in KSIs (compared to 2005-09 baseline) over the full year
- Over the year, TfL has secured a further £188m of savings, £51m higher than target; TfL has now secured savings of £12bn up to 2020/21
- These savings have helped us bear down on fares, limiting the average fares change to 2.7 per cent, a real terms reduction
- Fares income and operating expenditure is almost exactly as budgeted, the former only 0.3 per cent higher than Budget over the full year
- TfL's total cash balances (including funds ring fenced for the Crossrail project) are forecast to be £878m higher than Budget by the end of the year, driven by:
 - £67m for payments accelerated into the end of 2012/13 after the 2013/14 Budget was set, including £39m for new Tube rolling stock and £28m for the East London Line commercial settlement
 - £100m from the DfT for Crossrail rolling stock procurement that was secured as part of the 2013 Spending review; this funding is ring-fenced
 - a £334m working capital upside – about four per cent of the 2013/14 Budget – due to timing differences from payments and receipts that will reverse in the next financial year

¹ From the 2011 calendar year baseline

- £186m of investment rephasing, which is committed to projects that have been rephased into future years, including the London Overground Capacity Improvement Programme (LOCIP), road structures and tunnels investment, and Barclays Cycle Superhighways.
- TfL reinvests all of its income to run and improve services. TfL's cash balance (up to a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan up to 2020/21, updated in the TfL Budget 2014/15, including:
 - Almost £1.3bn on the Sub-Surface Rail upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
 - Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
 - Over £900m for key cycling programmes
 - £150m for a further 400 New Buses for London by the end of 2015/16, bringing the total to 600

Delivery

Reliability

Reliability	Full Year	Variance to Target
LU: lost customer hours ²	24.2	-0.8 ▼
LU: lost customer hours (excl Industrial Action)	20.7	-4.3 ▼
LU: excess journey time ³	5.21	-0.28 ▼
Buses: excess wait time ⁴	1.0	0.0 ►
DLR on-time performance ⁵	99.3	2.3 ▲
London Overground PPM ⁶	96.1	1.9 ▲
TLRN reliability ⁷	89.0	-0.5 ▼

Reliability continued to improve across most of TfL's network during 2013/14. Tube reliability, measured by lost customer hours (LCH), was almost one million hours better than target, despite the impact of industrial action in March 2014. Excluding the affects of industrial action, the Tube's LCH was over four million hours better than target, a 17 per cent improvement. Both the DLR and London Overground delivered exceptional levels of reliability; the DLR's performance was over two index points better than target, achieving its highest levels of punctuality in its 26-year history.

Safety and security

Recorded crime ⁸	Full Year	Variance to Target
LU and DLR	8.0	-0.6 ▼
London Buses	7.5	-1.1 ▼

Crime has continued to fall on the LU/DLR network and on the buses. This is the result of additional measures put in place by the British Transport Police (BTP) to tackle crime on London Underground and DLR, and partnership working with TfL's policing partners to further reduce crime on London Buses.

Safety	Full Year	Variance to Target
Cumulative reduction in killed and seriously injured ⁹	34.3	13.0 ▲

The number of people killed and seriously injured (KSI) over the full year was down 34.3 per cent from the baseline, 13 index points better than target. TfL is on track to meet its long-term goal of reducing KSIs by 40 per cent by 2020.

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

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

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

⁵ 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 percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak

⁸ Recorded crime per million passenger journeys

⁹ Cumulative percentage reduction from a baseline of the 2005-2009 average

Value

Financial summary

£m	Full year actual	Full year variance to Budget	Full year variance to forecast
Fares income	4,095	12 ▲	2 ▲
Other income	646	-12 ▼	1 ▲
Operating expenditure	-5,875	21 ▲	64 ▲
Group Items	-307	71 ▲	20 ▲
Net capital expenditure	-1,531	231 ▲	2 ▲
Crossrail expenditure	-1,576	39 ▲	116 ▲
DfT grants	2,201	4 ▲	0 ►
GLA precept	6	0 ►	0 ►
Business rates retention	803	0 ►	0 ►
Other grants	153	132 ▲	11 ▲
Crossrail funding sources	2,066	15 ▲	13 ▲
Working capital	-138	334 ▲	84 ▲
Net borrowing	333	30 ▲	0 ►
Cash and reserve movements	876	878 ▲	313 ▲

Fares income was almost exactly on Budget over the full year, with a variance of only 0.3 per cent. This is due to higher than expected fares income on London Overground, where passenger numbers have increased by almost nine per cent this year, and buses, where passenger numbers increased by 2.4 per cent. Bus fares income has also benefitted from a higher number of fare paying passengers in 2013/14. There was a modest fares downside on LU; while passenger numbers were almost three per cent up on the previous year, fares income was below Budget. This was due to customers making better use of the products available. Fares income was affected by industrial action on the Tube in February 2014 which reduced LU fares income by £6m.

Operating expenditure (net of third-party contributions) almost hit Budget, with a variance of £21m, or 0.4 per cent, over the full year. This was largely due to a combination of rephasing of projects including Fit for the Future Stations and the cycling portfolio, bus contract savings of £19m, a release of claims provision of £27m. These have been offset by modest cost increases for the Northern Line Upgrade, the reclassification of some Jubilee, Northern and Piccadilly renewals expenditure from capital to operating expenditure, and £44m for the Bus Services Operators' Grant (BSOG), which transferred responsibility from the DfT to TfL from 1 October 2013.

In the full year, net capital expenditure (excluding Crossrail) was £231m under Budget, with key drivers being £67m of accelerated payments for Sub Surface Rail (SSR) rolling stock and East London Line (ELL) claims into 2012/13 after the Budget was set, £68m of reprofiling of commercial development investment initiatives whereby TfL will secure better value over the long term, and rephasing to future years of committed capital improvements including the London Overground Capacity Improvement Programme (LOCIP), structures and tunnels investment, and Barclays Cycle Superhighways.

Crossrail capital expenditure is £39m less than Budget for the full year from a combination of re-phasing of programme and project risk, continuing delays in recruitment, offset by upward revaluations on property

Cash balances

£m	Full Year to date	Full Year Variance to Budget	Full year variance to forecast
Crossrail SFA	2,040	210 ▲	67 ▲
Other TfL	2,726	667 ▲	244 ▲
Closing cash	4,765	878 ▲	313 ▲

Cash movements

£m	Full year variance to Budget
Accelerated payments to 2012/13	67
Investment rephasing	186
Efficiencies	51
DfT Crossrail rolling stock grant	100
Other grants	48
Working capital	334
Other	92
Cash movements	878

Efficiencies

£m	Full Year to date	Full Year Variance to Budget	Full year variance to forecast
Efficiencies	188	51 ▲	-36 ▼

acquisitions.

Total TfL cash (including funds ring fenced for the Crossrail project) is £878m more than budgeted. This is driven by:

- £67m for payments accelerated into the end of 2012/13 after the 2013/14 Budget was set, including £39m for new Tube rolling stock and £28m for the East London Line commercial settlement
- As with many major capital programmes, specific projects are rescheduled into future years. TfL has rephased £186m of committed investment to future years, including the London Overground Capacity Improvement Programme (LOCIP), road structures and tunnels investment, and Barclays Cycle Superhighways. Almost £70m of this expenditure is for commercial investment, whereby TfL will secure better value over the long term
- £100m grant from the DfT for Crossrail rolling stock procurement that was secured as part of the 2013 Spending review; this funding is ring-fenced
- A £334m working capital upside – four per cent of the total 2013/14 Budget – due to timing differences from payments and receipts that will reverse in the next financial year

TfL's cash balance (up to a prudent minimum) is committed to delivering the improvements outlined in TfL's latest Business Plan, updated in the TfL Budget 2014/15, including:

- Almost £1.3bn on the Sub-Surface Rail upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
- Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
- Over £900m for key cycling programmes
- £150m for a further 400 New Buses for London by the end of 2015/16

At the time of publishing this year's Business Plan, TfL had secured a total of £12bn of savings. TfL aims to secure a further £4.2bn to 2020/21, of which £137m was targeted in 2013/14. Over the full year, TfL secured £188m of savings, £51m more than target. The £36m downside in secured efficiencies against the Quarter 3 forecast is partially due to the removal of efficiencies forecast to be delivered through

the Sub Surface Rail ATC contract, which is now in the process of being retendered. It is expected that proposals to deliver further efficiencies will be considered in 2014/15.

Customer

Passenger journeys

Million	Full Year	Variance to Target
London Underground	1,264.6	25.6 ▲
London Buses	2,405	18 ▲
DLR	101.6	1.5 ▲
London Overground	135.7	6.3 ▲
Tramlink	31.2	0.0 ►
Emirates Air Line	1.5	0.0 ►

Passenger journeys were above or on target for all modes of transport in the full year. All modes saw passenger numbers up, or equal to, last year, except the Emirates Air Line which saw an expected decrease. Last year saw exceptionally high demand for the EAL, largely due to the impact of the 2012 Games and proximity to ExCeL London and the O2, which staged a number of events; during the Games period alone, passenger numbers reached almost one million. The Games period saw a peak in passenger numbers that was not anticipated to be sustained into 2013/14. Total journeys across TfL were up three per cent from 2012/13. London Overground saw the greatest rate of increase, up almost nine per cent from the previous year. Investment in new Overground rolling stock with the introduction of five-car trains will increase Overground train capacity by 25 per cent by 2015/16.

Cycling index	Full Year	Variance to Target
Cycling levels on TLRN ¹⁰	296	1 ▲

The full-year index of cycle flows on the TLRN was broadly in line with target with an increase of 19.2 index points (7.0 per cent) compared to last year.

£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 cyclist in the capital.

Customer satisfaction and complaints

CSS score	Full Year	Variance to Target
London Underground	83	2 ▲
London Buses	83	1 ▲
DLR	87	5 ▲
London Overground	82	2 ▲
Tramlink	89	3 ▲
Emirates Air Line	93	8 ▲
Dial-a-Ride	92	0 ▲

Customer satisfaction levels are on or above target across all modes of transport, maintaining the high levels of customer satisfaction seen during the 2012 Games.

London Underground has seen an increase against target for customer satisfaction, reflecting the impact of the reliability programme and enhanced customer focus. High customer satisfaction for buses has continued, retaining its record performance. This has been achieved despite the impact of exceptional weather and industrial action.

¹⁰ Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

Complaints per 100,000 journeys	Quarter 4	Variance to last year
London Underground	1.29	0.00 ►
London Buses	2.47	0.18 ▲
DLR	2.55	0.05 ▲
London Overground	3.22	-0.07 ▼
Tramlink	0.98	-1.35 ▼
Congestion Charge	11.15	-5.43 ▼
Barclays Cycle Hire	2.95	-2.42 ▼
Dial-a-Ride ¹¹	151.63	40.38 ▲

Customer complaints over the quarter are broadly in line or below last years levels with the exception of Dial-a-Ride. Dial-a-Ride increase is partly the result of last year's exceptional performance; it continued to schedule 90 per cent of journey requests in the quarter.

London Overground complaints rate remains the lowest of any of the train operating companies in the Office of Rail Regulation's national rankings. London River services received only one complaint in this quarter.

People










FTE	Full Year	Variance to Budget
London Underground	21,184	-65
London Rail	223	28
Surface Transport	3,318	-46
Corporate	3,581	381
Crossrail	879	-19
Total TfL	29,185	247

TfL employed 29,185 full time equivalent (FTE) staff (excluding those on maternity leave) at the end of 2013/14, 247 more than Budget. This was primarily driven by additional project-funded staff required for project delivery including future ticketing, the new TfL website and IM work for Fit for the Future Stations, as well as dealing with increased customer demand at Oyster Card Call Centres. These increases are partially offset by vacancies held in London Underground, pending organisation restructure.

¹¹ Per 100,000 journey requests

Delivery

Reliability


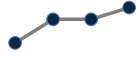


Performance indicator	Unit	Quarter 4, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010 – 2014
▼ lower is better								
London Underground: total lost customer hours	Millions of hours	9.4	1.7 ▲	2.5	24.2	-0.8 ▼	1.4	
London Underground: total lost customer hours (excl. industrial action)	Millions of hours	5.9	-1.8 ▼	-1.0	20.7	-4.3 ▼	-1.0	
London Underground: excess journey time	Minutes	5.37	-0.05 ▼	0.33	5.21	-0.28 ▼	-0.06	
London Buses: excess wait time	Minutes	1.0	0.0 ►	0.1	1.0	0.0 ►	0.0	
TLRN: serious and severe disruption	Hours	833	N/A	168	2,263	233 ▲	13	
▲ higher is better								
DLR: on-time performance	%	99.3	2.3 ▲	0.4	99.3	2.3 ▲	0.6	
London Overground: public performance measure	%	96.1	1.9 ▲	-0.5	96.1	1.9 ▲	-0.5	
Emirates Air Line: availability	%	89.4	-7.1 ▼	-1.1	94.9	-1.6 ▼	1.0	
TLRN: journey time reliability (AM peak)	%	88.8	-0.4 ▼	-0.7	89.0	-0.5 ▼	-0.2	

1.1 Reliability continued its long term trend of improvement in 2013/14. Tube reliability (measured by millions of Lost Customer Hours) was better than target; TfL is on track to reduce Tube delays by 30 per cent by 2015. Both the DLR and London Overground saw significant improvements, while buses maintained historical low levels of Excess Wait Time. In Quarter 4, LCH was affected from two days of industrial action, resulting in almost 3.5 million additional LCH to TfL's customers. Excluding the effects of industrial action, LCH was 17 per cent better than target and showed a five per cent improvement from 2012/13.

1.2 Over the full year, bus excess wait time maintained its record levels first achieved in 2011/12; this is now the third year running this level of performance has been achieved, despite the increases in traffic flows from increased economic growth seen in the 2013/14. Enhanced service control facilities available to bus operators through iBus have helped maintain the high levels of reliability.




- 1.3** In the full-year, serious and severe disruption on the TLRN was 2,263 hours, worse than target and slightly down on last year's performance. Disruption is driven by both planned events – due to planned utility works and other improvements undertaken by TfL – and unplanned events, such as infrastructure issues (including traffic signals and signal timing), traffic incidents and hazards. Disruption from planned works decreased to 195 hours from 291 in the previous year. The number of events decreased to 76 from 70. The average disruption per event improved to 2 hours 34 minutes from 4 hours 9 minutes, an improvement in of 38 per cent. However, disruption from unplanned works increased to 2,068 from 1,959. The number of events increased to 1,036 from 936. The average disruption per event improved to be 120 minutes from 126 minutes, an improvement in (S&S) disruption per unplanned event of 5 per cent. Despite the number of unplanned events outside of TfL's control increasing, leading to an overall increase in unplanned disruption, the improvement in average disruption per event has resulted in lower disruption on the TLRN than it would otherwise have been.
- 1.4** Emirates Air Line reliability was worse than target in Quarter 4, largely due to high winds and poor weather, with limited opportunity to safely operate the service. Across the full year, reliability was slightly below target, although showed improvement from the previous year.
- 1.5** In the full year, TLRN journey time reliability (JTR) was 0.5 points below target. This was primarily due to increased traffic flows from economic recovery and population growth, particularly during the second half of 2013/14. Traffic flows on all London major roads increased year on year by 1.8%. Journey times were additionally affected by increases in unplanned disruption events on the road network, and the accumulating loss of capacity due to increased levels of infrastructure build.

Scheduled services operated

Per cent	Quarter 4, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	96.6	-0.6 ▼	-0.7	97.5	0.3 ▲	-0.1	
London Buses	97.8	0.0 ►	-0.3	97.7	0.1 ▲	0.1	
DLR	99.2	1.2 ▲	0.5	99.2	1.0 ▲	0.7	
London Tramlink	99.0	1.2 ▲	0.6	98.8	0.8 ▲	0.9	

- 1.6** Over the full year, scheduled services operated were better than target across all modes of transport. All areas also saw improvements from the previous year, except LU which saw a slight deterioration in performance. This has been achieved despite challenges from increased traffic congestion and economic growth for buses, and the impacts of industrial action on the Tube.
- 1.7** DLR benefited from the 'One Railway' initiative which promotes joint working with the railway partners and focuses attention on a single performance target. Targeted maintenance and improved operational response provided the greatest contribution to improved performance.
- 1.8** Improved Tramlink availability has been achieved through better focus on rolling stock and infrastructure reliability and incident response and recovery during the year.

Safety and security

Performance indicator	Unit	Quarter 4, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010 – 2014
▼ lower is better								
LU and DLR recorded crime ^{*+}	Million passenger journeys	8.0	-0.3 ▼	-1.7	8.0	-0.6 ▼	-1.6	
London Buses: recorded crime ^{12*+}	Million passenger journeys	7.0	-1.6 ▼	-1.7	7.5	-1.1 ▼	-1.1	
LU and LR Major Injury Frequency Rate	Major injuries/ m hours	0.24	-0.03 ▼	-0.05	0.24	-0.03 ▼	-0.05	
▲ higher is better								
Cumulative reduction in KSI Londonwide ¹³	%	35.6	15.3 ▲	15.2	34.3	13.0 ▲	17.3	
Vehicles operated by FORS accredited companies ¹⁴	No.	27,987	N/A	N/A	167,855	5,355 ▲	N/A	

1.9 Both the rate and levels of crime have significantly improved on the LU and DLR network and on buses over the full year. Since 2010/11, the crime rate has fallen by almost 30 per cent on buses and by 25 per cent on the Tube and DLR network.

1.10 The rate of crime per million passenger journeys on the LU and DLR and across the bus network in Quarter 4 saw significant improvement against target and the same quarter last year. The level of crime on the LU and DLR network was 18.3 per cent lower than the same period last year, with 799 fewer offences. The most notable reduction was seen in theft of passenger property (36.6 per cent, 943 fewer offences). The British Transport Police (BTP), which has responsibility for policing the LU and DLR networks, put additional measures in place to deal with the increase in theft experienced in 2012/13 which have been successful. These include the redeployment of officers to theft hotspots, a new crime reduction and awareness campaign, and targeted police enforcement activity against organised thieves operating on the network as part of Operation Magnum.

1.11 The level of crime on the bus network was 15.6 per cent lower in Quarter 4 than the same period last year, with 1,016 fewer offences. Notable reductions were seen in robbery (37.9 per cent, 293 fewer

* Quarter 4 refers to snapshot crime figures for December 2013 – March 2014. The information reported here may be different to other Quarter 4 crime information published by TfL which covers January 2014 – March 2014. Quarter 3 crime forecasts have been calculated on the basis of the latest passenger projections and projected crime levels for the year based on year-to-date crime trends

¹² London buses recorded crime target been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

¹³ Cumulative reduction from a baseline of the 2005–2009 average, Quarter 4 refers to September 2013 – November 2014

¹⁴ Cumulative from 2008

offences) and theft and handling stolen goods (17.5 per cent, 573 fewer offences). These results build on the significant reductions in bus-related crime over recent years and reflect the work done by TfL and its policing partners to ensure that the bus network remains a safe, low crime environment.

- 1.12** LU & LR major injury rate fell during Quarter 4 to 0.24, an improvement of 0.07 from Quarter 3. This improvement follows a series of Safety awareness campaigns using PA announcements and posters across the network with particular focus on locations with high numbers of passenger incidents. There was a fatal incident within the quarter during works on the DLR. Formal investigations are ongoing; some initial findings have resulted in changes to contractors working practices and allowed work to resume on site.
- 1.13** Provisional data for Quarter 4 shows that the number of people killed or seriously injured (KSI) on London's roads was 35.6 per cent below the 2005–2009 baseline. The full year, KSI performance was 34.3 per cent below the baseline, a significant reduction from the target of 21.3 per cent and from last year's figure of 16.9 per cent. TfL is on track to meet its long-term target of a 40 per cent reduction in KSIs by 2020.
- 1.14** The Fleet Operator Recognition Scheme (FORS) is a unique industry-led accreditation scheme that aims to encouraging freight companies in London to become safer, more efficient and more environmentally friendly. At the end of 2013/14, FORS accreditation had exceeded target with 167,855 vehicles accredited at bronze level or above. FORS was launched in 2008 and now has over 1,700 fleet operators accredited. The scheme has doubled in accreditations since April 2013. The recent increase in demand for FORS has been driven by clients of construction logistic operators taking ownership of road risk within their supply chains.

Value

The operating budget table below shows financial variances for full-year actuals against the 2013/14 Budget and the latest full-year forecast as of Quarter 3. The table highlights TfL's operating contribution to fund investment, after revenue grants, including DfT General Grant, Business Rates Retention and 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.

Operating budget ¹⁵

TfL group (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Fares income	4,095	4,083	12 ▲	4,093	2 ▲ 0%
Other operating income	646	658	-12 ▼	645	1 ▲ 0%
Total income	4,740	4,741	0 ▼	4738	2 ▲ 0%
Operating expenditure (net of third-party contributions)	-5,875	-5,897	21 ▲	-5,939	64 ▲ 1%
Operating margin	-1,135	-1,156	21 ▲	-1,201	66 ▲ 5%
Interest income ¹⁶	21	14	6 ▲	19	2 ▲ 9%
Debt interest	-344	-333	-11 ▼	-345	1 ▲ 0%
Contingency and group items	16	-59	75 ▲	0	17 ▲ N/A
Margin	-1,442	-1,534	92 ▲	-1,527	85 ▲ 6%
Finances sources					
General grant	1,094	1,091	3 ▲	1094	0 ► 0%
Overground grant	29	28	1 ▲	29	0 ► 0%
GLA precept	6	6	0 ►	6	0 ► 0%
Business Rates Retention	803	803	0 ►	803	0 ► 0%
Other revenue grants	43	21	22 ▲	42	1 ▲ 3%
Total revenue grants	1,974	1,948	26 ▲	1,973	1 ▲ 0%
Operating contribution to fund investment	532	414	118 ▲	446	87 ▲ 19%

¹⁵ The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well fair value adjustments for long-term investments

¹⁶ Includes interest on the Crossrail Sponsors' Fund Account

Capital budget

TfL group (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 forecast
Capital expenditure	-1,638	-1,896	258 ▲	-1,674	36 ▲ 2%
Third-party contributions – capital	67	70	-3 ▼	86	-19 ▼ 23%
Sales of property and other assets	41	64	-23 ▼	55	-14 ▼ 26%
Net capital expenditure excl. Crossrail	-1,531	-1,763	231 ▲	-1,533	2 ▲ 0%
Crossrail capital expenditure	-1,576	-1,615	39 ▲	-1,692	7 ▲ 7%
Net capital expenditure incl. Crossrail	-3,108	-3,377	270 ▲	-3,226	118 ▲ 4%
Finance sources					
Surplus/ -deficit to fund investment	532	414	118 ▲	446	87 ▲ 19%
Crossrail funding sources	2,066	2051	15 ▲	2,053	13 ▲ 1%
Investment grant	895	895	0 ►	895	0 ► 0%
Metronet grant	184	184	0 ►	184	0 ► 0%
Other capital grants	110	0	110 ▲	100	10 ▲ 0%
Working capital	-138	-472	334 ▲	-222	84 ▲ 41%
Net borrowing and reserve movements	-543	305	-848 ▲	-230	-313 ▲ 139%
Total	3,108	3,377	-270 ▲	3,226	-118 ▲ 4%

Fares income

Fares income (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
London Underground	2,285	2,305	-20 ▼	2,290	-5 ▼
London Rail	303	284	19 ▲	304	-2 ▼
Emirates Air Line	5	8	-3 ▼	5	0 ►
London Buses	1,501	1,485	16 ▲	1,493	8 ▲
Total fares income	4,095	4,083	12 ▲	4,093	2 ▲

- 2.1** TfL's total fares income was broadly in line with Budget over the full year; only £12m higher from the total Budget of over £4bn, a forecast variance of only 0.3 per cent. Fares income is up 7.3 per cent from the previous year, driven by increases in passenger demand across most transport modes, with significant increases on London Overground, up nine per cent from the previous year.
- 2.2** London Underground fares income for the year was £20m, or 0.9 per cent, lower than Budget. The main drivers were: the lower and later fares increase implemented in January 2014, which resulted in a shortfall of £7m; industrial action in February 2014 reduced income by £6m; and £7m due to lower average yield per journey as customers continue to make better use of the products available (e.g. Travelcards and increased take up of 60+ Oystercard). Overall, passenger journeys were 2.1 per cent higher than target.
- 2.3** LU fares income for the year was £5m (0.2 per cent) lower than forecast. As per the Budget variance, the February industrial action resulted in a shortfall of £6m, while lower average yield accounted for £6m. These were partly offset by revised Travelcard allocations contributing an uplift of £7m. Overall, passenger journeys were just 0.3 per cent below forecast.
- 2.4** London Rail fares income for the year was £19m (6.7 per cent) higher than Budget. This upside was almost entirely due to higher passenger demand and Travelcard allocations on London Overground, with demand almost five per cent higher than Budget. LO revenue was £18m (13.8 per cent) ahead of Budget; DLR £2m (1.2 per cent) ahead with Tramlink £1m (3.0 per cent) lower. Full-year fares income was £2m (0.7 per cent) lower than the Quarter 3 forecast, mainly due to a small downside in London Overground, partly offset by upsides DLR and Tramlink.
- 2.5** Emirates Air Line (EAL) income for the year was £3m, or 37 per cent, lower than Budget. The effect of the Games on last years numbers was underestimated and resulted in a higher fares income Budget being set than was realised. Despite this, EAL has made a small operating surplus over the full year.
- 2.6** Full-year bus fares income was 1.1 per cent higher than Budget and 0.5 per cent higher than forecast, reflecting higher fare-paying passenger journeys, of 15.3 million (1.0 per cent) and 11.3 million (0.7 per cent) respectively, including 1.25 million during the industrial action on the Tube. This was due to increased passenger demand from economic growth, more favourable weather than last year, and a general trend of a favourable ticket mix against Budget, with higher on-bus cash income which is the

highest yielding fare. Year-on-year the underlying growth in fare paying passenger journeys was 2.2 per cent.

Other operating income

Other operating income (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
London Underground	200	187	13 ▲	197	3 ▲
London Rail	16	14	2 ▲	18	-2 ▼
Congestion Charge and LEZ and Road Network Compliance	286	271	15 ▲	287	-2 ▼
Barclays Cycle Hire	13	16	-3 ▼	13	0 ►
Other Surface Transport	91	92	0 ▼	90	1 ▲
Corporate	41	78	-37 ▼	40	1 ▲
Total other income	645	658	-12 ▼	645	1 ▲

- 2.7** LU and LR other operating income for the full year was £15m higher than Budget, at £13m and £2m higher respectively. The main drivers were additional property rental income of £9m, due partly to early purchase of properties for the Bank station project, increases from turnover rents and rent reviews, and higher advertising revenues of £6m from the increased availability of advertising estate. Against forecast, operating income for the year was £1m higher than Budget with an upside of £3m for LU partly offset by a shortfall of £2m for LR. The LU upside was mainly due to improved rental and advertising income while the LR shortfall was due to third-party contributions reprofiled to next year.
- 2.8** Congestion Charge (CC), Low Emission Zone (LEZ) and Road Network Compliance (RNC) income for the full year was £15m higher than Budget. This was driven by higher than expected traffic volumes resulting in a combination of increased Penalty Charge Notice volumes for CC and LEZ and higher CC income, particularly from Fleet and Autopay detections and registrations.
- 2.9** Barclays Cycle Hire income in the full year was £3m lower than Budget mainly due to the rephasing of sponsorship income reflecting a correction in accounting treatment from that used in the Budget. Sponsorship income is evenly spread over the life of the contract.
- 2.10** Corporate operating income was £37m down on Budget. This was primarily due to the reprofiling of £41m income from the Commercial Development Investment Programme (CDIP) into future years. This reflects the development of TfL's future commercial plans for retail and property income, with the aim of maximising revenue from long-term asset development. The associated CDIP capital expenditure was also reprofiled. This was partly offset by higher income of £4m, predominantly from Oyster card schemes (16+ and visitor cards), CBSO advertising, property lettings. Corporate operating income in the full year was £1m higher than forecast, broadly in line with Quarter 3 forecast.

Operating expenditure

Operating expenditure (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
London Underground	-2,222	-2,241	19 ▲	-2,251	29 ▲
London Rail	-373	-353	-20 ▼	-376	3 ▲
Surface Transport	-2,688	-2,707	20 ▲	-2,711	24 ▲
Corporate	-594	-595	1 ▲	-601	6 ▲
Total operating expenditure	-5,875	-5,897	21 ▲	-5,939	64 ▲

- 2.11** Operating expenditure (net of third-party contributions) almost hit Budget, with a variance of £21m from a total Budget of almost £6bn – a variance of only 0.4 per cent over the full year.
- 2.12** LU operating expenditure was £19m (0.8 per cent) lower than Budget over the full year. The main drivers included the following: rephasing of £27m to future years, including station and infrastructure maintenance spend, Fit for the Future-Stations and reliability works; almost £60m of savings, including £27m release of claims provision, £12m from traction energy costs due to favourable pricing and volume changes, and £9m reduction on station stabilisation projects. These underspends were partly offset by increases primarily due to: £14m mainly due to accelerated Fit for the Future stations costs; £15m for new scope on the Northern Line Upgrade inter-operability trials and £7m new scope for Central line bearings replacement and headway permanent speed restriction removal. In addition, £27m Jubilee, Northern and Piccadilly line expenditure has been reclassified as operating from capital expenditure
- 2.13** LU operating expenditure was £29m (1.3 per cent) lower than forecast for the year. The main factors included the reclassification of renewals expenditure £11m as capital expenditure, £14m rephased spend on Fit for the Future Stations and RAMS projects and other minor variances.
- 2.14** LR operating expenditure for the year was £20m higher than Budget primarily due to increases in commercial contractual arrangements. Against forecast, operating expenditure was £3 lower, mainly due to minor delays and rephasing across a number of areas.
- 2.15** Full-year Surface Transport operating expenditure was £20m below Budget – a variance of 0.7 per cent. This was primarily due to £28m rephasing of the investment programme into future years. This included £21m for new projects added to the 2012 TfL Business Plan (including network performance, safety, cycling and major highway enhancements) where delivery plans were refined; and £5m on Barclays Cycle Superhighways following the publication of the Mayor's Vision for Cycling. Rephasing was partly offset by bus contract cost movements of £16m, largely due to £44m of Bus Service Operators' Grant (BSOG) costs, which transferred responsibility from the DfT to TfL from 1 October 2013. BSOG payments were partly offset by savings, including £19m on bus contracts from the impact of significantly lower than budgeted earnings index, a component used to calculate the annual bus Contract Price Adjustment (CPA), which determines contract prices. The BSOG payment was included in Group Items when setting the Budget and was transferred to Surface Transport in the Quarter 1 forecast; there is no net impact on TfL.

- 2.16** Full-year Surface Transport operating expenditure was £24m below forecast primarily due to net underspends of £12m which included £4m of various Highways maintenance underspends including winter maintenance not required due to mild temperatures and £4m of Bus contract cost savings. The remaining balance was mainly due to investment programme project rephasing of £6m, which included £3m of Cycle Super Highways, primarily due to route 2 extension design sign-off delays, and transfer to capital of £3m, for works on borough roads which linked to the Cycle superhighways network on TfL.
- 2.17** Across the Corporate directorates, operating expenditure was broadly in line with Budget, just £1m lower than Budget in the full year. This reflected savings of £25m, largely driven by contractual rates and rebates, staff savings, consultancy, recruitment and training, and project reprofiling of £10m including the Future Ticketing Programme (FTP) phase two into summer 2014 and Planning projects, including River Crossings. This was partly offset by higher costs of £19m and new activity of £8m, mainly due to new teams in Travel Demand Management, testing for the New Website Project (NWP), HR temporary resources, IM project specialists, the Garden Bridge project, HS2 and the Commercial Transformation project. There were internal department transfers of £6m, lower third party ITSO contributions of £5m (offset in grant) and reprofiling of £2m project contingency.
- 2.18** Compared to forecast, there was lower expenditure of £7m in the Corporate Directorates. This largely reflected the reprofiling of £8m of projects expenditure across the directorates, and savings of £5m resulting from the same drivers as outlined above. These were partly offset by cost increases resulting from an expected contract saving now anticipated to be delivered next year, the acceleration of IM Technical Refresh work, reprofiling of project contingency and the reclassification of IM and Customer Experience, Marketing & Communications capital expenditure.

Interest income, debt service and other group items

Interest income, debt service and other group items (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Interest income	21	14	6 ▲	19	2 ▲
Debt service	-344	-333	-11 ▼	-345	-1 ▼
Contingency and other group items	16	-59	75 ▲	0	17 ▲
Total interest, debt service and other group items	-307	-378	71 ▲	-326	20 ▲

2.19 Interest income is £6m up against Budget in the full year, largely due to higher than expected cash balances and from TfL earning better rates than assumed in the Budget. TfL continues to invest in accordance with the Board-approved Investment Strategy, prioritising security of principal and liquidity of investments over financial return.

2.20 In the full year, debt service is £11m over Budget. This is caused by the £23m premium paid for the early redemption of Tube Lines debt earlier in the year. The refinancing of this debt was at a lower interest rate, creating almost £6m in net present value benefits. The cost of the premium has been partly offset by a £12m favourable variance to Budget, from borrowing at better rates than previously expected.

Capital expenditure

Gross Capital expenditure (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
London Underground	-1,200	-1,222	21 ▲	-1,236	36 ▲
London Rail	-100	-159	59 ▲	98	-2 ▼
Surface Transport	-257	-335	78 ▲	-258	2 ▲
Corporate	-80	-180	100 ▲	-80	0 ►
Gross capital expenditure	-1,638	-1,896	258 ▲	-1,674	36 ▲

2.21 LU capital expenditure for the full year was £21m (1.7 per cent) lower than Budget. This was due to a combination of: SSR Upgrades £46m under due to an accelerated payment of £39m to 2012/13 for SSR rolling stock and reductions to ATC as a result of contract re-let; rephasing of £125m investment into future years, including £39m for Fit for the Future Stations and RAMS, £39m on station upgrades including Crossrail interfaces projects, lifts and escalators deferrals and stations stabilisation, £29m for Legacy Trains Systems and £18m for deferred works on the Jubilee, Northern and Piccadilly line; savings of £38m including the release of £13m risk on the Victoria Line Upgrade, £8m delivered on Civils through de-scoping Bridges and Structures work and SSR Power Package and Vauxhall Station Upgrade contract award, and other minor projects savings. Additionally, £27m JNP costs have been reclassified as operating expenditure. These were offset by a transfer of £25m for Northern Line Extension expenditure from Corporate and by the release of £198m of central overprogramming.

2.22 LU capital expenditure for the year was £36m (2.9 per cent) lower than forecast. The main driver was rephasing across several projects including £18m for SSR upgrades due to delays associated with re-letting the Automatic Train Control (ATC) contract, £11m for the Northern Line Upgrade due to over-optimistic forecasting of the inter-operability trials (works now rephased to align with the contract award), £26m for Stations Upgrades due to rephased Crossrail spend and £8m rephasing of Asset Inspection Train and Automatic Measurement System. In addition there were £7m of reclassification of renewals expenditure to operating and rephasing of works due to access constraints for infrastructure works. Underspends were partly offset by £11m costs reclassified from operating expenditure and £27m release of overprogramming.

2.23 In London Rail, full-year capital expenditure is broadly in line with the Quarter 2 forecast. Against Budget, expenditure for the year was £59m under. This was due to £28m of accelerated payments into 2012/13 for the settlement of claims for the East London Line (ELL) and £28m for the London Overground Capacity Improvement Programme (LOCIP) which has been rephased to future years.

2.24 Surface Transport investment programme capital expenditure for the full year was £78m below Budget, largely due to £74m of expenditure rephased to future years. This included £22m for Barclays Cycle Superhighways and Better Junctions following the publication of the Mayor's Vision for Cycling, £14m for Hammersmith Flyover Phase 2 following development of the detailed construction programme, £14m for the Safety Camera Replacement Programme due to governance and

commercial procurement delays; and £11m for Electronic Ticket Machine (ETM) replacements as we expect to extend the life of the current ETM's. This was partly offset by £11m of accelerated New Routemaster expenditure, as 29 vehicles were completed ahead of Budget (contract agreed post Budget). Net savings of £17m included £8m realised on Barclays Cycle Hire Expansion and Intensification (CHEI) project following the successful negotiation of the construction, build and installation contracts with third party suppliers, and £5m on the removal of the Congestion Charge retail channel following consultation in January 2013.

- 2.25** Surface Transport investment programme capital expenditure for the full year was £2m below Forecast, including £3m of Cycle Super Highways route 2 transferred from revenue (see above) offset by net savings. Rephasing to future years of £13m, offset by overprogramming, including £3m programme changes for various highways schemes, Hammersmith Flyover of £3m and an extended mobilisation to the annual Bridge Safety Improvements of £2m.
- 2.26** Capital expenditure across the Corporate directorates' is exactly as forecast at Quarter 3. The Corporate directorates' capital expenditure was £100m less than Budget. TfL has made the strategic decision to increase income from retail, property and other commercial ventures over the long term, resulting in the reprofiling of Commercial Development Investment Programme (CDIP) expenditure of £68m to future years, along with the associated operating income. To reflect revised delivery schedules, £15m of payment technology, IM and Planning projects have been rephased into future years. In addition, £25m of capital expenditure for the Northern Line Extension (NLE) was transferred to London Underground. These were partly offset by net reclassifications of £6m for IM and CEM&C projects. In the Corporate Directorates, capital expenditure was in line with forecast in the full year.

Capital third-party contributions

Third-party contributions (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
London Underground	6	23	-17 ▼	30	-24 ▼
London Rail	40	10	30 ▲	36	4 ▲
Surface Transport	18	10	8 ▲	20	-2 ▼
Corporate	2	27	-25 ▼	0	2 ▲
Capital third-party contributions	67	70	-3 ▼	86	-19 ▼

2.27 LU third-party contributions for the year were £17m and £24m under Budget and forecast respectively. These shortfalls in recoverable costs mainly relate to Crossrail interface projects and offset the Crossrail element of the Stations Upgrades programme underspend noted above.

2.28 LR third-party contributions for the year were £30m higher than Budget mainly due to the earlier than budgeted recognition of East London Line RAB (Regulatory Asset Base of Network Rail) funding of £20m, receipt from London Overground Rail Operations Ltd (LOROL) of £6m relating to the ELL commercial settlement and receipt from Network Rail of £6m relating to increased LOCIP costs. Third-party contributions for the year were £4m higher than forecast due to the £6m LOROL receipt noted above partly offset by other minor variances.

2.29 Surface Transport capital third-party contributions in the full year were £8m higher than Budget. This was mainly due to an additional £3m for CHEI, where contributions from London boroughs have been brought forward in line with the planned delivery schedule, and additional DfT funding of £4m for carriageway works, following the 2012 Autumn Statement.

2.30 In the Corporate directorates capital third-party contributions were £25m lower than Budget. NLE developers' contributions of £25m were reclassified and will now be received directly from the Greater London Authority (GLA) as grant funding. This funding has also been rephased to future years, with payments expected from 2014/15. The total level of funding for the NLE remains the same as assumed in the Budget, but it will now be received in later years. Capital third-party contributions across the Corporate Directorates were £2m higher than forecast due to an internal accounting treatment that has no net impact on TfL.

Sales of property and other assets

Sales of property and other assets (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Total sales of property and other assets	41	64	-23 ▼	55	-14 ▼

2.31 Over the full year, property sales were £23m below Budget, reflecting the rephasing of property sales to, and brought forward from, future years. Rephasing includes: the sale of property adjacent to Edgware Road, Debden and Seven Sisters; Hanworth Road and Hillingdon, which were both delayed due to planning permission issues; and A40 sites where the sale was brought forward to 2012/13. These were partly offset by income from the earlier than expected sale of Shepherd's Bush Market, property adjacent to Blackfriars and Farringdon, the Orion Business Park, and from the earlier than expected vacant possession of Wembley Park.

2.32 Compared to forecast, there was lower capital income of £14m in the full year. This reflected projects delays of £15m due to operational requirements, mainly at Hanger Lane / Inglis Road delayed following the reassessment of LU access routes and legal and technical delays at Vauxhall Island and East Finchley substation. Sales of £5m were deferred for commercial reasons. These were partly offset by income of £6m brought forward for Dalston Western Curve, Regents House and Blackfriars.

Crossrail

Crossrail (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Crossrail	-1,576	-1,615	39 ▲	-1,692	116 ▲

2.33 Over the full year, Crossrail capital expenditure was £39m less than Budget. This was due to: £46m rephasing of programme and project risk to future years and £29m from continuing delays in recruitment. These have been offset by £36m from land and property commitments, principally from upward property revaluations across various sites, but most notably at Ealing Broadway, Liverpool Street and Paddington.

2.34 Compared to the latest forecast, Crossrail capital expenditure is £116m less than forecast. This was due to: £48m from direct construction costs, principally from Western Running Tunnels, Paddington integrated project works, Thames tunnel and lower than forecast utility works at Fisher Street; a £37m rephasing of programme and project risk to future years; £19m from indirect costs, including continuing delays in recruitment of central and technical staff; and £12m from land and property due to the rephasing of commitments throughout the year.

Working capital

Working capital (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Working capital	-138	-472	334 ▲	-222	84 ▲

2.35 In the full year, working capital is £334m higher than Budget. This is due to combination of £83m higher receipts in advance, with £20m unused portions of period tickets and Oyster balances and £61m of deposits from the delay in launching contactless payment across the network; £43m of receipts in advance from advertising income streams; creditors were £106m above budget, of which £34m was for traffic receipts in advance and £70m was for trade, capital and payroll creditors. These increases have been partly offset by £88m of trade and other debtors, including £35m for business rates; income accruals were £35m over budget, predominately due to £30m increased accrual relating to the community infrastructure levy.

Government grants and funding

Government grants and funding (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
DfT General grant	1,094	1,091	3 ▲	1,094	0 ►
DfT Investment grant	895	895	0 ►	895	0 ►
DfT Metronet grant	184	184	0 ►	184	0 ►
DfT Overground grant	29	28	1 ▲	29	0 ►
GLA precept	6	6	0 ►	6	0 ►
Business Rates Retention (BRR)	803	803	0 ►	803	0 ►
Crossrail funding sources	2,066	2,051	15 ▲	2,053	13 ▲
Other capital grants	110	0	110 ▲	100	10 ▲
Other revenue grants	43	21	22 ▲	42	1 ▲
Total grants and funding	5,229	5,078	151 ▲	5,205	25 ▲

2.36 Over the full year, grants and funding are forecast to be £151m more than Budget. This is largely the result of an additional £100m funding from the Department of Transport (DfT) for Crossrail rolling stock procurement, which was agreed as part of the 2013 Spending Review and included in TfL's latest business plan. This sum will be held in the Crossrail Sponsors' Funding Account until 2015/16. A further £25m of one-off funding has been provided from the DfT: £15m in lieu of TfL applying for planning obligations for the costs of services to free schools for the duration of the current parliament; and £10m for capital highways works.

2.37 Since the Quarter 3 forecast, grants and funding have increased by £25m. This is due to a £13m upside from timing differences in the receipt of Crossrail funding sources and £10m of additional grant from the DfT for capital highways works.

Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Borrowings Raised	438	345	93 ▲	438	0 ►
Borrowings Repaid	-105	-42	-63 ▼	-105	0 ►
Net borrowing	333	303	30 ▲	333	-0 ►
Reserve movements	-876	2	-878 ▲	-563	-313 ▲
Net borrowing and reserve movements	-543	306	-848 ▲	-230	-313 ▲

2.38 Over the full year, borrowings raised are forecast to be £93m above Budget, due to the refinancing of Tube Lines debt, with borrowings repaid £63m higher. Both of these variances represent additional borrowing and repayments undertaken as a result of the refinancing of scheduled debt repayments on the Tube Lines debt, which was not included in the Budget.

Cash movements ¹⁷

Cash summary (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Crossrail Sponsors' Funding Account	2,040	1,830	210 ▲	1,972	67 ▲
Other TfL cash balances	2,726	2,058	667 ▲	2,482	244 ▲
Closing cash	4,765	3,888	878 ▲	4,454	313 ▲

2.39 TfL's closing cash (including Crossrail's cash balances) at the end of 2013/14 is £878m more than that expected at the time of the Budget. This is driven by:

- £67m for payments accelerated into the end of 2012/13 after the 2013/14 Budget was set, including £39m for new Tube rolling stock and £28m for the East London Line commercial settlement
- £100m from the DfT for Crossrail rolling stock procurement that was secured as part of the 2013 Spending review; this funding is ring-fenced
- a £334m working capital upside – about four per cent of the 2013/14 Budget – due to timing differences from payments and receipts that will reverse in the next financial year

¹⁷ The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well fair value adjustments for long-term investments.

- a £186m of investment rephasing, which is committed to projects that have been rephased into future years, including the London Overground Capacity Improvement Programme (LOCIP), road structures and tunnels investment, and Barclays Cycle Superhighways
- £51m of additional efficiencies, over and above the target of £137m
- £48m of additional grants, including £15m from the DfT for the costs of services to free schools for the duration of the current parliament, £10m from the DfT for additional highway works and £13m of Crossrail funding, the latter from earlier than expected receipts.

2.40 All of TfL's cash balances up to the Quarter 3 forecast have been committed to delivering the improvements outlined in TfL's latest Business Plan, and updated for the TfL Budget 2014/15, including:

- Almost £1.3bn on the Sub-Surface Rail upgrade, delivering new rolling stock, increased train frequency, greater capacity and automated train control
- Over £1bn on new Crossrail trains, with the contract now awarded to Bombardier
- Over £900m for key cycling programmes
- £150m for a further 400 New Buses for London by the end of 2015/16, bringing the total to 600.

Efficiencies

Efficiencies Programme ¹⁸ (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Progress towards TfL's total efficiency programme	188	137	51 ▲	224	-36 ▼

2.41 In the 2013 Business Plan, TfL has identified more than £16bn of efficiencies which has allowed us to invest in infrastructure while holding down fares and managing with lower Government grant levels. We have already secured nearly £12bn of savings, leaving £4.2bn still to be secured. This will be achieved by reducing back-office expenditure and driving out inefficient activity to protect front-line services and our capital investment programme.

2.42 The 2013/14 Budget set a target to secure £137m of efficiencies. Over the full year TfL has secured £188m of savings, £51m higher than target. TfL has secured these savings through:



- Savings from the Tube track maintenance contract and reduction in the scope of the Jubilee Line overhaul – continued high performance of the Underground network is prioritised when taking these decisions
- A review of working practices and rosters in Track & Signals and savings achieved through a review of the station upgrade programme
- Introducing Congestion Charge payment options that cost less to maintain and provide an improved service for customers (including online and AutoPay)
- The re-let of the Congestion Charge contract, with the contract awarded to Capita in December 2013
- Negotiation of the Serco contract for operating the Cycle Hire scheme
- Various savings to back office costs including training and consultancy, legal costs and reductions in the costs of our insurance premium.

2.43 The £36m downside in secured efficiencies against the Quarter 3 forecast is partially due to the removal of efficiencies forecast to be delivered through the Sub Surface Rail ATC contract, which is now in the process of being retendered. It is expected that proposals to deliver further efficiencies will be considered in 2014/15.

¹⁸ Efficiencies are quoted net of implementation costs

Customer


Passenger journeys

Millions	Quarter 4, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	382.1	-3.5 ▼	15.8	1,264.6	25.6 ▲	35.3	
London Buses	739	15 ▲	42	2,405	18 ▲	70	
DLR	31.2	0.8 ▲	3.1	101.6	1.5 ▲	1.5	
London Overground	40.5	1.3 ▲	0.6	135.7	6.3 ▲	11.1	
London Tramlink	9.7	0.3 ▲	0.6	31.2	0.0 ►	1.1	
Emirates Air Line	0.3	0.0 ►	-0.1	1.5	0.0 ►	-0.5	
Dial-a-Ride	0.4	0.0 ►	0.0	1.4	0.0 ►	0.0	
London River Services	1.8	0.2 ▲	0.5	8.6	1.4 ▲	2.4	

- 3.1** Passenger numbers were up on all modes of transport from last year, except for the Emirates Air Line. Total journeys across TfL were up three per cent from 2012/13. London Overground saw the greatest rate of increase, up almost nine per cent from the previous year. Investment in new Overground rolling stock through the introduction of five-car trains will increase Overground train capacity by 25 per cent by 2015/16.
- 3.2** LU passenger journeys are up on target and last year: 2013/14 saw year-on-year growth of almost three per cent. In Quarter 4, Tube passenger journeys were 15.8 million higher than the same period last year, but 3.5 million lower than target, the latter a result of industrial action in March 2014. It is estimated that 5 million potential journeys were not undertaken during the days affected.
- 3.3** In the DLR, full-year passenger numbers were 1.5 per cent higher than target and the previous year. DLR passenger journeys in Quarter 4 reached 31.2 million, 10 per cent higher than the same quarter last year and 0.8 million higher than target. London Overground passenger numbers in Quarter 4 were 1.3 million higher than target. Year on year growth was almost 9 per cent reflecting the benefit of the larger network.
- 3.4** Tramlink delivered 9.7m passenger journeys in Quarter 4, 0.3 million higher than target and 0.6 million higher than the same Quarter last year. Full-year passenger numbers were in line with target and around 3.5 per cent higher than the previous year.

- 3.5** Emirates Air Line passenger numbers were impacted by the high winds and poor weather through the Quarter with limited opportunity to safely operate the service. Over the full-year passenger journeys were on target at 1.5 million, contributing towards EAL making a small operating surplus.
- 3.6** The full-year underlying growth in bus journeys was 2.4 per cent after adjusting for exceptional events such as the 2012 Games and the Diamond Jubilee which suppressed last year's journeys. Full-year bus passenger journeys were 18 million or 0.8 per cent higher than target. Full-year fare paying passenger journeys were 15.2 million, or 1 per cent, higher than target. Non-fare paying passenger journeys were 3 million, or 0.4 per cent, higher than target, largely due to an adjustment to reflect the latest quarterly Greater London Bus Passenger Survey (GLBPS). This was principally for the children 5-11 journeys where a level of non-validation assumed in the target was too high. Bus passenger journeys in Quarter 4 continued to be higher than target and last year.
- 3.7** Passenger journeys on London River Services for the full year were higher than target and last year. From 1 April 2013 a new methodology was introduced to calculate river passenger journeys as the number of passengers boarding all vessels, as recorded by the Automatic Identification System (AIS), plus the number of foot and vehicle passengers boarding the Woolwich Ferry, which is recorded manually by the ferry contractor. The new counting method gives a more accurate picture of river usage. During the year there was underlying demand growth for river services from the favourable late summer weather and high tourist demand.




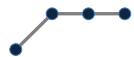



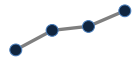
Cycling levels

Millions	Quarter 4, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
Cycling levels on the TLRN ¹⁹	272	33 ▲	62	296	1 ▲	19	

- 3.8** Cycle flows on the TLRN in Quarter 4 of 2013/14 were 61.9 index points (29.5 per cent) higher than in the same quarter last year and 33.2 index points (13.9 per cent) above target. This is the highest level of cycling seen in Quarter 4 since the index began in 2000/01. The full-year index of cycle flows on the TLRN was above target and 296, an increase of 19.2 index points (7.0 per cent) compared to last year. Weather can have an impact on cycling flows and mild winter and spring conditions may have contributed to cycling growth on the TLRN compared to the same quarter last year.
- 3.9** The Mayor published Vision for Cycling in March 2013. It outlines plans for spending £913m on cycling over 10 years to deliver a step-change in cycling provision, supporting the growing numbers of cyclists in London.

¹⁹ Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

Customer satisfaction

Score (out of 100)	Quarter 4, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Actual	Variance to target	Variance to last year	2010 – 2014
▲ higher is better							
London Underground	83	2 ▲	-1	83	2 ▲	0	
London Buses ²⁰	84	2 ▲	1	83	1 ▲	1	
DLR	87	5 ▲	0	87	5 ▲	0	
London Overground	82	2 ▲	0	82	2 ▲	0	
London Tramlink	89	3 ▲	0	89	3 ▲	0	
Emirates Air Line	92	7 ▲	-1	93	8 ▲	0	
Dial-a-Ride	93	1 ▲		92	0 ►	0	
Congestion Charging ²¹	-	- ►	-	87	5 ▲	5	

3.10 Customer satisfaction has seen continuous long-term improvements; since 2010/11, customer satisfaction with the DLR has increased by six index points, with the Tube by four index points and with buses by three index points. Buses customer satisfaction in 2013/14 is at the highest since the survey began.

3.11 London Underground customer satisfaction exceeded target in Quarter 4 with a score of 83 out of 100. The full year score was also 83, exceeding target by 2 points. Satisfaction scores for all measures increased from Quarter 3 reflecting the good network performance despite the industrial action in February 2014.

3.12 Buses customer satisfaction over the full year is the highest since the survey began. The overall satisfaction score in Quarter 4 was two points better than target and one point better over the full year. Satisfaction with waiting times improved, increasing one point compared with the same quarter last year, whilst satisfaction with journey time remained level. Satisfaction with crowding was one point lower than last year.

²⁰ London buses CSS target has been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

²¹ Congestion Charge customer satisfaction surveys are undertaken between two and three times a year. There was no customer satisfaction survey undertaken in Quarter 4, 2013/14

- 3.13** DLR customer satisfaction increased, 87 in Quarter 4, up 1 point from the previous Quarter. Improvements were noted on most measures with the Stratford to Lewisham and Tower Gateway to Beckton lines showing the most significant increases in overall satisfaction in the quarter.
- 3.14** London Overground CSS improved to 82 in Quarter 4, rising by 2 points from Quarter 3. Improved operational performance contributed to the better than target result following disruption to services in Quarter 3.
- 3.15** For the fifth consecutive quarter, Tramlink CSS scores were 89, three points better than target. Driver announcements, information on tram and tram cleanliness all scored well in Quarter 4, with crowding and comfort being the areas requiring further attention.
- 3.16** Customer satisfaction was exceptionally high on Emirates Air Line over the full year, reaching 93, eight points higher than target. EAL availability was affected by high winds during Quarter 4; as a result EAL CSS scores dipped by one point to 92.
- 3.17** Overall satisfaction for Congestion Charging has increased significantly from 84 in the February 2013 survey to reach a record high level of 87 in the October-November 2013 survey. Satisfaction is high with almost every aspect of the service, with most aspects having reached historically high levels. Satisfaction with the website has also improved significantly.

Customer complaints

No. complaints per 100,000 journeys	Quarter 4, 2013/14	
	Actual	Variance to last year
▼ lower is better		
London Underground	1.29	0.00 ►
Docklands Light Railway	2.55	0.05 ▲
London Overground	3.22	-0.07 ▼
Tramlink	0.98	-1.35 ▼
Emirates Air Line	7.73	-12.53 ▼
London Buses	2.47	0.18 ▲
Congestion Charge	11.15	-5.43 ▼
Barclays Cycle Hire	2.95	-2.42 ▼
Dial-a-Ride ²²	151.63	40.38 ▲
Oyster	1.23	-0.10 ▼
River	0.06	-0.07 ▼

3.18 London Underground maintained complaints rate as the same quarter in the previous year and consistently records around one complaint per 100,000 passenger journeys, much lower than other rail-based operators in the rest of the country. The industrial action of February 2014 accounted for a significant number of complaints and pushed the overall rate up from 1.2 to 1.3 per 100,000 journeys. As is the case nationally, delays make up the largest proportion of any complaint category at around a quarter of all received. In this quarter the level of services operated rose to over 98 per cent by Period 11, the 20th period in the last two years in which LU has exceeded service targets. The long-term trend across the network has seen delays to customers' journeys reduced by 42 per cent since 2008/09 and 59 per cent since 2003/04.

3.19 Docklands Light Railway (DLR) has maintained a similar rate to last year. Attention is being given to the most common type of complaint, which relates to ticket vending machines, by regularly topping up change the busiest machines to ensure change is available.

3.20 The complaints rate on London Overground remains the lowest of any of the train operating companies in the Office of Rail Regulation's national rankings. TfL has increased the presence of Revenue Protection Inspectors on trains and stations, which have seen ticketless travel fall to 1.69 per cent this quarter, the second lowest ever recorded. Greater enforcement has also seen a rise in complaints in this area.

²² Per 100,000 journey requests

- 3.21** Tramlink continues to record a high CSS score and operational performance is consistently good, which correlates with low complaints rate. This quarter there were a number of complaints from passengers following a closure of the New Addington branch in December 2013. The bulk of these were focused on the disruption caused and the significant increase in road traffic, which extended journey times for those travelling in the area. There were also a number of complementary letters regarding management of the works and the minimisation of inconvenience to local residents.
- 3.22** Overcrowding is one of customers' main concerns. At the start of 2014 new Trams began operating to New Addington, increasing capacity. We are also looking at how, in the long-term, we can cater for future demand on Tramlink, including the level of investment required. The number of complaints relating to ticket vending machines has fallen following a review of maintenance arrangements, which has driven up reliability.
- 3.23** The Emirates Air Line has seen a significant drop in complaints when compared with the same time last year. This has mainly due to improved communication of maintenance closures. Complaints relating to staff when purchasing a ticket have resulted in a programme of one-to-one coaching and reviewed training materials.
- 3.24** Buses complaints fell from 2.7 complaints per 100,000 passenger journeys in Quarter 3 to 2.5 complaints per 100,000 passenger journeys in Quarter 4. The number of complaints in Quarter 4 2013 is slightly higher than last year, largely as a result of an increase in complaints about service delays, which rose in Quarter 3 and only started to fall, in line with the normal seasonal variation, towards the end of the quarter. Year-on-year, complaints about drivers have reduced. Complaints regarding problems with boarding and alighting, a persistent issue, are being looked at through a network-wide investigation to better understand and to address the root cause of these issues.
- 3.25** The complaints rate for the Congestion Charge has fallen when compared with last year. Congestion Charging Autopay (CCAP) continues to operate well with around 230,000 active accounts. The most common complaint relating to CCAP is generated as a result of a customer's card payment being refused. TfL are in the process of consulting on the introduction of payment by Direct Debit for CCAP, with a view to it being in place by mid-2015.
- 3.26** TfL has introduced more stretching targets for the redistribution of bikes, which has contributed to a fall in the complaints rate for Barclays Cycle Hire. The ability to dock and hire a bike is still a key concern for customers. To help users of the scheme, each terminal provides information on the six closest stations and their availability. In addition there is an extended hire period if a station is full.
- 3.27** On Dial-a-Ride, booking refusals make up a significant proportion of complaints. Dial-a-Ride's complaints rate is comparatively high, which reflects the fact that it is a multi-occupancy door-to-door bus service and not an on-demand service.
- 3.28** The majority of Oyster complaints are due to customers feeling that they have been over charged following a journey. We have continued to publicise the need for customers to touch in and/or out correctly and, in many cases, we have automatically seen the incomplete journey and automatically corrected it. We also received a number of customer complaints regarding replacement Oyster cards not automatically linking to customers' online accounts. Following these complaints, TfL has developed a process to ensure that replacement cards are automatically linked to the online accounts.

People

Staff

Full-time equivalent	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
London Underground	21,184	21,248	-65	21,446	-262
London Rail	223	195	28	225	-2
Surface Transport	3,318	3,364	-46	3,414	-95
Corporate	3,581	3,200	381	3,597	-16
Crossrail	879	898	-19	898	-19
Total FTE	29,185	28,937	247	29,580	-394

- 4.1** At the end of 2013/14 TfL employed 29,185 full-time equivalent staff, 247 more than Budget. This increase is due to a combination of new projects added in the new Business Plan published in December 2013, and existing projects where programme budgets have been approved, but the specific resourcing requirements were not finalised when the Budget was set.
- 4.2** London Underground total headcount is 262 FTE less than forecast at the end of the year. The operations directorate is 166 FTEs lower due to slower than planned mobilisation of both manufacturing and change projects, the holding of vacancies for savings or pending organisational change and slower than planned recruitment. The Capital Programmes directorate has 115 fewer FTEs and the underlying reason in many cases is the drive to make savings resulting in recruitment delays, therefore many programmes have left vacancies unfilled, including SSR Upgrade partly due to the ATC contract re-let. The remaining variances in Support (69FTEs) were primarily due to ongoing recruitment delays. Partially offsetting these lower numbers is a central adjustment for vacancies of 150.
- 4.3** London Rail total headcount is just 2 FTE less than forecast at the end of the year.
- 4.4** Surface Transport was 46 FTE below Budget at the end of Quarter 4. This was due to the transfer of 58 budgeted FTE to the Commercial team in Corporate. Enforcement and On Street Operations vacancies resulted from employees who joined the LU driver training scheme and longer than anticipated recruitment lead times. Dial a Ride had a driver recruitment freeze during the current TfL initiated Social Needs Transport review, with the shortfall covered by (non TfL) Community Transport drivers and taxis. Projects & Programmes vacancies were due to slower than anticipated recruitment. These were partially offset by the approval of 92 FTEs in Asset Management and Strategy Planning.
- 4.5** At the end of Quarter 4, Surface Transport was 95 FTE below Q3 Forecast. Asset Management had difficulties finding employees with the required skills and recruitment being put on hold until a review of the directorate structure had been completed. Projects & Programmes and Buses permanent recruitment took longer than anticipated. Enforcement vacancies were due to employees joining the LU driver training programme, delayed recruitment and vetting processes. These gross vacancies were

offset by a vacancy factor of 55 FTE and 22 temporary FTE recruited to Taxi & Private Hire to process the high volume of licence applications.

- 4.6** Compared to Budget Corporate had 381 more staff at year end, slightly below the quarter three forecast of 397 FTE. This was due to 223 FTE funded by projects or existing budgets, where there is no additional financial impact. These included project-funded staff required for project delivery including future ticketing, the new TfL website and IM work for Fit for the Future Stations, as well as dealing with increased customer demand at Oyster Card Call Centres. 81 FTE transferred into the Corporate Directorates, with a further 114 FTE required for projects, new activities and increased demand. These were partly offset by 37 FTE reflecting other minor movements, including maternity cover and vacancies.
- 4.7** At the end of 2013/14, Crossrail employed 879 FTE staff, 19 FTE less than Budget and forecast. This was driven mainly by lower than anticipated FTEs in Central and Technical. Programme critical roles in these areas have been filled by agency staff in the short term.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground & London Rail (£m)	Full year 2013/14					Section
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast	
London Underground	2,285	2,305	-20 ▼	2,290	-5 ▼	2.2 and 2.3
London Rail	308	292	16 ▲	310	-2 ▼	2.4 and 2.5
Total fares income	2,593	2,598	-4 ▼	2,600	-6 ▼	
Other operating income	216	201	15 ▲	215	1 ▲	2.7
Total operating income	2,809	2,799	11 ▲	2,815	-5 ▼	
Chief Operating Officer	-1,578	-1,577	-1 ▼	-1,581	3 ▲	2.12 and 2.13
Other Operational Expenses	-491	-520	30 ▲	-492	1 ▲	
London Rail Operations	-373	-353	-20 ▼	-376	3 ▲	2.14
Renewals and reliability Projects	-153	-144	-9 ▼	-177	24 ▲	2.12 and 2.13
Total operating expenditure	-2,595	-2,594	-1 ▼	-2,627	32 ▲	
Capital expenditure						
London Underground	-1,200	-1,222	21 ▲	-1,236	36 ▲	2.21 and 2.22
LU third-party contributions	6	23	-17 ▼	30	-24 ▼	2.27
London Rail	-100	-159	59 ▲	-98	-2 ▼	2.23
London Rail third-party contributions	40	10	30 ▲	36	4 ▲	2.28
Net capital expenditure	-1,255	1,348	93 ▲	-1,269	14 ▲	
Net Service Expenditure	-1,041	-1,143	103 ▲	-1,081	41 ▲	

Surface Transport

Surface Transport (£m)	Full year 2013/14					Section
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast	
Bus fares income	1,501		16 ▲	1,493	8 ▲	2.6
Bus contract costs & ticket commission	-1,870		-16 ▼	-1,873	3 ▲	2.15 and 2.16
Direct Bus Subsidy	-368		0 ►	-380	11 ▲	
Other Bus Income	27		2 ▲	26	1 ▲	N/A
Bus operating Expenditure (net of third-party contributions)	-94		1 ▲	-95	2 ▲	2.15 and 2.16
Bus Capital Expenditure	-74		5 ▲	-76	1 ▲	2.24 and 2.25
Net Bus Service Expenditure	-509		8 ▲	-524	15 ▲	
Other Surface Transport						
Other Operating Income	355		6 ▲	356	-1 ▼	2.8 and 2.9
Other Operating Expenditure (net of third-party contributions)	-716		37 ▲	-736	18 ▲	2.15 and 2.16
Other Capital Expenditure (net of third-party contributions)	-164		81 ▲	-162	-2 ▼	2.24 and 2.25
Net Service Expenditure	-1,035		133 ▲	-1,066	31 ▲	

Corporate directorates

Corporate (£m)	Full year 2013/14					Section
	Actual	Budget	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast	
Other Operating Income	41	78	-37 ▼	40	1 ▲	2.10
Operating Expenditure (net of third-party contributions)	-592	-568	-24 ▼	-601	9 ▲	2.17 and 2.18
Net Capital Expenditure	-39	-116	77 ▲	-26	-14 ▼	2.26; 2.30; and 2.31
Net Service Expenditure	-591	-606	16 ▲	-587	-4 ▼	

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

TfL group (£m)	Full year 2013/14					
	Actual	Budget	Variance to Budget	Section	Quarter 3 Forecast	Variance to Quarter 3 forecast
TfL investment programme						
London Underground	-1,354	-1,366	12 ▲	IPR, page 89	-1,414	60 ▲
London Rail	-100	-159	59 ▲	IPR, page 91	-98	-2 ▼
Surface Transport	-451	-557	106 ▲	IPR, page 92	-461	10 ▲
Corporate directorates	-80	-180	100 ▲		-80	0 ►
TfL investment programme	-1,985	-2,262	277 ▲	IPR, page 4	-2,053	68 ▲
Less revenue investment (included in operating expenditure):						
London Underground	-153	-144	-9 ▼		-177	24 ▲
Surface Transport	-194	-222	28 ▲		-202	9 ▲
TfL revenue investment	-347	-366	19 ▲		-380	33 ▲
TfL gross capital expenditure						
London Underground	-1,200	-1,222	21 ▲	OFR, page 23	-1,236	36 ▲
London Rail	-100	-159	59 ▲		98	-2 ▼
Surface Transport	-257	-335	78 ▲		-258	2 ▲
Corporate	-80	-180	100 ▲		-80	0 ►
Gross capital expenditure	-1,638	-1,896	258 ▲	OFR, page 23	-1,674	36 ▲

Appendix C: Balance Sheet ²³

TfL Group Balance Sheet at Quarter 1	Full year 2013/14			
	Actual	Variance to Budget	Quarter 3 forecast	Variance to Quarter 3 forecast
Non-current assets (-higher / lower than budget)	30,653	167	30,765	112
Current assets (exc. cash & investments) (-higher / lower than budget)	721	(123)	572	(149)
Cash & investments (-higher / lower than budget)	4,567	(885)	4,197	(370)
Creditors (higher / -lower than budget)	(2,996)	203	(2,890)	106
Derivative liabilities (higher / -lower than budget)	(71)	(45)	(76)	(5)
Borrowings (higher / -lower than budget)	(7,867)	32	(7,867)	-
Provisions (higher / -lower than budget)	(3,148)	181	(3,016)	132
Total Net Assets – (higher) / lower than budget	21,859	(470)	21,685	(174)

Non-current assets

- 5.1** Non current assets are £167m lower than budget. This is predominantly the result of fixed assets being £144m lower than Budget with lower activity expenditure (£300m) and higher disposals and write offs (£90m), depreciation and other adjustments of (£34m) offset by the impact of property revaluation gains of £221m and capitalised interest of £59m, neither of which were included in the budget.
- 5.2** Long term cash investments, at £203m, were £6m below budget whilst long-term debtors were £477m at the year end, £17m below budget.
- 5.3** Compared to the Quarter 3 forecast, non-current assets were £112m below budget, with lower fixed assets of £52m and lower long term cash deposits of £57m. The £52m fixed asset variance was the net movement of lower capital expenditure activity of £156m, higher disposals of £106m and higher depreciation and other adjustments of £11m, offset by year end revaluations of £221m, not previously forecasted.

Current assets

- 5.4** Stock and short term debtors were £123m higher than budget at year end. Of this, £88m was for trade and other debtors, which included £35m for accrued Business Rate and other grant income £9m higher Pass Agent debtors (where an expected reduction from the introduction of contactless transactions has not yet materialised), and £17m within the Insurance Captive and higher trade and capital debtors, notably in London Rail in respect of the East and North London Line projects and the sale of the Dalston Curve properties.
- 5.5** Accrued income was £30m higher than budget following a review of the Community Infrastructure Levy accrual, and stocks were also £5m over budget.

²³ The Balance Sheet and the Cash Summary (Appendix C) show the full consolidated accounts for TfL. This includes London Transport Museum (LTM) activity; cash balances as well fair value adjustments for long-term investments.

- 5.6** Compared with the Quarter 3 forecast stock and short-term debtors were £149m higher than expected. As above, this was driven by the high level of trade and other debtors (£121m), the property debtor and the CIL accrual (£20m) offset by lower stock levels (£2m).
- 5.7** Total cash and investments (both long and short term) at the year end stood at £4,770m (total cash and investment including only short-term investments standing at £4,567m). This represented a variance to Budget of £878m and to the Quarter 3 forecast of £313m.
- 5.8** The cash variance to Budget reflects the lower activity for the year of £363m allied to working capital and other improvements of £322m, lower cash advances to Network Rail (£18m) and £176m of higher grant and borrowings, including £100m grant for Crossrail rolling stock.
- 5.9** The Cash variance to forecast was driven by lower net activity spend of £204m, £78m of working capital and other improvements, £25m of increased grant and £6m lower cash advances to Network Rail.
- 5.10** A breakdown of the cash variances to date against both Budget and the Quarter 3 forecast is shown in the table at Appendix D.

Current and long-term liabilities

- 5.11** Total long and short-term creditor balances at the year end were £203m higher than budget, £83m of which was for higher receipts in advance, where the unused portions of period tickets (£20m) and Oyster balances and deposits (£61m) were above budget due to the delay in launching contactless payments across the network.
- 5.12** Deferred income was £43m above budget, mainly due to the advanced receipt of advertising income.
- 5.13** Both trade creditors (£20m) and accruals (£57m) were above budget levels at the year end.
- 5.14** Compared to forecast, total creditors were £106m above budget, of which £34m was for traffic receipts in advance, as above, and £70m was for trade, capital and payroll creditors, whilst accruals were £7m below forecast.
- 5.15** The derivatives position is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. However, as TfL only enters into such contracts to fix interest rates on its future borrowings, hedge accounting applies and any movement in the fair value of the derivative liability is recognised directly in reserves. The fair value liability is expected to reverse by maturity in future years.
- 5.16** External borrowings at Quarter 4 were £32m above budget but equal to the Quarter 3 forecast. The position against the Budget reflects the impact of the early redemption and refinance of Tube Lines debt.
- 5.17** Provisions at the end of Quarter 4 were £181m higher than budget, including £63m lower payments against property claims and £57m higher costs against the Crossrail project. Rail and Underground have also raised provisions for contractual disputes and future reorganisation costs of £61m. The effect of the R&U provisions allied to the increase in the Crossrail project position meant that provisions ended the year £132m higher than forecast at Quarter 3.

Balance Sheet (£m)	Full year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Intangible assets	123	119	(4)	168	45
Property, plant & equipment	29,257	29,573	316	29,428	171
Investment properties	593	425	(168)	429	(164)
Long term investments	203	209	6	260	57
Long term debtors	477	494	17	480	3
Non Current Assets	30,653	30,820	167	30,765	112
Stocks	48	42	(6)	50	2
Short term debtors	673	556	(117)	522	(151)
Cash and Investments	4,567	3,682	(885)	4,197	(370)
Current Assets	5,288	4,280	(1,008)	4,769	(519)
Short term creditors	(2,093)	(1,894)	199	(1,996)	97
Short term borrowings	(709)	(1,138)	(429)	(727)	(18)
Short term lease liabilities	(73)	(70)	3	(70)	3
Short term provisions	(213)	(86)	127	(136)	77
Current Liabilities	(3,088)	(3,188)	(100)	(2,929)	159
Long term creditors	(81)	(60)	21	(65)	16
Long term borrowings	(7,158)	(6,697)	461	(7,140)	18
Long term lease liabilities	(749)	(769)	(20)	(759)	(10)
Long term derivatives	(71)	(116)	(45)	(76)	(5)
Other provisions	(138)	(79)	59	(82)	56
Pension provision	(2,797)	(2,802)	(5)	(2,798)	(1)
Long Term Liabilities	(10,994)	(10,523)	471	(10,920)	74
Total Net Assets	21,859	21,389	(470)	21,685	(174)
Capital and Reserves					
Usable reserves	4,633	3,774	(859)	4,533	(100)
Unusable reserves	17,226	17,615	389	17,152	(74)
Total Capital Employed	21,859	21,389	(470)	21,685	(174)
Cash and Investments					
CRL Sponsor funding account	2,040	1,830	(210)	1,972	(68)
Other cash and investments	2,730	2,061	(669)	2,485	(245)
Total as above ²⁴	4,770	3,891	(878)	4,457	(313)

²⁴ Includes Cash and Investments, and long-term investments

Appendix D: Cash summary

Cash Summary In / (Out) Flow (£m) £m	Full Year 2013/14				
	Actual	Budget	Variance to Budget	Quarter 3 Forecast	Variance to Quarter 3 Forecast
Margin	(1,442)	(1,534)	(92)	(1,526)	(84)
Working Capital Movements	69	(245)	(314)	(23)	(92)
Cash Spend on Operating Activities	(1,373)	(1,779)	(406)	(1,549)	(176)
Net Capital Expenditure	(1,530)	(1,762)	(232)	(1,534)	(4)
Crossrail	(1,576)	(1,615)	(39)	(1,692)	(116)
Working Capital Movements	(116)	(63)	53	(111)	5
Cash Spend on Capital Activities	(3,222)	(3,440)	(218)	(3,337)	(115)
Cash Settlement of derivatives	-	-	-	-	-
Non-cash items included in activity	107	52	(55)	116	9
Fair value adjustment for long term investments	-	-	-	-	-
Loans to third parties (paid) / repaid	(198)	(216)	(18)	(204)	(6)
Non-Activity Cash Movements	(91)	(164)	(73)	(88)	3
Grants, Precept & other contributions	5,230	5,078	(152)	5,205	(25)
Borrowings Raised	438	345	(93)	438	-
Borrowings Repaid	(105)	(42)	63	(105)	-
Total Funding	5,563	5,381	(182)	5,538	(25)
Net Movement in Cash	876	(2)	(878)	564	(313)

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 weigh’ the figures according to when and where the delay occurred. For example, we know that for customers, waiting on a train that is delayed in the tunnel feels longer than waiting on a platform for a delayed train to arrive, even if the total length of delay is the same. This means that the ‘minutes’ used in the measure are not actual minutes, but reflect customers’ perception of the delay they experience.</p>
London buses: excess wait time	Minutes	<p>Excess wait time (EWT) represents the amount of time that a passenger has had to wait in excess of the time that they should expect to wait if buses ran as scheduled.</p> <p>EWT is the key measure of reliability of high frequency bus services as experienced by passengers and is also used to calculate operator performance bonuses or penalties.</p>
Transport for London Road Network (TLRN): serious and severe disruption	Hours	The KPI measures the numbers of hours of serious and severe disruption on the Transport for London Road Network (TLRN) as a result of planned and unplanned interventions.

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

Scheduled services operated	%	The amount of service that TfL actually operated, compared to what we planned beforehand – comparing peak and off-peak times. (Peak times are 07.00 – 10.00 and 16.00 – 19.00 Monday – Friday.) This helps us check whether the service we operate at the busiest times of day is as good as during quieter periods.
Recorded crime	Per million passenger journeys	The number of recorded (or notifiable) crimes per million passenger journeys on the appropriate network.
LU and LR major injury frequency rate	Major injuries/ million hours	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. 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.
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



New Routemaster with view of Whitehall

Investment Programme Report Fourth Quarter December – March 2013/14

TfL Investment Programmes

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

TfL's multi-billion pound capital programme, covering public transport and road networks, is a core element in delivering this it will maintain London's position as a world-leading city and as a national asset, driving economic growth, jobs and apprenticeships across the country.

London is growing faster than any other European city. Its population will rise from 8.4 million today to 10 million by 2030.

The rate of growth is equivalent to six new residents every hour, two buses full of people every day or a Tube train full of people every week. Public transport and our roads simply must keep pace with this and deliver better journeys for all who live in, work in, or visit London.

The Investment Programme described in this report, one of the largest in Europe, contains a range of programmes and projects that will deliver world-class transport services to the people of London. These are delivered by TfL directly, through partners in the London boroughs, or through long-term partnerships with the private sector such as Private Finance Initiatives (PFIs). This report covers the larger projects, those with an estimated final cost (EFC) of over £50m. .

The structure of the report covers:

- Executive Summary and Programme Headlines
- Detailed Programme Report
- Cost and Schedule Variance Analysis

Executive Summary

The quarter saw continued delivery of the extensive TfL Investment Programme, with major achievements in the London Underground (LU) modernisation programme and the highway and cycling portfolios providing improved transport benefits across London. Highlights included:

- Five of the six areas on the Northern line have had their new signalling successfully commissioned and the final zone is due to complete in May, six months ahead of programme. The new signalling will enable a 20 per cent increase in capacity on the line later in the year
- New, more spacious and air conditioned S stock trains came into service on the District line between Wimbledon and Edgware Road on 7 February
- More than eight per cent of the track infrastructure has been renewed on the Bakerloo, Central, Victoria, Metropolitan, Hammersmith & City, District and Circle lines by the end of the quarter. This will help to reduce the number of infrastructure failures, reducing delays to passengers on the network
- The Contract was awarded to Bombardier to supply, deliver and maintain the 65 Crossrail trains, creating over a 1,000 new jobs
- The first and highly innovative set of modular points was installed on the London Underground, which will lead to significant savings in project time and cost as the innovation gets used more widely
- The Track partnership saved £2m by maximising the work they carried out over the Christmas period
- The first milestone of replacing 50 tunnel rings between Baker Street and Bond Street was achieved on schedule, on this complex and challenging programme
- The new, more spacious ticket hall and entrance to Paddington Station (Hammersmith & City line) was brought into service
- The order was placed for the additional trams required to reduce congestion on the western section of Tramlink between Therapia Lane and Wimbledon
- Bus route 148 was the fifth route to be fully converted to the New Routemaster bringing a cumulative total of 145 to the streets of London
- Cycle Superhighway (CS) 5 Outer, from New Cross Gate to Oval, is now under construction with completion scheduled for the end of May

Sadly we have to report the on-site fatality of a Clancy Docwra employee on Sunday 2 March 2014 as the result of being hit by the arm of an excavator vehicle on hire to Clancy Docwra at the DLR new Pudding Mill Lane station site near Stratford. Extensive investigations of Clancy Docwra's site management were undertaken after work was immediately suspended. After much consideration, including review with the contractor's board members, work eventually restarted under close scrutiny just before Easter, enabling an opening of the new station over the Easter period.

On 7 March there was a fatality at Crossrail's (CRL) Fisher Street site. The investigation has established that an operative, for reasons as yet unknown, entered an exclusion zone without authority and it was here that the accident occurred. CRL have strengthened their procedures for enforcing exclusion zones and introduced measures to enhance the visibility of the zones' limits. All their operatives involved in the sprayed concrete lining (SCL) process have been comprehensively re-briefed on the procedures. LU have been consulted on the development and implementation of these measures and our contractors will be adopting any improvements to their existing arrangements that have emerged. LU's contractors have also undertaken a comprehensive re-brief of their SCL crews. We anticipate further technical guidance to the industry will be developed as the current investigations conclude.

151 Budget milestones were completed by the end of the quarter against a target of 175. Details of individual late milestones are provided in both the Cost and Schedule Variance Analysis (pages 93 to 94) and within the Detailed Programme Report (page 13 onwards).

At the end of quarter 4 the gross actual spend for the year is £1,985m against a budget of £2,262m (an under-spend of £277m) on the Investment Programme. The actual under-spend at the year end is primarily a timing difference with expenditure being re-profiled into other years for accelerated payments or re-prioritising of works. This includes expenditure on the road investment programme, for which expenditure profiles on elements such as the Structures and Tunnels Investment Programme, improvements to network performance, cycling infrastructure and major highways enhancements have been refined as the detailed delivery plans have further developed.

A total of £84m worth of savings was achieved within the Investment Programme by the end of quarter 4. LU contributed £65m or five per cent, of their annual spend. This is mostly attributed to a £27m saving made on JNP signalling. Surface Transport contributed £19m savings, mostly attributed to the getting better value for money on the Cycle Hire Expansion and Intensification project following the successful negotiation of the construction, build and installation contracts with third party suppliers.

Executive Summary

DELIVERY – COST

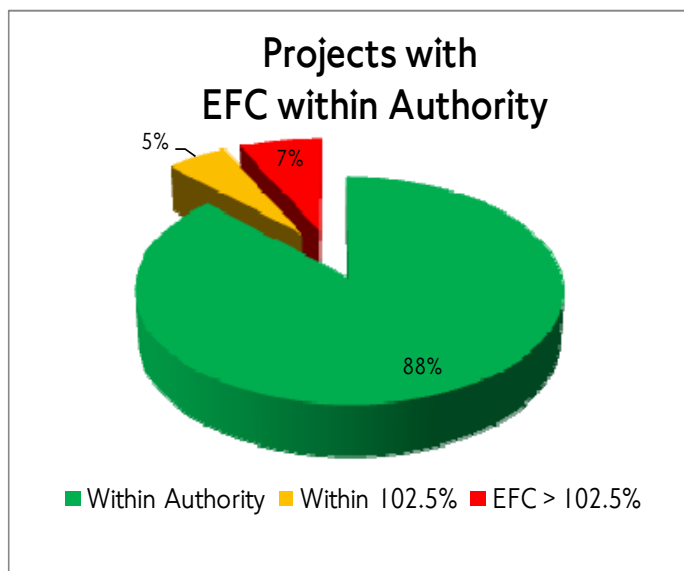
Projects with an Estimated Final Cost (EFC) within Authority

Projects and programmes must obtain the appropriate authorities before they spend money, incur a financial liability or make a binding contractual commitment for the purchase of goods, services, land or works.

This section compares the project's approved authority against its current EFC. 88 per cent of all projects have an EFC within authority. Details of projects with an EFC exceeding authority are provided in the Cost and Schedule Variance Analysis Section.

Those projects outside authority will be required to resubmit authority requests to the appropriate board governance.

The three projects where EFC exceeds authority by more than 2.5 per cent are detailed on page 85.

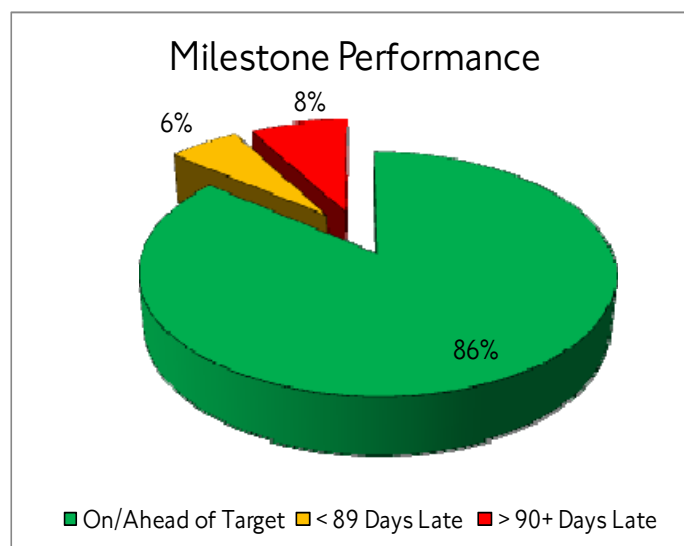


Milestone performance

Each financial year the programme and project teams publish the milestones against which their progress will be reported and monitored.

86 per cent of the milestones reported in the detailed pages are on or ahead of target.

Details of individual late milestones are provided in both the Cost and Schedule Variance Analysis (pages 93 to 94) and within the Detailed Programme Report (page 13 onwards).



Programme Headlines

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

Sub-Surface Railway Upgrade Programme (SUP)

New S stock trains went into passenger service on the 7 February 2014 on the District line section between Wimbledon and Edgware Road. 51 out of the 55 new seven-car S Stock trains (S7) have been delivered to London as replacements for the C stock. A further ten were brought into service this quarter and a total of 37 are now operational on the network.

Further to this, 35 of the 58 eight car S Stock (S8) trains have now been through the enhancement programme to provide better, more reliable rolling stock.

The commissioning of the Upminster Depot signalling on the North Sidings was completed successfully. This will allow the depot to begin the maintenance of S stock later in 2014.

Following termination in December 2013 of the contract with Bombardier for the supply of the Automatic Train Control (ATC) signalling system and after a detailed pre-qualification process, Thales have been invited to the next level of the tendering process to let the ATC signalling supply contract for SUP. It is anticipated that a new contract will be awarded later this summer and will be a significant step towards ensuring we deliver our upgrade by 2018.



S Stock - first passenger journey on the District line

SSR Power

Through the quarter the delivery risk has been reduced as all works requiring engineering trains have been completed including the Civil works at Stepney Green.

Programme Headlines

Infrastructure Track Renewal

The Track Partnership (TP), a contract between London Underground and the main contractor Balfour Beatty Rail, delivered 8.6km of Ballasted Track Renewal (BTR), of which 3.2km was achieved over the Christmas weekends, their most successful quarter since the TP formed in 2011.

The Track Partnership also achieved six km of drainage improvement works and renewed four points and crossing units.

The first 'Modular' set of points was installed on the London Underground in this quarter. This innovation will lead to significant savings in time and cost as the innovation gets used more widely.

The Track Delivery Unit (TDU) used the first of the Strabag milling machines on the east end of the District line. A further two machines have been received and are undergoing plant approval. This will significantly increase the TDU capacity for rail grinding in the future, ensuring fewer rail defects and disruption to service.



Crossrail and London Underground Works

The Tunnel Boring Machine (TBM) Ada finished its tunnelling works at Farringdon completing the Western Tunnels with no impact on LU infrastructure.

Programme Headlines

Station Developments and Upgrades



Tottenham Court Road – South plaza entrance
standard escalator installation

The programme of the developer (which is constructing the station box on LU's behalf), has now stabilised with no further delays to the St Stephen's Church works. The developer is now due to hand over the station box to LU in early August, at which time LU can award the station fit-out contract.

Paddington Station Upgrade

The new ticket hall and entrance to Paddington Station (Hammersmith & City line) was brought into service. This brings all staff and customer facing elements of the project into use.

Northern Line Upgrade

Northern Migration Area (NMA) 4 (Bank and Charing Cross branches) was handed over for revenue service on 18 January and NMA 5 (Morden Branch) entered revenue service on 22 March both six months ahead of programme. The new signalling will enable a 20 per cent increase in capacity on the line later this year.

Jubilee and Northern Lines Mid-life Refurbishment

Alstom successfully completed the refurbishment of a further 12 Northern line trains in the quarter out of a total of 106.

Tottenham Court Road Station

The Goslett Yard Box works were completed and handed over to the Crossrail team. Works on the new ticket hall continue, including installation of the support beams for the acoustic fins and escalator works.

Bond Street Station

The station cooling scope has been incorporated in the main contract rather than as a stand-alone project, to maximise efficiency benefits.

Victoria Station Upgrade

The South Ticket Hall piling has been completed and the first section of the ticket hall level slab has been poured. However, owing to some unforeseen issues and requirements from Thames Water the final 54 grout jet columns cannot be completed until Thames Water complete their works. The impact of this change will not affect the overall completion of the works.

Bank Waterloo & City Entrance

Barclays Cycle Hire Expansion and intensification (CHEI)

Barclays Cycle Hire has been introduced to Wandsworth, Hammersmith and Fulham as well as an expanded area of Lambeth, Kensington and Chelsea. Around 2,000 extra cycles have been added and an additional 5,000 docking points.



CHEI intensification site - St Bride's Street in the City of London



Silver liveried new Routemaster celebrating Year Of The Bus

New Routemaster

There are now five full route conversions to the New Routemaster in operation, with a total of 145 buses in service. Route 10 is now being converted. The first buses entered service on 26 April.



Detailed Programme Report

Tottenham Court Road - Goslett Yard – Level -3 to decline

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For reasons of commercial confidentiality some Authority and Estimated Final Cost (EFC) values have been removed from the report and marked thus, *.

Committed schemes and milestones listed in Annex B of the 2013 Spending review funding settlement letter are included in this report. The milestones contained in Annex B are identified with the note 'Annex B: date' listed after the description.

Key to milestone RAG status:

Status	Discrete Projects
●	On time or early
▲	Between 1 and 89 days late
■	Greater than 90 days late

London Underground and London Rail

Detailed Investment Programme Report

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Sub-Surface Railway (SSR) Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
2974.2	4259.1	4258.2

The above financials exclude the impact of the Automatic Train Control (ATC) contract re-let.

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

A key achievement in the quarter was the introduction of the new S stock into passenger service on the District line between Wimbledon and Edgware Road, which was achieved on target on the 7 February 2014

Train roll-out

The Metropolitan line train fleet has already been replaced with 58 new eight-car S Stock trains (S8) and the associated infrastructure works completed, apart from recovery of redundant assets. The S8 stock is undergoing a train enhancement programme to improve the interior aesthetics of the passenger saloon and driver's cab and modify some components to extend their life; 35 trains have now been completed.

The supply of new seven-car S stock trains (S7) has continued this quarter with 51 of the 55 required for C stock replacement now delivered to London. The roll out of S7 into operational service has increased by another 10 this quarter, bringing the total to 37.

There is a focus to continue to improve the reliability of the S stock and particularly to reduce faults associated with the One Person Operation (OPO) system, which accounts for the highest number of train failures.

Work on the depots to support train roll-out includes enhancements to Neasden, Ealing Common, Upminster, and Hammersmith depots that will enable stabling and maintenance of the new longer trains. At Ealing Common Depot, work has progressed to provide S stock maintenance and overhaul facilities from June 2014. At Upminster depot, commissioning of signalling in the North Sidings was successfully completed in March 2014 and the project is on schedule to start providing S stock maintenance facilities

The age and condition of some of the existing assets and utility services at depots has contributed to additional cost and schedule pressure to these projects and caused a number of depot milestones to be forecast as late, but this does not impact the Department for Transport (DfT) milestone dates to complete replacement of C and D stock.

To enable operation of the new S Stock trains on the Sub-Surface Railway (SSR) network, work is required to immunise LU and Network Rail track circuits and other signalling equipment from electro-magnetic interference from the new trains. The work on both Wimbledon and Richmond branches has now been completed and a firm schedule has been agreed with the supplier to deliver immunisation on the east end of the District line by September 2014, in time to complete replacement of D stock by the 2016 DfT milestone date.

Due to S Stock being longer than legacy stock and having different station stopping positions, a large number of station infrastructure and existing signalling modifications are required to roll-out the trains, as well as a number of platforms lengthened. At the end of this quarter, most of the infrastructure work had been completed with only the District line services to Richmond, Ealing Broadway and Upminster remaining to be upgraded. Work on these sections is forecast to finish in December 2014, and will complete the infrastructure upgrade for the entire Sub-Surface Railway.

This quarter, 17 trains with regenerative braking capability have operated on the Metropolitan line north of Finchley Road. This will provide significant savings to LU and brings with it environmental benefits.



S Stock – first passenger journey on the District line

Automatic Train Control

Following termination in December 2013 of the contract with Bombardier for the supply of the Automatic Train Control (ATC) signalling system, LU have received expressions of interest from other signalling contractors, and their Pre-Qualification Questionnaires have been evaluated. Thales have been invited to the next level of the tendering process to let the ATC signalling supply contract for SUP. This follows our detailed pre-qualification process. It is anticipated that a new contract will be awarded later this summer and will be a significant step towards ensuring we deliver the upgrade by 2018.

Croxley Rail Link

The scheme is being led by Hertfordshire County Council (HCC) with their principal contractor Vinci, and supported by LU. In December 2011, the DfT announced funding of £76m, towards a total project cost of £117m. During this quarter, the schedule has continued to slip and the forecast costs have increased. HCC and LU are in discussions with the DfT about how the funding gap might be bridged.

The cost estimates associated with LU's core scope have remained stable.

Programme Level	Current Plan Date	Actual/Forecast Date	Rag
Hammersmith to Barking (Wembley Park Sidings) approval to operate in passenger service	17-May-13	17-May-13	Complete
Extended Circle approval to operate in passenger service	30-Aug-13	30-Aug-13	Complete
Roll out of new air-conditioned trains on the Circle, Hammersmith & City lines complete	31-Dec-14	31-Dec-14	●
Roll out of new air-conditioned trains on the District line complete	31-Dec-16	31-Dec-16	●
Sub-Surface Upgrade complete delivering 33 per cent capacity increase	31-Dec-18	31-Dec-18	●
Full signalling upgrade across the Sub-Surface network complete (Annex B:2018)	31-Dec-18	31-Dec-18	●
Depots	Current Plan Date	Actual/Forecast Date	RAG
Upminster Depot North Sidings Signalling Brought into Use	22-Jun-13	02-Mar-14	Complete
Upminster Depot Yard Enabling Brought into Use	01-Sep-13	01-Sep-13	Complete
Neasden Depot Winterisation Works Complete	31-Oct-13	18-Jul-14	■
Ealing Common Depot Yard Enabling Brought into Use	14-Nov-13	07-Dec-13	Complete
Neasden Depot Heavy Maintenance Facility Concept Design Complete	04-Jan-14	20-Dec-13	Complete
Automatic Train Control	Current Plan Date	Actual/Forecast Date	RAG
DC Traction ETE – Electrical Traction Equipment - Feeder Cable Plaistow – Finish on Site	21-Aug-13	14-Jun-13	Complete

ATC Signalling – Complete retrospective documentation of product software baseline	29-Sep-13	06-Dec-13	Complete
ESTL RUB approval of End State Track Layout Closure Programme	13-Dec-13	15-Oct-13	Complete
ATC Signalling – Service Control Centre – Concept layout complete	25-Dec-13	12-Dec-13	Complete
ATC Signalling – Old Dalby Test Track – S Stock S8 Onboard equipment Installed at Test Track location	12-Jan-14	02-Sep-13	Complete

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

Rolling Stock	Current Plan Date	Actual/Forecast Date	RAG
17th S7-Stock Contractual Acceptance for Service (AFS)	19-Jul-13	26-Apr-13	Complete
Vehicle Maintenance Instructions accepted from BTUK	14-Sep-13	27-Sep-13	Complete
22nd S7-Stock Contractual Acceptance for Service (AFS)	27-Sep-13	25-Mar-13	Complete
27th S7-Stock Contractual Acceptance for Service (AFS)	01-Nov-13	04-Jun-13	Complete
Modification Workbank Package Complete	28-Feb-14	15-Apr-14	Complete
S7 28 day integrated train reliability achieves 15,000km mean distance between failures	28-Feb-14	11-Oct-13	Complete
Signal Immunisation	Current Plan Date	Actual/Forecast Date	RAG
Wimbledon Branch Immunisation Restriction (R214) lifted.	04-Jan-14	31-Jul-13	Complete
Infrastructure Other	Current Plan Date	Actual/Forecast Date	RAG
Block 14 Earls Court - Ready For Integration Test	22-Jun-13	14-May-13	Complete
Extended Circle – Completion of Integration and Testing	03-Aug-13	02-Aug-13	Complete
Infrastructure Other	Current Plan Date	Actual/Forecast Date	RAG
Hammersmith to Barking – Infrastructure Full Completion	14-Sep-13	13-Sep-13	Complete
Baker Street to Wembley Park Sidings – Infrastructure Full Completion	14-Sep-13	13-Sep-13	Complete
Croxley	Current Plan Date	Actual/Forecast Date	RAG
Croxley Rail Link – LU formal submission of Development Agreement to HCC for sign off	15-May-13	17-Apr-13	Complete

Track Renewal

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
189.1	188.2	188.2

Track Programme

The programme remit is to deliver track, drainage and points and crossing renewals to a five-year schedule of work. By 2018, the target is that 25 per cent of track on Bakerloo, Central, Victoria and sub surface lines will have been replaced. Jubilee, Northern and Piccadilly lines will deliver to work-bank and budget commitments.

Quarter four saw some exceptional achievements from the Track Programme, not only in delivery figures but also in terms of innovation.

Both the Track Partnership and Track Delivery Unit met their respective track renewal year end TfL Budget milestones earlier than originally forecast. Thereby exceeding the 2013/14 DfT milestone pre-cursor target to renew eight per cent of track infrastructure on the Bakerloo, Central, Victoria and Sub-Surface lines.

Track Partnership

The Track Partnership (TP) successfully completed major works at Earl's Court over Christmas, completely renewing 550 metres of track along three platforms. This work over the Christmas shutdown saved £2m compared to typical weekend works.



Ballasted Track Renewal at Earl's Court

In January, the TP delivered more than 3.2km of ballasted track renewals (BTRs) during the three weekends available in the month. For the first time since its formation, the TP delivered BTRs at three different worksites in the same weekend which produced the longest weekend metreage ever delivered, bar Bank Holiday three-day closures. The works were facilitated by the introduction of another first for LU, the 'Track Rail Transporters' (TRTs). These replace the labour intensive 'iron men' machines, improve the manual handling requirements and reduce the need for road-railers.

Overall in the quarter, TP delivered 8.6km of BTR, including continued overnight midweek re-ballast works on the Central line. This made quarter four the most productive quarter in terms of BTR metreage since the TP was formed in 2011.



Overnight midweek track re-ballast works on the Central line

Quarter four was also notable for TP installing the first 'Modular' points on London Underground at Ruislip. 'Modular' points are a step change in design and construction methodology that offer significant benefits in the speed of installation and the quality of the end product. The new track is divided up into discrete 'panels' with rail and sleepers already fitted together. These are then brought into place and the rails are welded together. This enables the track to be delivered directly from the factory as panel segments that can be reassembled on site. Previously, new points were usually provided as a collection of loose smaller components to be rebuilt on site. However, the 'Modular' concept will really come into its own as the Track Programme delivers the very significant track remodelling work required for the sub surface upgrade in the next few years.

In total four points and crossing units were renewed in the quarter.



Modular points and crossings installation at Ruislip



Modular points and crossings installation at Ruislip

TP also delivered six kilometres of drainage renewals which included mid-week drainage works on the Central and Metropolitan lines.

Track Delivery Unit (TDU)

TDU exceeded their planned targets by delivering in excess of two kilometres of Deep Tube Renewal (DTR). In doing so, they achieved their year-end DTR Class 1 milestone for 3,150 metres renewal on SSL and BCV lines.

TDU excelled in the continual delivery of rail grinding for the Rail Defect Reduction Project utilising both engineering hours and opportunity possessions. To date, more than 133km of track has been ground, against a baseline plan of 63km, since commencement of project works in October 2013, three months earlier than planned.

TDU obtained Plant approval for the Strabag milling machine (new to LU) which facilitated rail grinding on the east end of the District line.

A further two machines are currently awaiting approval, these will increase TDU grinding capacity enabling a further increase in productivity and increasing LU's capability to deliver grinding on additional work fronts.



New Strabag milling machine:TDU rail grinding project

At the end of quarter four, spend exceeded Authority and EFC due to: new scope for Rolling Contact Fatigue works on the Victoria line (priority works which were allocated to TDU in period 13 and have subsequently been approved through the governance process); additional snagging costs on Central line Deep Tube Renewals (DTR's) and advance material and design costs on 2014/15 Points and Crossings works (which were procured in the previous financial year but will not change the overall project EFC).

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Completion of 4000 Metres of UV Lining (Drainage)	30-Mar-14	31-Jan-14	Complete
18,018m of Track replaced (total eight per cent replaced)	31-Mar-14	17-Mar-14	Complete
Deep Tube Class 1 Renewal – Achieve 3,510m P13	31-Mar-14	27-Mar-14	Complete
Points and Crossings – Achieve 14 units P13	31-Mar-14	27-Jan-14	Complete
Ballasted Track Replacement and Re-ballast Metres – Achieve 15,279m P13	31-Mar-14	03-Mar-14	Complete
Complete 1750 Metres of Track reconditioning (full year)	31-Mar-14	25-Nov-13	Complete
Complete 3600 Metres of Track life extension (full year)	31-Mar-14	07-Nov-13	Complete
Track Drainage – Replace 8,232m replaced P13	31-Mar-14	17-Jan-14	Complete

Civils (BCV/SSR)

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
22.8	35.5	25.4

The programme involves the strengthening, renewal and refurbishment of the Bridges and Structures and Earth Structure assets. The works are required to reduce asset risk, lower whole life asset cost and improve reliability.

A TfL milestone was achieved in the Practical Completion of carbon fibre strengthening at Lords disused station. The Project was completed early because of increasing efficiencies through improved access management.

Civils Earth Structures have completed a full assessment programme to carry out value engineering and reassessment of Earth Structures assets. This has increased savings and improved efficiency in working methods with project renewals and achieved a LU milestone on programme.



Cutting stabilisation works in progress between Chalfont and Latimer and Chesham

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Embankment 1 and 2 - Harrow on the Hill to North Harrow (Practical Completion)	27-Apr-13	19-Apr-13	Complete
Start on Site Metropolitan line north east bridge	25-May-13	25-May-13	Complete
Cuttings 8 and 13 Chalfont and Latimer to Chesham (Practical Completion)	17-Aug-13	16-Aug-13	Complete
Practical Completion – Cuttings 1 and 2A - Barkingside to Newbury Park)	24-Aug-13	23-Aug-13	Complete
Detail Design – parapet and bridge approaches replacement, Northwood to Northwood Hills.	14-Sep-13	16-Aug-13	Complete
Embankment 10 Chalfont and Latimer to Chesham (Project Completion)	07-Dec-13	06-Dec-13	Complete
Covered Way Strengthening Baker Street (Practical Completion)	01-Mar-14	23-Dec-13	Complete

Cooling the Tube Programme

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
174.8	184.8	189.5

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

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

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

Work progressed to programme this quarter. The new Centralised Cooling System, which enables real-time monitoring of fan conditions across the network in order that remedial works can be carried out quickly when required, has been delivered and is in use. Physical work on the restoration of fans has commenced at Redbridge Lane and Cromwell Curve, and the concept design phase is nearing completion for fans at Baker Street, Carlton Square, Forest Road and Waterloo.

The Estimated Final Cost (EFC) exceeded authority at the end of Q4 as the programme is being authorised in stages. A £7m authority increase was approved in April 2014/15 for a programme of fan asset renewal works.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Reinstatement of Out of Service Fans – Issue ITT for final design contract for next phase of fan upgrades	24-Jun-13	12-Apr-13	Complete
Complex Fans: Award design contract	06-Dec-13	18-Oct-13	Complete
Central Cooling System Virtualisation complete (beneficial use)	31-Dec-13	13-Dec-13	Complete
Quick Win Fans Beneficial Use	13-Oct-14	01-Sep-14	●

SSR Major Power Works (Signalling)

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
10.3	43.9	37.3

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

Progress this quarter has been to programme. Civils works at Stepney Green are now complete; Sudbury Hill Low Voltage Board has been energised with further energisations planned at other stations in the coming quarter. All work requiring use of engineering trains has been completed, which removes a delivery risk.

The programme is on track to deliver all the Sub-Surface Upgrade Programme requirements on time.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Start of Construction – Cable Route and Transformer Rooms	29-Jul-13	10-Jun-13	Complete
Section 1 Substantial Completion (Part 8)	30-May-14	02-May-14	●
Section 2 Substantial Completion (Part 8)	01-Aug-14	04-Jul-14	●
Section 3 Practical Completion (Stepney Green Part 8)	31-Oct-14	30-Sep-14	●
Finish on Site – Cable Route & Transformer Rooms – All Sites	20-Nov-14	23-Oct-14	●
Project Financial Close	31-Mar-18	01-Mar-18	●

SSR Major Power Works (Traction)

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
381.6	521.4	507.4

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

Progress has been to plan this quarter. Two of the seven work packages (Griffith House Bulk Supply Point (BSP) and 132kV connection from Griffith House to St John's Wood BSP) are now nearing closure following successful delivery. The Direct Current (DC) Board at Ealing Common was energised in the quarter, achieving an LU milestone. Major structural track-side works at Farringdon have been completed and a concrete floor poured, meaning the site is now suitable for installation of plant equipment. Trenching works have commenced at Hendon and Neasden, beginning the final work package under the SSR Power programme (132kV grid connection from Hendon to Neasden Bulk Supply Point).

The programme is on track to deliver all the Sub-Surface Upgrade Programme requirements on time.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Issue ITT for 132kV Cable Route to Neasden Bulk Supply Point	02-Apr-13	02-Apr-13	Complete
West Ham (New) – Building Brickwork Complete	08-Jul-13	17-May-13	Complete
Power Capacity to support Full S7 Fleet (pre-ATC) on Circle + Paddington – Hammersmith	30-Jul-13	19-Jun-13	Complete
Power Available for ATC mode north of Baker Street	20-Nov-13	20-Nov-13	Complete
Provision of (Firm) Power capacity to support 57 S7D to Upminster	06-Dec-13	22-Nov-13	Complete
New Bulk Supply Point at Edgware Road	01-Mar-14	08-Nov-13	Complete
Power available to support full S7 stabling of trains (Ealing Common Depot).	05-Mar-14	12-Feb-14	Complete
Programme Stage Gate 6 Review (SSR PU Programme Close)	15-Jun-18	04-May-18	●

World Class Capacity

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
2.0	*	*

This is a feasibility study to define the scope, cost and business case for delivering increased trains per hour capacity on the Victoria, Jubilee and Northern lines.

Victoria

Concept design work has commenced and a review with Siemens has taken place. Six separate packages of work have been agreed for the signalling work stream. Contracts are in place to support concept design. A purchase order has been issued to Bombardier Transportation to commence design for energy efficiency works on the rolling stock. A programme review with all internal and external suppliers has taken place to facilitate co-ordination.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Stage Gate B Review	19-Nov-13	04-Dec-13	Complete

Jubilee

The final feasibility study reports are undergoing final review and are on target for completion at the end of April. Work has continued on the mobilisation plan for the main project with targeted staffing increases to enable the early phases of work.

A key element of the works is processing 'similar' trains and a procurement programme has been developed. To support these works a European Journal Prior Information Notice (PIN) was issued in April.

Legacy Train Systems

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
122.6	315.2	659.8

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

'92 Tube Stock Refresh (Central Line)

759 body ends were completed against a scoped total of 749 due to be completed by 31 March 2014. The Project is now complete.

Automatic Track Monitoring System – ATMS

Two 72 tube stock Bakerloo line trains are ready for service. The TfL milestone was achieved, on target, on 7 February.

Battery Locomotive Life Extension

Locomotive 9 including 750V prototype, the TfL milestone was achieved, on target, on 10 March.

'92 Tube Stock Bogie Modifications (Central Line)

Gearbox overhauls and associated bearing replacement are on plan at a rate of 20 per week. TfL milestone of 608 overhauls was completed four weeks ahead of target.

72 Tube Stock Bakerloo Line Life Extension (weld repairs)

The refurbishment of building AC15 (train workshop Railway Engineering Works), enabling works to create project facilities have commenced.

72 Tube Stock Bakerloo Line Canopy Barrier

Installation was completed, on target on 3 March.

The EFC includes a provision for extension of life works on the Central and Bakerloo line rolling stock of £393m. Full funding approval is expected in 2014/15.

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

New Tube for London

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
20.2	*	*

As a coordinated series of line upgrades for the Piccadilly, Central, Bakerloo and Waterloo & City lines, the New Tube for London (NTfL) programme will form the next generation of line upgrades and aims to deliver asset renewals in a more comprehensive, consistent and systematic manner.

The programme provides a unique opportunity for LU to deliver long-term business transformation by introducing LU to efficient maintenance models and higher levels of automation. Technology-enabled change and asset renewals will enhance the customer experience and improve the operating and maintenance model of the 'Deep Tube' lines, creating a paradigm shift for the future operating and business model of LU.

During the quarter, funding approval was granted from the TfL Board in January to allow the programme to proceed from feasibility to the design and specification stage over the next 24 months and mobilisation has started. The formal procurement process for the purchase of rolling stock was launched via an Official Journal of the European Union (OJEU) and issue of the pre-qualification questionnaire (PQQ), ahead of target. The informal early contractor engagement process is proceeding in parallel and the draft technical specification has been issued to the suppliers. The NTfL rolling stock procurement is being coordinated across the TfL group via a procurement steering group to exploit opportunities presented by concurrent procurements and ensure consistency when appropriate.

The NTfL programme board approved changes to strategy and scope of the Piccadilly line resignalling arising from the retendering of the signalling for the SUP programme. The implications of these changes are being developed.

Current activity includes: delivery of the substation inverter trial; continuation of obstacle detection trials and gap filler tests in support of the strategic approach to the platform-train interface system level design; more detailed asset and system modelling and surveying and implementation of the phase 2 benchmarking plan. In respect of rolling stock, the evaluation model for the Invitation To Tender (ITT) responses is being completed and validated prior to release to the supply chain.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Proof of Concept Study for Saloon Air-Cooling in a Deep Tube Train Application – Complete	26-Jul-13	28-May-13	Complete
Commencement of the First Obstacle Detection Trial	19-Aug-13	18-Apr-13	Complete
Programme Feasibility Complete (Programme Gate B)	22-Oct-13	10-Oct-13	Complete
TfL to issue ITT for the first phase of a new generation of low-energy, high-capacity deep tube rolling stock which would ultimately be applicable to the Bakerloo, Piccadilly and Central lines	29-Dec-15	09-Dec-15	●

Crossrail London Underground Works

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
209.4	227.4	285.5

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

The Goslett Yard Box was handed over to CRL on the agreed date on 6 January.

At Farringdon the Tunnel Boring Machine (TBM) Ada completed tunnelling works. The Western tunnels were completed with no adverse effects on LU infrastructure.

At Liverpool Street - sprayed concrete lining in the Zone of Influence of the Northern line (south of Moorgate) is progressing well with ground movements within predictions. The piling adjacent to old sub-station was successfully completed, without impact on LU service. Low Voltage changeovers to LU operational circuits were completed. Liverpool Street station is now being supplied by new CRL switch-rooms.

Earthing and Bonding Work Package Plans have been agreed with CRL.

A CRL/LU/Otis oversight panel has been established to maximise the utility of the pan-TfL escalator in delivering Crossrail escalators.

The EFC exceeds current authority due to the inclusion of future uncommitted expenditure not yet instructed by a Crossrail purchase order.

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

Station Developments

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
367.7	572.7	463.6

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

At Bromley-by-Bow a Joint Delivery Partner has been appointed to deliver the design and investigate opportunities to recover the programme following the conclusion of the previous architect's commission.

The developers have submitted a planning application for the Finsbury Park Development to the London Borough of Islington for consideration.

The Programme Board has approved funding for the feasibility study for the Thames Garden Bridge Step Free Access Review.

A Draft Development Agreement has been agreed by the developer and the developer has submitted responses to LU comments on the Concept design for Waterloo (Shell Centre).

The funding for Colindale was approved at the Programme Board.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bromley-by-Bow Step Free Access (SFA) – Commence Detailed Design	27-Jan-14	03-Nov-14	■
Gunnarsbury Station Refurbishment – Bring into Beneficial Use	08-Nov-13	28-Oct-13	Complete

Vauxhall Station Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
6.1	35.1	35.1

The aim of the project is to reduce congestion and queuing at Vauxhall station through increased station capacity and reduce the risk of unplanned station closures. The project delivers additional gate line and ticket hall capacity and step-free access from ticket hall to platform level.

Demolition and strip-out works within subway 5 are progressing to plan. Installation of phase two hoarding within the ticket hall has been completed. Revised spray concrete lined (SCL) tunnel design and KONE detailed designs have been completed and are under review. The SCL assurance documentation for enabling works has also been submitted.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Vauxhall Station Capacity and SFA – Bring Into Use (SFA Lift and Stairs)	23-Oct-15	25-Sep-15	●

Stations Stabilisation Programme

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
41.7	176.2	459

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

Feasibility review achieved at East Ham. Concept Design commenced at Marylebone and Detailed Design was completed at Greenford. Successful Traffic Hour closures were implemented at Staircase 1 and Staircase 2 at Chancery Lane.

The EFC exceeds Authority because the Stations Stabilisation Programme is authorised in phases: EFC matches authority for the current phase. Future works will be submitted for authorisation as required.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Earls Court Station Commence Detailed Design	12-Jun-13	16-Apr-13	Complete
South Kensington Station Start On Site	28-Oct-13	28-Oct-13	Complete
Paddington Station Start On Site	15-Nov-13	21-Sep-13	Complete
Earls Court Station Start On Site	23-Dec-13	25-Nov-13	Complete

LU Lifts and Escalators

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
49.7	*	*

The lift and escalator portfolio delivers the cyclical renewal of lifts and escalators to:

- Ensure safety critical systems are functional and compliant with standards and legislation
- Prevent the degradation of assets through whole life asset management decisions and modelling

Detailed Design achieved at Queensway lifts 1 and 2, and a key stage review achieved at Highbury & Islington escalators 1 and 3 and Vauxhall escalators 1 and 3.

Start on Site achieved at Elephant & Castle lift 5, Blackhorse Road escalator 1, Knightsbridge escalator 6, Old St escalator 3 and Queensway lift 1.

Bring in to Use (BIU) achieved at Bollo House lift 1, Blackhorse Road escalator 3 and Greenford escalator 1.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Bank Start On Site – (Closure)	28-May-13	18-Apr-13	Complete
Bring Into Use Canary Wharf escalator 13	06-Sep-13	23-Aug-13	Complete
Bring Into Use Westminster escalator 4	28-Sep-13	30-Aug-13	Complete
Greenford PAM Phase 1 – Escalator Start on Site	02-Oct-13	04-Sep-13	Complete
Bring Into Use Waterloo escalator 10	28-Oct-13	14-Oct-13	Complete
Highbury and Islington escalator 3 Return To Service	02-Nov-13	08-Oct-13	Complete
Edgware Road Station Lift No. 1 and 2 Refurbishment – Bring into Beneficial Use	18-Jan-14	21-Dec-13	Complete
Bring Into Use Old Street escalator E3	09-Jul-14	03-Jul-14	●

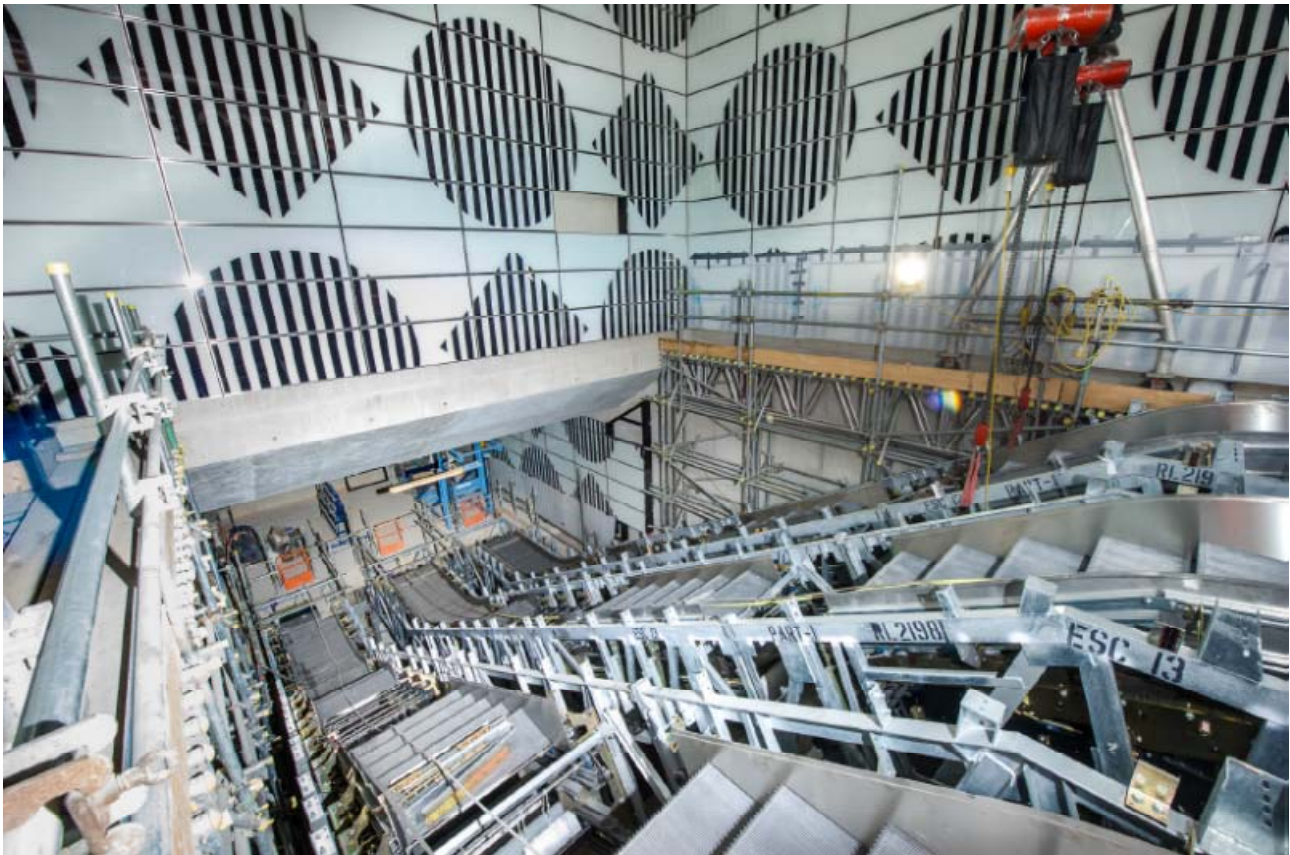
Tottenham Court Road Station Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
341.0	538.0	485.0

The project will provide:

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

The installation of support beams for acoustic fins in the new ticket hall has commenced. Fire-stopping, plastering, block-work erection, screeding, painting, flooring and cladding is progressing in the new ticket hall basement and Falconberg Court Building (FCB). Escalator installation works are continuing. The revised Charing Cross road traffic diversion preparatory works are progressing to plan. A review of the next stage of traffic management for the works is progressing with TfL Surface Transport.



Southern Plaza escalator installation



Tottenham Court Road Oxford Street entrance



Northern line escalator box for new escalators 7, 8 and 9



Aerial view of whole site at Tottenham Court Road

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Section 1 Completion (Handover part Astoria site)	09-Oct-13	03-Jun-13	Complete
Start NL Concourse Fit Out	25-Nov-13	22-Nov-13	Complete
Completion of Goslett Yard Box	13-Feb-14	06-Jan-14	Complete
Section 3 Completion (Consolidated Piling)	19-Sep-14	26-Aug-14	●
Completion of Phase 1 (Partial Opening of the New Plaza Ticket Hall)	31-Mar-15	12-Jan-15	●
TCR – New Passenger Facilities Open – (Annex B: 2016)	20-Nov-16	09-Sep-16	●

Paddington Station Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
52.0	62.2	53.3

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

- A new ticket hall
- Significantly enlarged passenger concourse with three staircases to platform level
- Step-free access from street to platform level (H&C platforms)
- The East and West Plazas

All staff and customer facing elements of the project have now been brought into use.



Paddington new station entrance

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Lifts 3 and 4 Installed	02-Aug-13	19-Jun-13	Complete
Acceptance of Mandatory Asset Information Deliverables (MAID) by LU	08-Oct-14	09-May-14	●
LU Fit Out Work Complete (Annex B:2014)	01-Nov-14	22-Apr-14	●
Paddington (H&C) Congestion Relief – Final Fit Out BIU (Practical Completion)	28-Jul-14	11-Apr-14	●

Bond Street Station Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
182.1	307.6	291.9

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

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

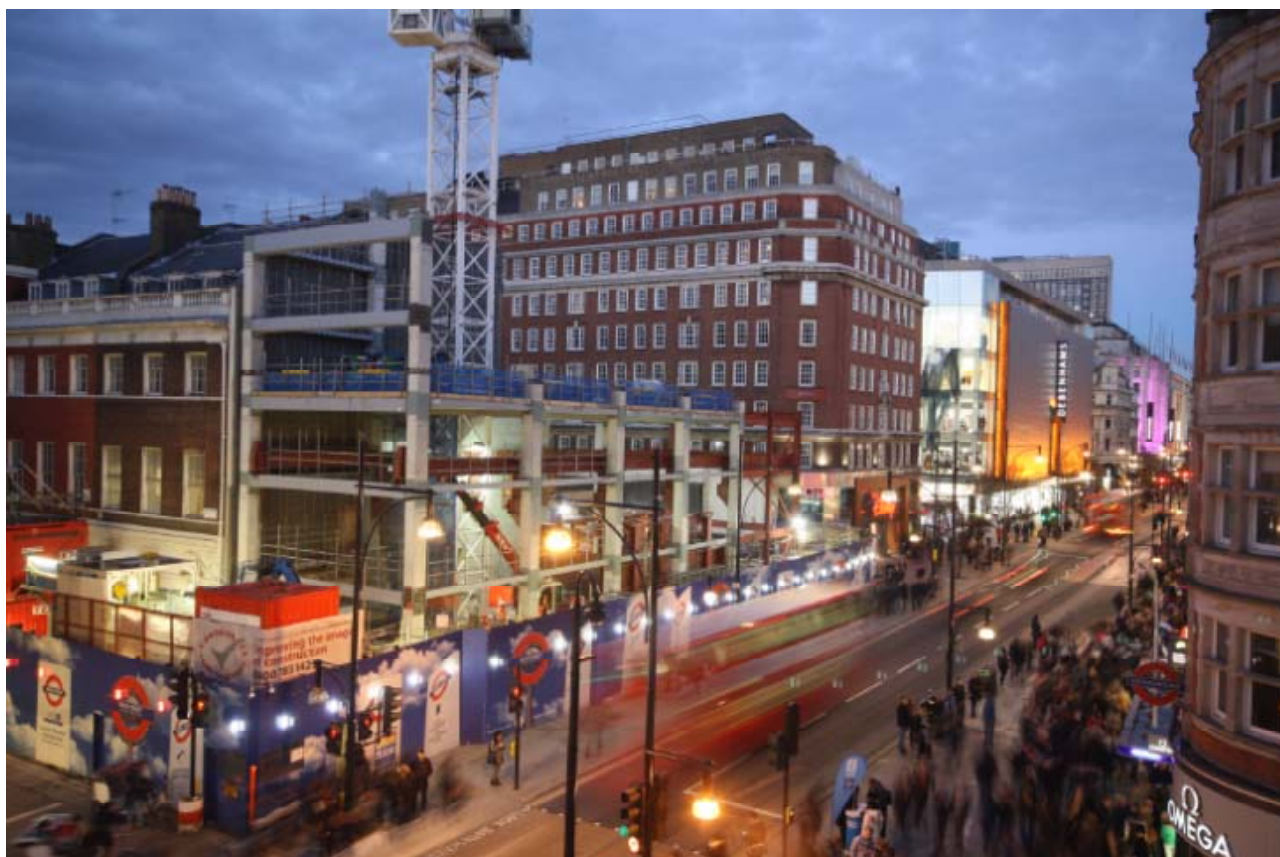
The over site development pre-cast column installation has been completed and the step-free access passageway has been successfully constructed over the top of the Jubilee line southern running tunnel with no impact to service or assets. Cooling the Tube works have now been incorporated into the main contract works. The Jubilee line crash deck has been successfully erected. The Central line platform closure will finish by the end of June and the Jubilee line platforms will need to be closed from then until December.

The Tunnelling construction methodology has been revised to maintain the overall project programme and this change has impacted the tunnelling set-up decommissioning milestone.

In consultation with the developer, the project has amended the delivery strategy for the over-site development above 354-358 Oxford Street to deliver additional development value to TfL, which means that the project will now also deliver shell and core works (additional works) before handing over to the developer.



Bond Street tunnelling works



Progress on the over-site development at Bond Street

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Demolition of sub-structure Complete	02-Feb-13	03-May-13	Complete
Start of main tunnelling operations (Annex B:2013)	14-Oct-13	05-Jul-13	Complete
Close escalators 1 and 2 for tunnelling	28-Apr-14	01-Feb-14	Complete
Early hand back Jubilee Line Platforms, Escs 6,7,and 8, 3,4,and 5, 4/092 into public use	02-May-15	22-Dec-14	●
Tunnelling Set Up Decommissioned	28-Sep-15	24-May-16	■
SC03 OSD Frame to be handover to Developer – Planned Date	06-May-16	28-Sep-16	■
Bond St Station Upgrade – Practical completion (Annex B:2017)	28-Apr-17	20-Mar-17	●

Bank Waterloo & City

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
17.4	*	*

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

The Developer's programme has now stabilised with no further movement to St Stephen's Church or delays to excavation and foundation construction. (There has been considerable delay due to historical movement of the church and extended archaeological dig.) The Developer currently intends to hand over the Station box to LU for fit-out early in August 2014, when LU will be in a position to award the station fit-out contract.

Once the box has been handed over and fit-out contract awarded, a revised scheme completion date can be confirmed.

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

Victoria Station Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
319.8	677.4	603.1

The Victoria Station Upgrade project will deliver:

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

The South Ticket Hall piling is now fully complete and the first section of ticket hall level slab (164m³) has been successfully poured. More than 95 per cent of the jet grout columns have now been installed in the areas around the station (2028 of 2122). The jet grouting work at Victoria has been the largest and most complex programme of jet grouting ever seen in the UK.

At the North Ticket Hall the second concrete pour for the roof slab has been successfully completed. The project will seek opportunities to recover the LFEPA Shaft Access milestone which is marginally delayed.

The need for Thames Water to address previously unforeseen condition issues with the Water Main in Victoria Street will delay the completion of the final 54 jet grout columns, as these cannot now be installed until Thames Water have completed their works. This means that we are unlikely to achieve the 'Ground Treatment Complete' milestone in November as originally planned. This does not impact subsequent milestones or the project end date.



Victoria South Ticket Hall piling works



Aerial view of westbound link and south ticket hall worksites at Victoria



Victoria station tunnelling

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Complete PAL 1618 Squarework Tunnelling	12-Jul-13	28-Jun-13	Complete
Commence South Ticket Hall Demolition	07-Aug-13	08-Jul-13	Complete
Complete North Ticket Hall Piling	06-Dec-13	21-Nov-13	Complete
Shaft 29 (Allington Street) complete	13-May-14	21-Oct-13	Complete
Ground Treatment Complete	11-Nov-14	19-Feb-15	■
North Ticket Hall Civils Complete (inc removal of Traffic Management)	13-Mar-15	18-Dec-14	●
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) – DIS (Annex B:2016)	23-Oct-16	12-Dec-16	▲
VSU – South Ticket Hall and remainder of VSU works (Sectional completion S4) – DIS (Annex B:2018)	04-Jun-18	17-Aug-17	●

Bank Station Capacity

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
93.6	177.5	562.9

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

The project won 'Innovation of the Year' and 'Leadership of the Year' at the 'GO Excellence in Public Procurement awards' for the work undertaken on Innovative Contractor Engagement. Working collaboratively, the project team have developed an improved solution for the Central line link which will bring significant programme and risk benefits. The planning application for the over site development has been submitted to City of London and the design freeze ahead of the Transport and Works Act Order process has been achieved.

The project is currently only authorised for its current phase but the Estimated Final Cost encompasses the whole project and reflects the substantial cost savings achieved through the Innovative Contractor Engagement procurement approach.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Submit for Transport and Works Act Order (TWAQ)	27-Aug-14	16-Jul-14	●
TWAQ Grant of Powers	15-Jun-16	21-Apr-16	●
Completion of all designs to Compliance to S1538	23-Feb-16	23-Feb-16	●
Start on Site	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	●

Jubilee Line Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
55.6	77.6	70.1

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

Transmission Based Train Control (TBTC) reliability on the Jubilee line has further improved to one minute per day with further works proceeding to plan which will improve reliability and operability.

Decommissioning and close-out activities have continued towards an overall October 2014 project completion.

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

Northern Line Upgrade

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
257.6	464.4	400.9

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

Northern Migration Area (NMA) 4 (Bank and Charing Cross branches) entered revenue service on 18 January and Northern Migration Area 5 (Morden branch) entered revenue service on 22 March, both more than six months ahead of programme. This now leaves the final Edgware branch commissioning, which is nearing completion of testing and due for commissioning on 18 May, also over six months ahead of programme.

Track and other works to enable higher speeds for key parts of the line are well underway, giving confidence for the planned introduction of Working Timetable 54 in June and 55 in December (meeting the DfT target for a 20 per cent uplift in capacity).

Reliability in the combined Northern Migration Areas NMA1 (High Barnet to West Finchley), NMA2 (High Barnet Branch), NMA3 (Camden Town), NMA4 (Bank to Charing Cross) and NMA 5 (Oval to Morden) has been well within the 10 minutes delay per day target. Fleet Mean Distance between Failures (MDBF) for the fleet continues to be around the 25,000km target.



NMA5 in Revenue Service Oval to Morden

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Commence ML3 System Testing NMA4 (Old Street/Euston to Oval)	12-Jul-13	12-Jul-13	Complete
Commence ML3 System Testing NMA5 (Stockwell to Morden)	19-Jul-13	18-Jul-13	Complete
Ready for Operational Proving NMA2 (Mill Hill East to Highgate)	27-Jul-13	12-May-13	Complete
Commence ML3 System Testing NMA6 (Edgware to Belsize Park)	02-Oct-13	02-Oct-13	Complete
In Revenue Service NMA2 (Mill Hill East to Highgate)	25-Nov-13	23-Jun-13	Complete
Ready for Operational Proving NMA3 (Archway/Chalk Farm to Angel/Euston)	30-Nov-13	20-Sep-13	Complete
Ready for Operational Proving NMA4 (Old Street/Euston to Oval)	08-Mar-14	17-Jan-14	Complete
Northern line upgrade complete, delivering 20 per cent increase in capacity (Annex B: 2014)	31-Dec-14	31-Dec-14	●

Jubilee and Northern Line Mid Life Refurbishment

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
9.9	67.0	57.0

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

Within the quarter, Alstom successfully completed the refurbishment of Northern line trains 21 to 33 (of a total of 106) which is on programme.

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

Bond Street to Baker Street Tunnel Lining

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
19.3	34.4	39.5

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

In total there are 359 rings to be replaced over 215 metres in the Baker Street to Bond Street tunnel section. Since the physical site works commenced in June 2013, a total of 58.2 rings have been replaced. The LU milestone of 50 rings was achieved three weeks ahead of programme.

The provision of trains/crew for the planned closures remains a concern however regular collaborative weekly planning meetings are improving this situation.

At quarter 3, additional work had been instructed since the authority was granted. These include Charing Cross trials 1 and 2, additional Ground Investigation, Tunnel Monitoring and Segment Handling Plant B. At the recent April Rail and Underground Board meeting options to improve the programme and the financial status of the project were presented and the financial authority is to be reviewed with the sponsor during quarter 1.



Shoulder tunnel segment being lowered



Shoulder tunnel segment on cradle

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Start on Site (SOS) Specialised Segment Removal Plant – Baker Street to Bond Street Tunnel Relining	16-Jun-13	16-Jun-13	Complete
Replace 25 No of Baker Street to Bond Street Tunnel rings (mid year)	15-Nov-13	25-Dec-13	Complete
Replace 50 No of Baker Street to Bond Street Tunnel rings (full year)	30-Mar-14	09-Mar-14	Complete

Northern Line Extension (NLE)

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
24.8	*	*

The NLE will extend the Northern line Charing Cross branch from Kennington to a new southern terminus within the Battersea Power Station site with an intermediate station at Nine Elms. This will improve access to the LU network in an area which is in part characterised by poor access to public transport, thereby benefiting both new and existing residential and business communities.

The public enquiry ended on 20 December 2013, and the Inspector will now deliver his report to the Secretary of State (SoS). The timeline for SoS approval is undefined but will either be in advance of the summer parliament recess or will be given in early autumn once parliament reconvenes.

The evaluation of four tendered bids is underway, with the process programmed to conclude with planned contract award for the main Design and Build works in mid-summer. Following the necessary stand-still period of 10 days, the contract will be formally signed mid-summer 2014. These evaluation dates assume that there is a clear winning bid and that confirming the contract is a straightforward process. Should exclusions and conditions prove more difficult to map out and agree with the winning bidder, the award date may move to accommodate this.

Battersea Power Station Development Company (BPSDC) is currently proposing significant changes to the design of Battersea Station. Such changes may or may not be compatible with the designs being submitted as part of the bids, and it will be necessary to review these designs and assess any cost and programme.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Define Programme Management methodology	30-Apr-13	30-Apr-13	Complete
Issue Invitation to Tender (ITT) for Innovation Contractor Engagement contract	30-Sep-13	09-Dec-13	Complete
Define Delivery Model for non-civils works	20-Dec-13	11-Dec-13	Complete

London Tramlink Wimbledon Line Enhancement

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
5.5	30.0	30.0

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

- Twin-tracking of existing single track sections of the Tramlink network between Beddington Lane and Mitcham Junction and associated infrastructure enhancements
- Delivery of an additional platform and new tram infrastructure at Wimbledon station, including extension of running rights at the station
- Procurement of four additional trams to facilitate the increased services into Wimbledon station.

The contract for the infrastructure works that will be taking place at Wimbledon station and the twin-tracking improvements between Beddington Lane and Mitcham Junction has been awarded to Cleshar Contract Services (CSS). CSS have begun with the site surveys that are required to produce the detail design. Vegetation clearance has been carried out in advance of the twin-tracking. The outline design for the systems and signalling has been completed by Thales and the programme for the additional trams with Stadler continues to process as scheduled.



Twin tracking infrastructure works



Vegetation clearance between Beddington Lane and Mitcham Junction

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Issue Invitation to Tender for twin tracking	10-Dec-13	24-Sep-13	Complete
Place order for additional trams complete	31-Mar-14	02-Aug-13	Complete

London Overground Capacity Improvement

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
54.4	174.7	174.7

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

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

At the Silwood stabling site the track is now installed, with tamping due to commence this quarter. Signalling installation is also progressing in parallel.

At New Cross Gate Depot, significant progress has been made on the concrete substructure for the Maintenance Facility Building extension, ensuring that remaining works will progress without disrupting on-going train maintenance. Site set up has also been completed at the Willesden Depot and 'C' Sidings, ready for commencement of preliminary works.

Extension of the North London line platforms has commenced at Hoxton, Haggerston, Acton Central and South Acton, as well as piling for the platform extension at Willesden Junction (High Level). Works have been completed at Canonbury platforms 1 and 2.



Wheel lathe break-out at New Cross Gate Depot

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Award ELL Stabling infrastructure contract	01-Oct-13	28-Jun-13	Complete
Completion of ELL Stabling enabling works	01-Nov-13	18-Oct-13	Complete
Completion of ELL Depot enabling works	01-Mar-14	28-Jan-14	Complete

Specialist Services

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Integrated Transport Smartcard Organisation

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
65.1	67.2	65.9

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

The TfL HOPS is working in the live environment and is successfully communicating with the Southern HOPS. A customer launch at six stations within London took place 21 October. Final witness testing took place at end December 2013 and the system was accepted. The project team are now completing activities to formally close the project.

The project has engaged with other parties and the DfT to discuss deployment options across the rail industry. Central to delivery of live operational schemes are the Commercial Agreements that are being progressed by the Department for Transport outside the scope of this project.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Reader hardware rollout complete	30-Apr-13	01-Nov-13	Complete
ITSO on Prestige (IoP+) Stage 3 certification	30-Sep-13	20-Dec-13	Complete
ITSO on Prestige Project Complete	24-Dec-13	24-Dec-13	Complete

Future Ticketing Project

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
56.8	66.8	67.9

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

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

Phase 2 – the system has been switched on at all Tube, Docklands Light Railway, and London Overground stations, tram stops and National rail stations where Oyster is currently accepted. TfL has been working with the payment card industry from early November to prove the system using a limited set of live credit, debit and charge cards. This has demonstrated correct billing and daily and seven day capping of charges. This has been followed by an industry pilot for TfL and banking industry staff. The first few hundred members of the public who volunteered to trial the system have now been invited to register their cards, with the aim of building participation to over 5,000 staff, key stakeholders and members of the public by early May. Subject to progress during the public phase of the pilot, this will be followed later in the year by a public rollout, incorporating bus travel, to give full multi-modal capping.

Estimated final cost, including provision for remaining risks, continues to exceed authority. The project has been instructed to continue at risk.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Phase 2 - start of integration of TfL and 3rd party back office systems	14-Jun-13	14-Jun-13	Complete
Phase 2 - introduction of contactless bank card acceptance for multi-modal daily travel, with daily and 7 day capping (Annex B: 2014)	31-Jan-14	11-Dec-13	Complete

Surface

Detailed Investment Programme Report

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Cycle Superhighways

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
37.2	66.6	176.6

The Cycle Superhighways programme is delivering radial cycle commuter routes from outer to central London. The first four routes (CS2, CS3, CS7, and CS8) were opened in 2010 and 2011.

CS2 Extension, from Bow to Stratford, was opened for service on 31 October. The remainder of the route around Stratford Gyratory is under construction with completion scheduled for July.

CS5 Outer, from New Cross Gate to Oval, is under construction with completion scheduled for May due to additional green surfacing agreed to be implemented. Detailed design has commenced for route 5 Inner, from Pimlico to Oval.



Newly constructed CS5 at A202 Peckham Road at the junction with Kelly Avenue Westbound

Concept design has commenced for the upgrades to the existing routes 2, 3, 7 and 8 and for new routes 1, 4, 5 Extension, 11, East-West and North-South.

The EFC of £176.6m now includes the cost of the upgrades, East-West and North-South, plus increased cost and scope on route 2 Extension, as outlined in the Mayor's Cycling Vision.

Current cost estimate indicates that there are significant cost pressures to meet delivery of the overall CS programme due to the higher standard of infrastructure required to meet the Mayors Cycling Vision.

Authority is less than EFC as the programme is releasing the Authority in tranches and the full Authority will be sought in due course.



Newly constructed CS5 in use at A202 Camberwell New Road,
Eastbound between Brixton Rd and Bolton Crescent

Programme level	Current Plan Date	Actual/Forecast Date	RAG
CS5 (Outer) completion of construction ¹	31-Mar-14	30-May-14	▲
CS2 (Ext.) Completion of construction	01-Jul-14	01-Jul-14	●
EW Start of detailed design	01-Sep-14	16-May-14	●
NS Start of detailed design	01-Sep-14	30-May-14	●
CS11 Start of detailed design	01-Sep-14	02-Jun-14	●
CS1 Start of detailed design	01-Sep-14	27-Jun-14	●
CS4 Start of detailed design	01-Sep-14	30-May-14	●
CS5 (Ext.) Start of detailed design	01-Sep-14	01-Sep-14	●

¹Milestone renamed from 'CS Route 5 – construction complete' as part of the 2014/15 milestone setting process and Plan Date rebaselined from 31 October 2013 to 31 March 2014.

Barclays Cycle Hire Phase 2

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
44.7	51.2	46.0

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

Phase 2 – geographic expansion launched on time in March 2012, increasing the number of bicycles to 8,333. Major system improvements were delivered in stages; with the final stage going live in September 2013, improving customer usability and billing.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Operational review complete ¹	30-Jun-14	30-Jun-14	●
Project close completed ²	30-Sep-14	30-Sep-14	●

¹'Start of Phase 2 Close (Gate 2)' milestone replaced by 'Operational review complete' as part of the 2014/15 milestone setting process and Plan Date rebaselined from 20 January 2014 to 30 June 2014. To align with agreed changes to Serco's contractual milestones.

²'End of Phase 2 Close (Gate E)' milestone replaced by 'Project close completed' as part of the 2014/15 milestone setting process and Plan Date rebaselined from 30 April 2014 to 30 September 2014. To align with agreed changes to Serco's contractual milestones.

Barclays Cycle Hire Cycle Hire Expansion and Intensification (CHEI)

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
18.9	37.1	22.2

Cycle Hire Expansion and Intensification launched successfully on 13 December 2013, taking Cycle Hire to southwest London into parts of Wandsworth, Hammersmith and Fulham, and additional areas of Lambeth, and Kensington and Chelsea. The expansion adds more than 2,000 new bikes and 5,000 additional docking points to the scheme. All sites substantially completed as planned in March 2014. Substantial savings have been achieved against budget due mainly to negotiated outturn on equipment and construction and also on risk management.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Contract variation signed	15-May-13	09-May-13	Complete
Start of construction programme	03-Jun-13	04-Apr-13	Complete
Start of installation programme	30-Aug-13	19-Aug-13	Complete
Operational commencement	13-Dec-13	13-Dec-13	Complete
All sites complete	31-Mar-14	31-Mar-14	Complete
Project close completed ¹	30-Sep-14	30-Sep-14	●

¹Milestone renamed from 'Project closure approved' as part of the 2014/15 milestone setting process and plan date rebaselined from 31 July 2014 to 30 September 2014.



CHEI intensification site - St Bride's Street in the City of London

Transport for London Road Network Capital Renewal Programme

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
54.8	57.5	54.8

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

Capital Renewals is a rolling programme of schemes that maintain the physical infrastructure of the TLRN, including carriageways, footways, structures, tunnels, lighting, drainage, green estate and street furniture. The programme consists of schemes that lengthen the useful life of an asset, either by replacing it with a new one, or by some other intervention such as reconstruction or refurbishment. £2.6m authority increase was approved for the additional funding from the DfT for carriageways works and EFC has reduced from £57.5m due to savings of £1.1m and carryover of various schemes for tunnels, structures and footways of £1.4m.

Schemes are identified, prioritised and programmed using a risk-based approach.

Programme Outputs

Output	Unit	Annual Target	YTD Actual	YTD Forecast	Commentary
Carriageway resurfacing	m2	650,000	775,916	775,916	119 per cent of annual target achieved.
Footway resurfacing	m2	58,000	42,122	42,122	73 per cent of annual target achieved with remaining programme deferred to 2014/15 partly due to localised flooding incidents.
Lighting columns	Nr.	900	607	607	67 per cent of annual target achieved - the delivery of Q1 schemes was deferred so they could be designed to the new British Standard which allows lower lighting levels for the TLRN. The deferral of works impacted full year delivery.
Vehicle restraint barriers	m	5,000	11,507	11,507	230 per cent of annual target achieved - final costs were lower than estimated so the opportunity was taken to accelerate the programme and make use of scheduled closures to improve asset condition.
Pumping station upgrades	Nr.	7	2	2	30 per cent of annual target achieved – slow delivery due to the first year of LoHAC contracts, but designs for 13/14 (slipped schemes) and 14/15 have been completed, with the former planned for delivery in Q1 of 14/15.
Expansion joints replaced	Nr.	6	7	7	117 per cent of annual target achieved.

2013/14 was the first year of a major new contract, the London Highways Alliance Contract (LoHAC). Asset renewal schemes that require feasibility and design were backended in delivery as this was the first year of LoHAC's eight year contract term. The year-end position was good with a number of outputs for asset renewal being exceeded. The delivery of 775,916m² of carriageway resurfacing, which was achievable due to additional road repair funding from DfT, was TfL's biggest ever year of carriageway delivery.



Upper Richmond Road footway works

New Routemaster - (formerly New Bus for London Vehicle Purchase)

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
71.0	220.0	220.0

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

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

There are now five full route conversions in operation with a total 145 buses in service. The first route to be converted was route 24 on 22 June 2013, operated by Metroline with the second route, route 11 operated by Go Ahead, converted on 21 September as planned. Route 9 operated by London United converted on 26 October, route 390 operated by Metroline converted on 7 December and the 148, operated by London United, converted on February 15, 2014. The next route to switch to the NRM is the 10 from Hammersmith to Kings Cross due to commence on April 26. Other routes are being evaluated and negotiations are taking place with a number of operators. Route 38 has been announced and further routes for conversion will be announced soon.



New Routemaster LT150 in silver livery to celebrate the Year of the Bus

New Routemaster

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Conversion of first route completed	30-Jun-13	22-Jun-13	Complete
Conversion of second route completed	31-Oct-13	21-Sep-13	Complete
Build completion of vehicle no. 250	31-Aug-14	31-Aug-14	●
Conversion of tenth route	31-Dec-14	31-Dec-14	●
Build completion of vehicle no. 450	30-Jun-15	30-Jun-15	●
Delivery of 600 buses into service	30-Apr-16	30-Apr-16	●

New Investment SCOOT

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
17.1	27.4	17.1

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

Programme level	Current Plan Date	Actual/Forecast Date	RAG
240 Sites commissioned onto UTC (FY 11/12) 413 Cumulative	30-May-12	30-May-12	Complete
115 UTC Design Briefs complete (FY 12/13)	08-Dec-12	08-Dec-12	Complete
115 Sites civil engineering complete (FY 12/13)	01-Mar-13	01-Mar-13	Complete
115 Sites SCOOT Loops installed (FY 12/13)	18-Mar-13	18-Mar-13	Complete
115 sites commissioned onto UTC (FY 12/13) 528 cumulative	31-Mar-13	31-Mar-13	Complete
115 Sites infrastructure installed (FY 12/13)	31-Mar-13	31-Mar-13	Complete
Final signal technology enabling completed (Annex B: 2015)	31-Jul-13	24-Jul-13	Complete
Project closure approved	31-Jul-14	31-Jul-14	●

Road Space Management SCOOT

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
3.3	21.1	57.1

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

Due to a delay in commencement of implementation, the commissioning of 200 sites is now targeted for 31 May 2014 and is challenging. The forecast date for enabling 200 sites remains 30 September 2014, with an amber RAG status reflecting the shorter timescales to enable sites after commissioning.

Authority is less than EFC as the Authority is being released in tranches and full Authority will be sought in due course.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Feasibility approved	30-Jul-13	18-Jul-13	Complete
200 sites commissioned	31-Mar-14	31-May-14	▲
Enabling completed for 200 sites	30-Sep-14	30-Sep-14	▲
Designs completed for 600 sites (cumulative)	31-Dec-14	31-Dec-14	●
Snagging and paperwork completed for 80 per cent of sites commissioned	31-Mar-15	31-Mar-15	●
600 sites commissioned (cumulative)	31-Mar-15	31-Mar-15	●
Enabling completed for 1500 sites (cumulative) (Annex B: 2018)	30-Sep-18	30-Sep-18	●

Hammersmith Flyover Phase 2

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
18.5	76.8	76.8

The Hammersmith Flyover project is part of a portfolio investment of eight specific road tunnels and structures on the TLRN in need of requiring capital investment in order to improve road network safety, network resilience and stability, and reduce the whole-life costs.

The first phase of works, addressing immediate risks to the safety of the structure, was complete in May 2012. The second and final phase of works, developing and implementing a long-term strengthening solution, started 28 October 2013.

The works completed so far have included the removal of the central reserve on the flyover to allow the installation of waterproofing and drainage system, construction of openings within the piers to improve access into the structure, strengthening bearing pits and the off-site erection of a mock up of the flyover to allow the testing and refinement of working methods to be undertaken safely and avoid construction delays.



Inside Hammersmith Flyover

Hammersmith Flyover Phase 2

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Approval to Award Design and Build Work Package	17-Oct-13	17-Oct-13	Complete
Possession of site	04-Nov-13	28-Oct-13	Complete
Central reservation works completed	10-Jul-14	10-Jul-14	●
Bearing installation completed	31-Dec-14	31-Dec-14	●
Finish on site completed ¹	30-Aug-15	30-Aug-15	●
Project close completed ²	27-Nov-16	27-Nov-16	●

¹Milestone renamed from 'Construction complete' as part of the 2014/15 milestone setting process and Plan Date rebaselined from 21 April 2015 to 30 August 2015.

²Plan Date rebaselined from 9 October 2015 to 27 November 2016 as part of the 2014/15 milestone setting process.

Better Junctions

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
12.1	28.4	95.0

The Better Junctions programme comprises 33 high-profile junctions and gyratories across London where substantial changes will be made to improve safety for vulnerable road users. These are typically complex locations with high cyclist and/or pedestrian flows and are deemed major barriers to cycling and walking.

Following the release of the Mayor's Cycling Vision in 2013 and a review of the Better Junctions programme, the number of junctions in the programme has been reduced from the original 100 to 33. However, TfL remains fully committed to addressing all of the original 100 locations and this work will be taken forward under other TfL delivery programmes. As a result of the change in scope, the original programme milestones for completing 100 reviews and 50 schemes by 2013 are no longer applicable. An extension has been requested until 2015 to complete the original 100 reviews and special dispensation is being sought with regard to the schemes milestone.

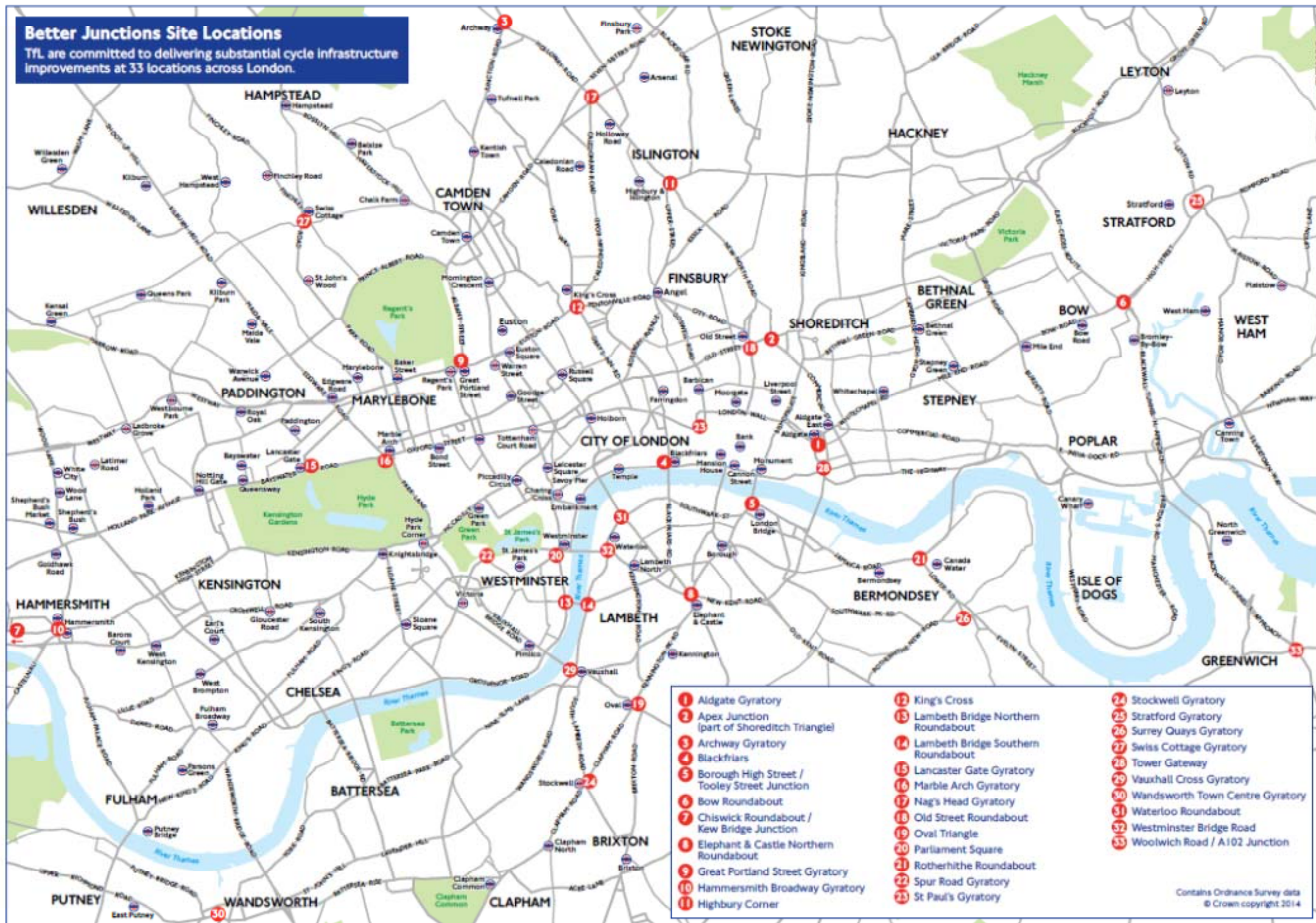
The programme is currently on schedule to successfully meet the new milestones set for the 2014/15 financial year, with Oval consultation due to commence in the summer and consultation for Archway also due this year.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Top 100 reviews completed	31-Dec-13	31-Dec-2015	■
First 50 schemes delivered	31-Dec-13	n/a	■
Consultation and concept design complete – Archway	15-Dec-14	15-Dec-14	●
Start on site commenced – Oval	15-Dec-14	15-Dec-14	●

* Note: £5 million of the £100 million budget has been allocated to part-fund the delivery of schemes on the original Top 100 list that are no longer part of the Better Junctions programme. This is reflected in the EFC of £95 million (rather than the publicly-announced £100 million). It should be noted that in addition to the Better Junctions funding, further substantial funding contributions have been identified from other TfL budgets and third party sources for improvements at the 33 locations. The programme comprises a set of 33 high-profile junctions and gyratories which are recognised barriers to cycling, and where substantial changes will be made to improve safety. 18 of the 33 will be delivered under Better Junctions governance while the remaining 15 will be delivered by Major Projects or Cycle Superhighways.

Better Junctions Site Locations

TfL are committed to delivering substantial cycle infrastructure improvements at 33 locations across London.



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

Spend to end Q4 2013/14 £m	Authority £m	EFC £m
4.8	77.0	77.0

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

In order to align the LRUC and TENP contracts, the current LRUC contract with IBM has been extended by 12 months to October 2015. A contract with Capita was signed on 13 January 2014 to provide the new service systems in 2015. The new TENP service will go live in June 2015 and the LRUC service in November 2015.

Since January 2014, Capita has been working on mobilising their project team, initiating project governance and workstream structures to support the implementation of the project. Joint scoping workshops have commenced between TfL, Capita and their key suppliers in order to develop their plan and key products for delivery as part of the initial mobilisation milestone. Exit planning with the incumbent suppliers has also commenced and initial meetings have been held between IBM, Capita, NSL and TfL.

Revised EFC to £77m at Q3 Forecast, as contract award was approved at TfL Board with full financial authority given. This is lower than the initial £99.4m at Q2 to incorporate significant savings recognised as a result of the commercial off-the-shelf-based solution and lower risk base of the successful bidder.

Programme level	Current Plan Date	Actual/Forecast Date	RAG
Evaluation of ITS bids complete	23-Oct-13	15-Oct-13	Complete
Approval to award contract	19-Nov-13	25-Oct-13	Complete
Contract signed	13-Jan-14	13-Jan-14	Complete
System design complete - CC & Low Emission Zone (LEZ) (Lot 1)	30-Jun-14	30-Jun-14	●
Traffic Enforcement Notice Processing system development complete	30-Mar-15	30-Mar-15	●
Traffic Enforcement Notice Processing go-live ¹	22-Jun-15	22-Jun-15	●
Business Operations service go-live	01-Nov-15	01-Nov-15	●
Enforcement Operations service go-live	01-Nov-15	01-Nov-15	●

¹Milestone Plan Date amended from Sunday 21 June 2015 to align with contractual milestone as part of the 2014/15 milestone setting process.



Cost & Schedule Variance Analysis

Hammersmith Flyover - freight lorries driving through Hammersmith flyover

Cost and Schedule Variance Analysis

88 per cent of all projects have an EFC within authority and 86 per cent of milestones reported in the detailed pages are on or ahead of target.

There are three fully authorised projects where EFC exceeds authority, by more than 2.5 per cent. Projects that are only partially authorised, for example, feasibility stage only, or those where EFC has increased with additional scope, are not classified as being in excess of authority.

EFC exceeds authority by more than 2.5 per cent

Project Name	RAG	% over	£m	Variance Commentary
SSR Upgrade – Depots	■	8	26.6	This remains unchanged since last quarter. SSR in total remains within authority. Depot EFC is £26.6m in excess of sub-programme authority due to cost increases from asset condition, prolongation and emerging issues during detailed design and construction at Ealing and Upminster Depots. Potential offsetting savings elsewhere in the programme are being reviewed.
SSR Upgrade - Infrastructure Other	■	4	10.9	This remains unchanged since last quarter. The EFC is £10.9m above authority for this sub-programme due to increasing costs in installing One Person Operation CCTV and stopping systems at stations and prolongation due to signalling immunisation issues. The sub-programme is exploring risk mitigation opportunities.
Bank Waterloo & City	■	8	4.6	This remains unchanged since last quarter. The delay to the developer's basement work will delay the LU fit-out contract. This mounting delay pressure has currently led to an increase of £4.6m in forecast EFC (considerably less than the savings being made by the development approach). EFC is expected to be within authority by Q1 due to efficiencies being realised. The developer is delivering the station box at a considerably lower cost than LU could deliver independently.

Significant changes in EFC this quarter

Projects with an EFC that has changed by more than two per cent in the quarter are included in the table with variance commentary to explain. A negative in the % change column indicates a reduction in EFC.

For reasons of commercial confidentiality some items are marked as *.

Project Name	EFC (£m)	% change	Variance Commentary
Transport of London Road Network (TRLN) Renewals Programme	55	-4	This is a rolling programme of schemes that maintain the physical infrastructure of the TLRN; the budget is annualised. Changes in the programme across various highways schemes have now been rescheduled for completion in 2014/15 leading to a variance in year.
Cycle Superhighways	177	29	29 per cent change reflects the transfer of funding for East-West and North-South routes from the central Cycling budget to the Cycle Superhighways programme to manage – no overall increase in £913m Cycling portfolio.

Year End Actual v Budget

The Budget is an agreed funding of annual expenditure for specified works which is established around period 9 of the previous financial year and forms part of the TfL Group Budget.

Variances greater than £5m (+/-) are included.

Project Name	Year End Actual (£m)	Year Budget (£m)	Variance (£m)	Variance %	Variance Commentary
SSR Upgrade - Rolling Stock	292	323	-30	-9%	Budget decrease is due to an advanced payment made in the previous financial year to procure rolling stock.
Legacy Train Systems	21	44	-23	-52%	Planned projects re-profiled or transferred to other Programmes/Directorates (£18.9m) and suspension of tunnel cleaning train (£5.3m).
London Overground Capacity Improvement	49	73	-24	-33%	Underspend is due to a programme change since production of the budget as no contract programmes were available at that time (mainly reflecting delays to Silwood finishing works and slower commencement of Willesden depot works). The project is still expected to deliver on schedule.
Stations Stabilisation Programme	31	42	-12	-28%	Re-profiling and movement of expenditure into future years due to delays in progressing some station designs. Design delays have now been stabilised.
Hammersmith Flyover Phase 2	18	34	-16	-48%	Re-phasing following development of the detailed construction programme. Milestones have been re-baselined accordingly.
Cycle Superhighways	10	27	-17	-62%	Re-phasing following changes in the Mayor's Vision for Cycling. Milestones have been re-baselined accordingly.
Civils (BCV/SSL)	23	36	-13	-36%	This remains unchanged since last quarter. Scope of Earth Structures and Bridge Structures deferred (£9.6m), a transfer of works to Asset Performance (£2.4m) and (£1.0m) risk release.
SSR Power	61	70	-9	-12%	Variance remains unchanged from quarter three. On Package 3 (£5.2m) as the budget was based on mid tender estimate, (£1.5m) of unbudgeted efficiencies embedded in 2013/14, (£1.6m) re-phasing as contractor not adhering to programme, (£1.7m) on Package 2 accounted for in the previous financial year, (£1.8m) savings on Powerlink integration. These were offset by a decrease in over programming of £3m

Year End Actual v Budget

Project Name	Year End Actual (£m)	Year Budget (£m)	Variance £	Variance %	Variance Commentary
London Tramlink Wimbledon line Enhancements	5	11	-6	-54%	Variance remains unchanged from quarter three. Programme of works extended since the Budget was set resulting in works and costs moving from current to future years (no change to current end date).
London Road User Charging and Traffic Enforcement Notice Processing Contract re-let	3	9	-6	-61%	Variance remains unchanged from quarter three and is mainly due to savings relating to the removal of the Congestion Charge retail channel following consultation in January 2013.
Infrastructure and Special Projects	23	36	-14	-48%	Variance against budget is due to the removal of Deep Tube Tunnel (DTT) scope, and deferment of the works at Cockfosters and some bridge painting works.
Future Ticketing Project	18	28	-11	-36%	In order to protect the launch date, some FTP Phase 2 scope not required for launch will now be delivered in a later phase for example, the final revenue inspection solution for rail and further security mechanisms. In addition, the marketing campaign to support the launch, which was budgeted for February/March, will now occur in June/July.
SSR Upgrade – Depots	39	33	6	19%	Due to risk exposure on asset condition, prolongation and emerging issues during detailed design and construction at Ealing Common and Upminster depots.
New Routemaster	68	56	12	22%	Variance remains unchanged from quarter three and is due to re-phasing following the revision of the New Routemaster schedule, which led to vehicles being delivered earlier than planned. Milestones have been re-baselined accordingly.
Cycle Hire Expansion and Intensification	17	24	-7	-30%	Mainly due to savings following the successful negotiation of the construction, build and installation contracts with third party suppliers.

Actual v Budget Variance (in year)

London Underground and London Rail

London Underground

Type of Variance:	YTD Bud Var £m
Acceleration	6.6
Additional scope	64.4
Release of over programming (provision for schedule slippage and savings)	188.8
Sub Total Increases	259.9
Commercial leverage	-53.6
Re-phasing	-81.6
Schedule slippage – External	-15.6
Schedule slippage - Internal	-30.2
Transfer	-8.8
Gross Savings	-65.3
Sub Total Decreases	-255.1
*Net Budget overspend	4.8

LU Third Party Contributions	-16.8
Gross Capital under spend	-12.0

*With a total net spend of £1.35bn, the Gross Capital Expenditure was £12m under budget excluding income and third party. Net Investment expenditure was £4.8m greater than budget at the year end, which corresponds to a 99.6 percent forecasting accuracy. 5 percent of annual spend was saved as efficiencies.

Acceleration

Is mainly due to £4.9m Non Operational Wi-Fi, data links and mobile applications accelerated to enable Fit for the Future Stations (FftFS) requirements.

Additional scope

Is due to a £35.4m cost increase in the Track Partnership due to programme changes. Legacy Train Systems received £12.4m for Central line bearings replacement and headway permanent speed restriction removal and £10m in Stations Upgrades, Crossrail and 3rd Party mainly for Bond Street following the decision to purchase water treatment plant instead of leasing, plus an additional allowance for unforeseen property compensation.

Over Programming

Release of £197.7m Contingency and Over Programming overlay offset by a £8.9m release of Track and Power Cooling and Communications Upgrade (PCCU over programming). The Over Programming provision offset £127m of slippage and re-phasing as well as £65m of efficiencies at the individual programme level.

Commercial leverage

Is mainly due to the SSR Upgrade advance payment of £43m made to Bombardier last year for the London Overground Class 378 deal.

Re-phasing

Due to changes to schedule being made, on the Infrastructure Renewal Programme (under by £39.9m), Track programme largely due to the re-phasing of risk (£20.9m) and (£7.1m) on SSR Power Packages 2 and 3.

Non Capital programmes changes are under by £15.8m, with Fit for the Future Stations (FftFS) due to re-phasing of work streams. Additionally, re-phasing of Bridge Painting and Cockfosters Train Accommodation (£14.4m) and JNP Direct Capital Expenditure (under by £9.7m) re-phasing on Asset Inspection Train and Automatic Track Measurement System.

Schedule slippage internal/external

Variances include Legacy Train Systems (under by £19.9m) due to the tunnel cleaning train on hold because of design issues and delay in ATMS materials from suppliers. Additionally, the Stations Upgrades, Crossrail and 3rd Party programme was (under by £20.8m) due to schedule slippage mainly on the Asset Stabilisation Programme – primarily in the stations programme where the budget was set before the majority of stations were in feasibility stage.

Gross Savings

Of £65m, or five per cent of the annual spend, includes £27m saving on JNP signalling, £13m savings from the Victoria Line Upgrade returning risk provision for events that have been mitigated or have not materialised.

In addition, £10.5m on Stations Upgrades, Crossrail and 3rd Party, (£3.8m), which was driven by Vauxhall Station Upgrade contract award to Bechtel.

The remainder is with other minor project savings. A further £7.7m of value delivered on Civils through de-scoping Bridges and Structures work and SSR Power Package 1.

Transfers

(£8.8m) is mainly due to non CPD and Legacy Train System transfers to other Programmes or Directorates which is partially offset by a transfer of Budget from Corporate for the Northern Line Extension of £65m.

Actual v Budget Variance (in year)

London Underground and London Rail

London Rail

Type of Variance:	YTD Bud Var £m
London Tramlink Wimbledon Line Enhancements – re-phasing	-6
London Overground Capacity Improvement – programme change	-24
East London Line – accelerated payments	-28
*Net Budget under-spend	-58

*Other minor London Rail capital projects includes £4.7m operational expenditure for the Wimbledon line enhancement project. Investment programme expenditure is gross of income and third party contributions.

London Tramlink

Year to date (YTD) under-spend due to re-phasing of Wimbledon Enhancement costs into 2014/15 due to earlier slippage that has no overall impact on the delivery of the project.

London Overground Capacity Improvement Programme

YTD under-spend due to a programme change since production of the budget as no contract programmes were available at that time (mainly reflecting delays to Silwood finishing works and slower commencement of Willesden depot works). The project is still expected to deliver on schedule.

East London Line Accelerated Payments

£28m of accelerated payments into 2012/13 for the settlement of claims for the East London line .

Actual v Budget Variance (in year)

TfL Surface

Type of Variance:	YTD Bud Var £m
Re-phasing – slippage into future years	-102.7
Re-phasing – across year acceleration	12.2
Savings	-18.9
Other	2.9
*Net Budget Underspend	-106.5

*The above variance is made up of £78.1m Capital expenditure and £28.4m Operating Expenditure. Investment Programme expenditure is gross of income and third party contributions.

Re-phasing slippage into future years

Of £102.7m (£28.3m operating expenditure and £74.4m capital expenditure) included £23m for Barclays Cycle Superhighways and Better Junctions following the finalisation of the Mayor's Cycling Vision and £29m for new projects added to the 2012 TfL Business Plan, such as network performance, safety, cycling and major highway enhancements, where delivery plans are being refined. There was also re-profiling of £16m for Hammersmith Flyover Phase 2 following development of the detailed construction programme, £11m for Electronic Ticket Machine (ETM) replacement and £14m for the Safety Camera Replacement Project due to contract award delays (at the tendering stage).

Re-phasing across year acceleration

Of £12m (£1m operating expenditure and £11m capital expenditure) was due to the revision of the New Routemaster schedule, which led to the earlier delivery of vehicles.

Savings

Of £19m (£2m operating expenditure and £17m capital expenditure) were mainly due to £9m Cycle Hire Enhancement and Intensification following the successful negotiation of the construction, build and installation contracts with third party suppliers, £5m on the removal of the Congestion Charge retail channel following consultation in January 2013.

Significant Late Milestones






All programme milestones in the detailed report with a variance of 90 days or more outside the scheduled target date are included in the table (future ATC milestones are excluded pending the re-schedule which will be part of the re-let contract).





Project Name	Milestone Description	Target Date	Milestone Bud Var (Days)	Milestone Commentary
Bank Waterloo & City	Bank Stn (W&C) - Bring Into Use (Stage 5) (Annex B:2015)	31-Dec-15	-694	Delay to developer's basement work has meant that the commencement of LU fit-out has also been delayed, together with the overall completion date for the scheme. More recently the Developer's programme has stabilised and no additional delay has been experienced. The developer currently intends to hand over to LU for fit-out early in August 2015 (an impact of approximately two years on their previous plan). Following handover from the developer scheme completion dates will be confirmed.
Infrastructure and Special Projects	Complete painting works on 29 no bridges	14-Sep-13	-351	Due to the environmental conditions affecting the paint specified, works will re-commence in May 2014 with a new strategy of six tranches, which prolongs the programme to November 2015 and incurs additional costs. No impact on other planned works.
Station Developments	Bromley by Bow SFA – Commence Detailed Design	27-Jan-14	-280	Following conclusion of the Ramboll design commission the design is now being delivered through the Joint Delivery Partner and a substantial proportion of the delay is expected to be recovered.
Civils (BCV/SSL)	Bridge Replacement D76b - Possession	29-Mar-14	-261	Following challenge and re-evaluation of the total replacement strategy, a decision in favour of refurbishment of this asset in Engineering Hours has been made to save money and minimise impact on the customer. Consequentially this work has been stopped.

Project Name	Milestone Description	Target Date	Milestone Bud Var (Days)	Milestone Commentary
SRR Upgrade - Depots	Neasden Depot Winterisation Works Complete	31-Oct-13	-260	Design issues required re-design delaying start of site works. Further design sub-contractor delays have impacted the contractor's programme. The potential for recovery of slippage is limited due to the contractor already working six days per week.
Bond Street	Tunnelling Set Up Decommissioned	28-Sep-15	-239	The Tunnelling construction methodology was revised to maintain the overall project programme. This will not impact the delivery of the DfT milestones.
Integrated Transport Smartcard Org.	Reader hardware rollout complete	30-Apr-13	-185	Start of deployment delayed by need to correct issues found in development of the equivalent bus reader, that also impacted the rail implementation. The delay in achieving this milestone did not affect overall project completion.
Bank Waterloo & City	Contract Award for Implementation Works	03-Feb-14	-182	The developer's programme has now stabilised with no further delay. Hand over to LU for fit-out early is planned for August 2015. The tender evaluation for box fit-out has been successfully completed and an award recommendation has been agreed.
Bond Street	OSD Frame to be handover to Developer - Planned Date	06-May-16	-145	TfL are now delivering the shell and core works, adding additional value, before handing over to the developer, but this has caused the handover date to be extended. This does not impact the final completion date of the programme.
Victoria Station Upgrade	Ground Treatment Complete	11-Nov-14	-100	The need for Thames Water to address unforeseen condition issues with the water main in Victoria St. will delay the completion of the final 54 jet grout columns and the completion of ground treatment. This does not impact the final completion date of the programme.

Significant quarterly milestone movements




Q4 milestone forecast dates that have significantly moved (greater than 60 days) since Q3 are included in the table. A positive movement indicates an improvement in the forecast.

Project Name	Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
Lifts and Escalators	Blackhorse Rd E3 Return To Service (RTS)	12-Aug-14 	11-Mar-14	88	The project has maximised productivity of working shifts to deliver the project ahead of plan.
Stations Stabilisation Programme	Finish On site - Chancery Lane	17-Nov-14 	01-Sep-14	77	The project is maximising productivity through the adoption of the 'STAKE' (Engaging directly with trade contractors avoiding tier 1 and 2 contractors) delivery arrangements to improve work carried out during working shifts.
Bond Street	Early hand back Jubilee Line Platforms, Escs 6,7,&8, 3,4,&5, 4/092 into public use	02-May-15 	22-Dec-14	70	The project is maximising productivity of working shifts and is delivering the project ahead of plan.
Civils (BCV/SSL)	Covered Way Strengthening of CW101 (Practical Completion)	01-Mar-14 	23-Dec-13	68	Completed ahead of schedule in period 10.
Jubilee and Northern line mid-life refurbishment (JNP)	Complete fitment of 50 Northern Line trains	30-May-14 	30-Jul-14	-61	A revised procurement strategy was produced post contract which was commercially advantageous to both parties. Although a mid-term milestone was delayed the overall programme remains unchanged.

Project Name	Milestone Description	Target Date	Q3 Forecast Date	Movement since last Qtr (Days)	Movement Commentary
SSR Upgrade - Depots	Upminster Depot North Sidings Signalling Brought into Use	22-Jun-13 	02-Mar-14	-77	Delayed due to design issues, with further delay from depot access availability. Milestone achieved on 2 March.
Station Developments	Bromley by Bow SFA - Commence Detailed Design	27-Jan-14 	03-Nov-14	-96	Cause of slippage due to design review which is now to be undertaken by Joint Delivery Partner, following conclusion of architect's commission. Delay is expected to be recovered.
Bond Street	OSD Frame to be handed over to Developer - Planned Date	06-May-16 	28-Sep-16	-138	Change to strategy to add additional value to the property receipt, by also delivering the shell and core works before handing over to the developer. This does not impact the final completion date of the programme.
Victoria Station Upgrade	Ground Treatment Complete	11-Nov-14 	19-Feb-15	-188	Need for Thames Water to address unforeseen condition issues with the water main in Victoria St. will delay the completion of the final 54 jet grout columns. This does not impact the final completion date of the programme.

Future ATC milestones are not reported here pending the re-schedule which will be part of the re-let contract.

Key to milestone RAG status:

Status	Discrete Projects
	On time or early
	Between 1 and 89 days late
	Greater than 90 days late