

Board

Date: 20 September 2012

**Item 7: Operational and Financial Performance Report and
Investment Programme Report – First Quarter, 2012/13**

This paper will be considered in public

1 Summary

- 1.1 This paper gives details of TfL's Operational and Financial Performance (Appendix 1) and Investment Programme (Appendix 2) during the first quarter of 2012/13 (1 April – 23 June 2012).
- 1.2 The London Underground Passenger Journey target for 2012/13 was erroneously set too low in the Budget. It has been corrected upwards in the Operational and Financial Performance Report to make it consistent with the underlying fares revenue budget assumptions.
- 1.3 As a result of timing constraints for the production of the reports, they were not available for consideration on 11 July by the meetings of the Projects and Planning Panel or the Finance and Policy Committee.

2 Recommendation

- 2.1 That the Board note the reports.

List of appendices to this report:

Appendix 1 – Operational and Financial Performance Report – First Quarter, 2012/13

Appendix 2 – Investment Programme Report – First Quarter 2012/13

List of Background Papers:

None

Contact Officer: Steve Allen, Managing Director, Finance

Number: 020 7126 4918

E-mail: StephenAllen@tfl.gov.uk

Operational and Financial Performance Report – First Quarter, 2012/13

Purpose of Report: For the Managing Director, Finance, to inform the TfL Board and other stakeholders of TfL's financial and operational performance this quarter.

This report covers Quarter 1 (1 April 2012 – 23 June 2012) comprising operating Periods 1-3.

TfL performance summary

Demand: Bus passenger journeys were slightly lower than target in quarter 1 largely because of the industrial action on the Buses in June, although the full year forecast has been increased to reflect expected continued growth and free travel for over 60s. TfL fares revenue tracked the budget very closely in Quarter 1, within 0.5 per cent of budget.

Service: Whilst London Underground and London Rail continued to reflect the generally improving trend, there were some individual incidents that affected scheduled services performance. The most noticeable of these was the flooding of the Central Line following the rupture of a Thames Water main. Docklands Light Railway (DLR) was disrupted by the loss of the radio system which caused the shutdown of the entire system for the first part of one day. Bus scheduled services were marginally below target as a result of the industrial action.

Customer Satisfaction Survey results at Quarter 1 were above target for several operating businesses, London Underground achieved 82, DLR 86 and Trams 90, which were all new customer satisfaction records.

The average index of cycle flows on the TfL Road Network (TLRN) was 269 in quarter 1, 14.1 per cent below target due to the wettest second quarter in the UK since records began in 1910. The full year cycling index forecast has been adjusted.

Financial Performance: The year to date operating income trends within 1 per cent of budget at £4m over budget due to rising fares income, reflecting slightly higher passenger demand and favourable apportionment factors for London Underground. This is reflected in the full year forecast for TfL which is £34m (1 per cent) above budget.

Operating expenditure, net of third party contributions, was £12m below budget in the year to date. This was primarily due to timing changes to 2012 Games related costs and will unwind in the full year. In the full year forecast operating expenditure is £33m above budget mainly due to increases in Games costs (for which TfL is targeting to maximise recovery from the Olympic Delivery Authority (ODA)).

Net capital expenditure (excluding Crossrail) for the year to date was £85m under budget mainly due to rephasing of projects into future years for London Underground and London Rail partially offset by acceleration of projects in Surface Transport prior to the Games. The rephasing of projects is reflected in the full year forecast which is £404m under budget.

Crossrail capital expenditure for the year to date was £49m below budget due to direct construction delays, for example delayed tunnelling at the West portal. Crossrail funding is ring-fenced for the Crossrail project.

Savings: In the year to date £302m (gross) savings have been delivered, which was £15m below target principally due to a rephasing of property income. For the full year savings are forecast to be £58m (gross) over target due to earlier delivery of savings from future years.

Staff: At the end of Quarter 1, TfL employed 27,786 full time equivalent (FTE) staff (excluding those on maternity leave). This was 467 fewer than budget, largely due to vacancies not being filled as expected, predominantly in London Underground and Surface Transport.

London Underground

Operational Performance

London Underground Performance	Units	Quarter 1 2012/13			Full Year 2012/13		
		Actual	v Target	v Last Year	Forecast	v Target	v Last Year
Passenger Journeys	m	271.2	7.8	3.3	1,215.0	30.8	44.5
% Scheduled Services Operated	%	96.8	(0.1)	(0.5)	97.0	-	-
Excess Journey Time (Weighted)	Mins	5.59	(0.20)	(0.30)	5.85	-	-
Overall CSS	Score	82	2	3	80	-	-
LU and DLR: recorded crime per million passenger journeys	#	9.5	(0.6)	(1.4)	9.6	-	-

Green = better than or equal to target
Tables may be subject to rounding

Amber = within 5% of target
CSS: Customer Satisfaction Survey

Red = 5% or more worse than target

- 1.0 A two point increase meant that London Underground's Customer Satisfaction Survey score at 82 was the highest since the independent survey began in its current form in 1990.
- 1.1 At Quarter 1 passenger journey numbers reflected the underlying increase in demand and was 7.8 million above target and, despite there being 2 fewer days, 3.3 million more than quarter 1 last year. This stronger than expected position was reflected in the full year forecast, which increased by 30.8 million to 1,215 million passenger journeys.
- 1.2 Although underlying performance remains strong, percentage of scheduled services operated were adversely affected by the flooding of the Central line following the burst Thames Water main in June. As a result the measure was lower than target.

Financial Performance

London Underground £m	Quarter 1 2012/13		Full Year 2012/2013		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
Fares Income	(476)	(3)	(2,161)	(2,133)	(28)
Other Operating Income	(39)	(1)	(166)	(162)	(4)
Total operating Income	(515)	(5)	(2,327)	(2,295)	(32)
Operating Expenditure (net of third party contributions)	396	(1)	1,834	1,828	6
Net Capital Expenditure	235	(54)	941	1,148	(208)
Net Service Expenditure	117	(60)	448	681	(233)

Green = (underspend)/ (higher income) or equal to budget

Amber = Overspend/ Lower income by 5% or less

Red = Overspend/ Lower income by more than 5%

- 1.3 Fares income in Quarter 1 was £3m above budget due to rising demand and favourable apportionment factors; this is reflected in the latest full year forecast.
- 1.4 Operating expenditure net of third party contributions, for the full year is forecast to be £6m over budget mainly due to the Games and the write off of other reliability work partly offset by the release of provisions and lower than expected corporate expenses.
- 1.5 The later than budgeted delivery of the new S Stock trains, due to earlier reliability issues which have now been resolved, is the main cause of the £54m underspend in London Underground's capital expenditure in Quarter 1. In addition the rebaselining of the track programme has seen work deferred to future years and the rephasing and reclassification from capital to revenue of reliability and other work has also contributed to the underspend. All these variances are reflected in the forecast along with work for the adoption of less aggressive forecast on major congestion relief schemes, most noticeably the Victoria Station Upgrade. The majority of the underspend will unwind in future years and there are no issues with regards to programme milestone delivery.
- 1.6 At the end of Quarter 1 London Underground employed 18,018 FTE, 201 fewer than budget, this was mainly due to vacancies, in capital programmes and following Horizon, not being filled as expected in Central Services.

Tube Lines

Financial Performance

Tube Lines £m	Quarter 1 2012/13		Full Year 2012/2013		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
Operating Income	(4)	(1)	(12)	(11)	(1)
Operating Expenditure (net of internal income)	94	5	416	367	49
Net Capital Expenditure	47	(27)	222	286	(64)
Net Service Expenditure	138	(23)	626	642	(16)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5%

Amber = Overspend/ Lower income by 5% or less

- 2.0 Operating expenditure was £5m above budget in Quarter 1 due to more pre-Games maintenance activities being achieved than anticipated. These variances were partly offset by rephasing of lift works, deferral of fleet life extension works and lower support costs.
- 2.1 Capital expenditure was £27m below budget in Quarter 1 due largely to the rephasing of contractor costs for the Northern line Transmission Based Train Control (TBTC) upgrade. This has not affected the programme and the costs are expected to be incurred in future years.
- 2.2 The full year operating and capital expenditure variances relate principally to reclassification of items between the two categories.
- 2.3 At the end of Quarter 1, Tube Lines employed 2,604 FTE staff, 30 (1.2 per cent) more than budget. This was mainly due to additional track operatives and escalator fitters to undertake enhanced maintenance.

London Rail

Operational Performance

London Rail Performance	Units	Quarter 1 2012/13			Full Year 2012/13		
		Actual	v Target	v Last Year	Forecast	v Target	v Last Year
DLR							
Passenger Journeys	m	21.3	1.1	2.5	97.2	3.9	11.1
% Scheduled Services Operated	%	97.7	(0.3)	-	98.0	-	0.4
On-time performance	%	98.1	0.9	0.6	97.2	-	(0.3)
Overall CSS	Score	86	4	4	82	-	(1)
London Overground							
Passenger Journeys	m	26.0	2.0	6.3	117.9	11.7	15.3
PPM London Overground (MAA)	%	96.4	0.6	1.2	95.8	-	(0.8)
Overall CSS	Score	82	2	-	80	-	(2)
Trams							
Passenger Journeys	m	6.7	-	0.1	29.8	-	1.3
% Scheduled Services Operated	%	97.5	(0.5)	(1.9)	98.0	-	(1.0)
Overall CSS	Score	90	4	4	86	-	1

Green = better than or equal to target

Amber = within 5% of target

Red = 5% or more worse than target

Tables may be subject to rounding.

CSS: Customer Satisfaction Survey

PPM (MAA): Passenger Performance Measure (Moving Annual Average)

- 3.0 At Quarter 1 Customer Satisfaction Survey results for the Docklands Light Railway (DLR) (86) and Trams (90) were 4 points above target representing new records of customer satisfaction for both services. In addition, London Overground's result of 82 was 2 points above target.
- 3.1 Following the completion of network upgrade work the DLR continued to see significantly higher numbers of passengers than expected. The impact of less engineering work, the effect of more capacity, the new timetable and the opening of the Stratford extension was greater than expected. This resulted in passenger journeys of 1.1 million above target at Quarter 1 and a 13 per cent improvement in passenger journeys on Quarter 1 last year.
- 3.2 London Overground passenger journeys were also stronger than expected being 2 million higher than target. In particular, growth was seen on the North and West London Lines which saw passenger numbers 56 per cent higher than Quarter 1 last year.
- 3.3 The failure of the Railway radio system on 2 May 2012, which resulted in the temporary suspension of the entire train network DLR, meant that percentage of scheduled services operated was 0.3 per cent worse than target at Quarter 1.
- 3.4 Trams percentage of scheduled services operated slipped below target by 0.5 per cent mainly due to overrunning engineering works at East Croydon in June.

Financial Performance

London Rail £m	Quarter 1 2012/13		Full Year 2012/2013		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
Fares Income	(56)	(2)	(253)	(246)	(6)
Other Operating Income	(2)	1	(10)	(15)	5
Operating Income	(57)	(1)	(263)	(261)	(2)
Operating Expenditure (net of third party contributions)	71	(4)	345	343	3
Net Capital Expenditure	38	(2)	95	149	(54)
Net Service Expenditure	52	(7)	178	230	(53)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5%

Amber = Overspend/ Lower income by 5% or less

- 3.5 An increase in passenger numbers on the DLR and London Overground has driven Quarter 1 fares revenue increases. Other operating income is £5m under budget mainly due to rephasing of funded station works.
- 3.6 Operating expenditure, net of third party contributions, for Quarter 1 was £4m under budget at Quarter 1. This was mainly due to phasing of DLR and London Overground costs which will recover over the full year. The full year forecast is £3m over budget mainly due to additional DLR Games requirements and additional Trams and DLR maintenance.
- 3.7 Quarter 1 capital expenditure was lower than budget mainly due to revised phasing on DLR and East London Line (ELL) Phase 2 capital projects. The full year is £54m under budget mainly due to revised phasing of spend.
- 3.8 At the end of Quarter 1 London Rail employed 176 FTE which was in line with Budget.

Financial Performance

Crossrail £m	Quarter 1 2012/13		Full Year 2012/2013		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
Net Capital Expenditure	284	(49)	1,479	1,467	12
Net Service Expenditure	284	(49)	1,479	1,467	12

Green = (underspend)/ (higher income) or equal to budget
 Red = Overspend/ Lower income by more than 5%

Amber = Overspend/ Lower income by 5% or less

- 4.0 In Quarter 1, Crossrail spent £49m less than budget, due mainly to rephasing of direct construction including the delayed start of tunnelling at the West portal. Furthermore, property costs were under budget due to the deferral of acquisitions until later in the year. Other costs were under budget mainly due to a slower than planned increases in headcount.
- 4.1 The full year forecast is £12m over budget mainly due to property commitments being brought forward, but partially offset by revised phasing of direct construction costs.
- 4.2 At the end of Quarter 1, Crossrail employed 524 FTE staff which was 34 fewer than budget as some roles will be recruited later than originally planned. By the end of the year Crossrail still forecast to meet the budget of 589 FTE.

Surface Transport

Operational Performance

		Quarter 1 2012/13			Full Year 2012/13		
Surface Transport Performance	Units	Actual	v Target	v Last Year	Forecast	v Target	v Last Year
London Buses							
Passenger Journeys	m	543.9	(0.9)	(7.7)	2,376.5	20.5	32.0
% Scheduled Services Operated	%	96.8	(0.9)	(0.8)	97.4	(0.2)	(0.2)
Excess Wait Time	Mins	1.1	-	0.1	1.1	-	0.1
Overall CSS	Score	82	2	2	80	-	-
London Buses: recorded crime per million passenger journeys	#	8.7	(0.6)	(1.1)	9.3	-	-
Performance - Other Areas							
Cycling levels on the TLRN*	Index	269	(44)	(29)	274	(15)	1
Number of trips - Dial a Ride	m	0.3	-	-	1.4	-	-
Overall CSS - Dial a Ride	Score	92	-	1	92	-	1
TLRN Journey Time Reliability (am peak)**	%	89.0	0.3	0.2	89.2	-	0.3
Cumulative reduction in KSI Londonwide - % reduction (from 05-09 baseline)	%	(17.3)	17.0	18.6	(25.3)	7.5	(0.1)

Green = better than or equal to target

Amber = within 5% of target

Red = 5% or more worse than target

Tables may be subject to rounding.

CSS: Customer Satisfaction Survey

KSI: Killed and seriously injured

TLRN: TfL Road Network

* Cycling levels on the TLRN - Indexed (March 2000 = 100) measures growth in cycle flows recorded at 60 locations on the TLRN. (NB: the sample count figures are not equal to the total amount of cycling taking place on the TLRN).

** Due to prioritising Games preparation Period 3 data was not available for this measure; therefore the data from periods 1 and 2 are shown compared to the like for like data from the budget and last year. This data will be retrospectively updated after the Games.

- 5.0 Bus passenger journeys were slightly lower than target in Quarter 1. The one day of bus driver industrial action in June resulted in lower journeys of circa 3.5 million. There was also a decline in period 1 due to severe wet weather conditions. These variances were partially offset by growth during period 2 and, after adjustment for the additional holiday and the strike, period 3. Compared to last year, bus journeys were down due to period 1 being two days shorter and, to a smaller extent, those reasons already mentioned.
- 5.1 The full year forecast for bus journeys increased by 21 million to 2,377 million, reflecting a combination of factors including stronger than expected journey growth and free travel for over 60s.
- 5.2 Scheduled services operated during Quarter 1 were 0.9 per cent below target and 0.8 per cent down on quarter 1 last year. It is estimated that without the industrial action in June, performance would have been close to target at 97.7 per cent. In period 2, significant delays were caused by gas main replacement works in Kings Road Chelsea, whilst the general level of unplanned incidents causing serious disruption was up by two-thirds compared with a year ago. Multiple roadworks in the Regent Street area during the quarter also caused particular difficulties.
- 5.3 In Quarter 1 the average index of cycle flows on the TfL Road Network (TLRN) was 269, 14.1 per cent down on target and 9.8 per cent down on quarter 1 last year. This was a result of weather conditions not being favourable for cyclists; April to June this year has been the wettest second quarter in the UK since records began in 1910. This was reflected in the reduced full year forecast.

- 5.4 The reduction in people killed or seriously injured (KSI) on London's roads for Quarter 1, which covers December 2011 to February 2012, compared to the 2005-09 baseline was 17 per cent. This is 18.6 per cent lower than the reduction in the same quarter last year, which had the lowest number of KSI since comparable records began in 1986. Quarter 1 last year was the coldest winter since records began in 1910. Consequently fewer people made trips, resulting in fewer casualties. The target for this year was based on the prior year performance, consequently the reduction this quarter was also 17 per cent under target.
- 5.5 The draft Road Safety Action Plan for London proposes a new target to reduce the number of KSIs in London by 40 per cent, by 2020 from the 2005-09 baseline. For the full year it is forecast that KSIs will fall by 25.3 per cent against this baseline. This forecast is on track to achieve the required reduction of 40 per cent by 2020. Data for 2012 is provisional and subject to change.

Financial Performance

Surface Transport £m	Quarter 1 2012/13		Full Year 2012/2013		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
London Buses					
Bus Fares Income	(319)	2	(1,419)	(1,419)	(0)
Bus Contract Costs & Ticket Commission	405	(4)	1,793	1,793	0
Bus Network Subsidy	86	(2)	374	374	0
Other Bus Income	(6)	0	(25)	(25)	0
Bus Operating Expenditure (net of third party contributions)	32	(3)	162	157	5
Bus Capital Expenditure	1	(2)	12	17	(5)
Net Bus Service Expenditure	113	(7)	523	523	0
Other Surface Transport					
Other Operating Income	(77)	1	(341)	(347)	6
Other Operating Expenditure (net of third party contributions)	158	6	760	752	8
Other Net Capital Expenditure	40	6	124	179	(55)
Net Service Expenditure	234	6	1,066	1,107	(41)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5%

Amber = Overspend/ Lower income by 5% or less

- 6.0 Bus fares income in Quarter 1 was below budget primarily due to industrial action in June. Unfavourable non-recurring variances as a result of poor weather conditions in period 1 were offset by positive underlying growth. The full year forecast is in line with budget.
- 6.1 Bus contract costs in Quarter 1 were below budget due to deductions for mileage not operated as a result of industrial action in June.
- 6.2 Other bus operating expenditure was £3m below budget in Quarter 1 largely due to reduced costs on Future Ticketing and iBus costs. The full year forecast reflects project spend carried forward from 2011/12 for Diesel Particulate Filters and New Bus for London.
- 6.3 The full year forecast for other operating income is lower than budget, largely due to reduced Cycle Hire income expectations.
- 6.4 Other operating expenditure reflects the acceleration of works in order to complete ahead of the Olympics and rephasing on Cycle Superhighways due to the cycle junction review, partially offset by favourable bad debt variances in Congestion Charging and Traffic Enforcement and other small savings. The full year forecast of £8m higher than Budget is predominately because of additional Games expenditure funded by the ODA and London Organising Committee of the Olympic and Paralympic Games (LOCOG).
- 6.5 Other net capital expenditure in Quarter 1 was £6m higher than budget. This was mainly due to accelerated expenditure on Roads Capital Renewals and Hammersmith Flyover, in order to complete works ahead of the Olympics, partially offset by rephasing including Cycle Hire Phase 2 and Signal Modernisation.

- 6.6 The full year forecast is £55m below budget principally due to project rephasing, of which the most significant item is Cycle Superhighways (due to the cycle junction review).
- 6.7 At the end of Quarter 1 Surface Transport employed 3,321 FTE which was 192 fewer than budget. This was primarily due to the high number of vacancies held in Roads, Dial a Ride, Congestion Charging and Community Safety, Enforcement and Policing directorates (vacancies are expected to be filled later in the year).

Corporate Directorates

Corporate Directorates £m	Quarter 1 2012/13		Full Year 2012/2013		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
Operating Income	(8)	2	(44)	(47)	3
Operating Expenditure (net of third party contributions)	102	(13)	496	538	(42)
Net Capital Expenditure	10	(7)	15	34	(19)
Net Service Expenditure	104	(18)	467	525	(58)

Green = (underspend)/ (higher income) or equal to budget
Red = Overspend/ Lower income by more than 5%

Amber = Overspend/ Lower income by 5% or less

- 7.1 Quarter 1 operating income was £2m lower than budget. This was mainly driven by rephasing of income from contracts and property. This was also reflected in the full year, but was partly offset by higher commissions and one-off external cost recoveries in Customer Experience, Marketing and Communications (CEM&C).
- 7.2 Operating expenditure, net of third party contributions, was £13m below budget at Quarter 1. This was mainly due to the timing of Games related costs, staff vacancies and project delays in CEM&C and Finance and, in OneHR, lower demand for staff training, and lower graduate costs.
- 7.3 In the full year, operating expenditure is forecast to be £42m lower than budget. This is mainly driven by the reprofiling of costs to future years for IM initiatives, HR projects and River Crossings work. It also reflects savings, reprofiling of project management contingency and adjustments relating to accommodation.
- 7.4 Net capital expenditure was £7m below budget in Quarter 1. This was mainly due to the rephasing of projects in Customer Experience and TfL IM. In the full year, capital expenditure is forecast to be £19m below budget, mainly due to delayed expenditure on property disposals and IM project reprofiling partly offset by reprofiling of capital income, particularly relating to property sales.
- 7.5 At Quarter 1, there were 2,922 FTE, 70 fewer than budget. This mainly reflected vacancies in the TfL Project Management Centre of Excellence, Procurement and Legal. Recruitment is underway to fill these vacancies.

Group Items

Group items £m	Quarter 1 2012/13		Full Year 2012/2013		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
Interest Income	(4)	(1)	(11)	(11)	0
Debt Service	60	(14)	297	326	(29)
Contingency/ Other group items	(4)	(39)	150	163	(13)
Total Group Items	52	(55)	436	478	(42)

Green = (underspend)/ (higher income) or equal to budget

Amber = Overspend/ Lower income by 5% or less

Red = Overspend/ Lower income by more than 5%

8.0 At Quarter 1, debt service continued below budget due to the deferral of a planned issue of long term debt to replace part of TfL's short term borrowing, resulting in some savings from lower interest rates for short term debt. In July 2012 (Quarter 2), TfL successfully issued a £500m 30-year bond and a £500m 10-year bond, in line with the borrowing strategy agreed with the Board in March 2012.

8.1 Contingency/ Other group items expenditure was below budget mainly because the utilisation of contingency was not in line with the budget profile; the phasing amendment is in the full year forecast.

Savings

Savings and Efficiencies £m	Quarter 1 2012/13			Full Year 2012/13		
	Actual	Target	v Target	Forecast at Q1	Target	v Target
Corporate and Group Wide	100	118	(18)	481	460	21
Rail and Underground	132	130	2	457	565	32
Surface Transport	70	69	1	303	298	5
Gross	302	317	(15)	1,381	1,323	58
Implementation Costs	(2)	-	(2)	(10)	(4)	(6)
Net	300	317	(17)	1,371	1,319	52

Tables may be subject to rounding

9.1 TfL is forecast to deliver over £1.3bn of savings and efficiencies in 2012/13, exceeding gross target by £58m. The Quarter 1 position was £15m below target, driven by a redesign to the Commercial Development programme, partially offset by early delivery of savings in Rail and Underground and Surface Transport. The Quarter 1 result was within 5 per cent of target, with all business units forecast to exceed their full year target by at least 1 per cent.

9.2 Corporate and Group Wide was £18m below target for Quarter 1, mainly due to rephasing of property income, but is expected to be £21m above target for the full year.

9.3 Implementation costs were higher resulting from refined estimates, but they remain less than 1 per cent of net savings and efficiencies.

Balance Sheet

Transport for London Group Balance Sheet at Quarter 1	Actual	v Budget	Forecast at Q1	v Budget
£m				
Non-current assets – (higher) / lower than budget	26,173	144	27,879	243
Stocks, short term debtors and derivatives – (higher) / lower than budget	782	(254)	762	(165)
Cash – (higher) / lower than budget	2,691	134	3,500	(328)
Creditors - higher / (lower) than budget	(2,961)	(10)	(3,030)	76
Derivative liabilities - higher / (lower) than budget	(166)	84	(102)	20
Borrowings – higher / (lower) than budget	(7,264)	(102)	(7,537)	(11)
Provisions – higher / (lower) than budget	(2,560)	17	(2,484)	36
Total Net Assets – (higher) / lower than budget	16,695	13	18,988	(129)

Tables may be subject to rounding

- 10.0 Non-current assets were £144m below budget at Quarter 1, £134m of which was mainly the result of lower than planned capital expenditure activity across the group. The Quarter 1 non-current asset forecast was £243m lower than the full year budget of which £317m was for lower than budgeted capital spend, offset by lower asset disposals and lower depreciation.
- 10.1 Debtors were £254m higher than budget at Quarter 1. This included an accrual of £200m in respect of grants receivable, £171m for Greater London Authority (GLA) Crossrail grant, due in period 1 but delayed until period 4, and £29m in respect of ODA grant for 2012 Games works completed. Remaining variances were spread across the group and were within normal trading variances. Debtors are forecast to be £165m higher at the year end, reflecting the expected termination payment due on the Power PFI. In the Corporate centre, debtors were forecast at £38m higher than budget due to revised assumptions on the timing of VAT receipts and the reprofiling of payments for maintenance contracts. Crossrail had a £16m variance relating to the advanced funding of works to be undertaken by Network Rail on the Crossrail project. Again, other movements were spread across the group and represent general movements in trade debtors.
- 10.2 A breakdown of the cash variances to date and forecast is shown in the table in appendix 3.
- 10.3 Creditor movements for the Quarter 1 position are close to budget. Creditor balances were forecast to be slightly higher than budget as project phasing was loaded more towards the year end than in the budget.
- 10.4 The derivatives position at Quarter 1 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. However as TfL only enters into such contracts to fix interest rates on its future borrowings, hedge accounting applies and any movement in the fair value of the derivative liability is recognised directly in reserves. The fair value liability is expected to reverse by maturity.
- 10.5 External borrowings at Quarter 1 were £102m below budget, due to the timing of new borrowings.
- 10.6 Provisions at the end of Quarter 1 were £17m higher than budget, due to changed assumptions on the Crossrail property provision in TfL. Forecast provisions are £36m above budget, due to changed assumptions on the timing of settlement.

Appendix One: Financial Summary

£m	Quarter 1 2012/13		Full Year 2012/13		
	Actual	v Budget	Forecast at Q1	Budget	v Budget
Fares Income	(851)	(4)	(3,833)	(3,798)	(34)
Other Income	(139)	(1)	(607)	(612)	5
Total Operating Income	(990)	(4)	(4,439)	(4,410)	(29)
Operating Expenditure (net of third party contributions)	1,262	(12)	5,814	5,781	33
Operating Margin	273	(16)	1,375	1,371	3
Interest Income & Debt Servicing	56	(15)	286	315	(29)
Contingency and Other Group Items	(4)	(39)	150	163	(13)
Total Group items	52	(55)	436	478	(42)
Margin	325	(71)	1,811	1,850	(39)
Net Capital Expenditure (excl Crossrail)	372	(85)	1,409	1,813	(404)
Net Service Expenditure (excl Crossrail)	697	(156)	3,221	3,663	(443)
Capital Expenditure: Crossrail	284	(49)	1,479	1,467	12
Net Service Expenditure: TfL	981	(205)	4,699	5,130	(431)

Tables may be subject to rounding

Appendix Two: Balance Sheet

Balance Sheet £m	Quarter 1 2012/13			Full Year 2012/13		
	Actual	Budget	v Budget	Forecast at Q1	Budget	v Budget
Intangible assets	105	107	2	144	123	(21)
Property, plant & equipment	25,570	25,712	142	27,230	27,518	288
Investment properties	307	307	-	309	290	(19)
Long term derivatives	5	-	(5)	5	-	(5)
Long term debtors	186	191	5	191	191	-
Non Current Assets	26,173	26,317	144	27,879	28,122	243
Stocks	39	37	(2)	40	38	(2)
Short term debtors	743	490	(253)	722	558	(164)
Short term derivatives	-	1	1		1	1
Cash and Investments	2,691	2,825	134	3,500	3,172	(328)
Current Assets	3,473	3,353	(120)	4,262	3,769	(493)
Short term creditors	(1,889)	(1,909)	(20)	(1,979)	(1,926)	53
Short term derivatives	-	(8)	(8)	-	(8)	(8)
Short term borrowings	(2,177)	(2,177)	-	(2,176)	(2,176)	-
Short term lease liabilities	(68)	(68)	-	(68)	(68)	-
Short term provisions	(141)	(141)	-	(136)	(141)	(5)
Current Liabilities	(4,275)	(4,303)	(28)	(4,359)	(4,319)	40
Long term creditors	(61)	(51)	10	(75)	(52)	23
Long term borrowings	(5,087)	(5,189)	(102)	(5,361)	(5,372)	(11)
Long term lease liabilities	(943)	(943)	-	(908)	(908)	-
Long term derivatives	(166)	(74)	92	(102)	(74)	28
Other provisions	(130)	(112)	18	(64)	(25)	39
Pension provision	(2,289)	(2,290)	(1)	(2,284)	(2,282)	2
Long Term Liabilities	(8,676)	(8,659)	17	(8,794)	(8,713)	81
Total Net Assets	16,695	16,708	13	18,988	18,859	(129)
Capital and Reserves						
Usable reserves	2,660	2,543	(117)	3,241	2,829	(412)
Unusable reserves	14,035	14,165	130	15,747	16,030	283
Total Capital Employed	16,695	16,708	13	18,988	18,859	(129)
Cash and Investments:						
Crossrail Sponsor funding account	1,307	1,276	(30)	1,266	1,414	148
Other cash	1,384	1,549	164	2,234	1,758	(476)
Total as above	2,691	2,825	134	3,500	3,172	(328)

Appendix Three: Cash summary

Cash Summary In / (Out) Flow £m	Quarter 1 2012/13			Full Year 2012/13		
	Actual	Budget	v Budget	Forecast at Q1	Budget	v Budget
Margin (from Appendix 1)	(325)	(396)	(71)	(1,811)	(1,850)	(39)
Working Capital Movements	(248)	(35)	213	(244)	(158)	86
Cash Spend on Operating Activities	(573)	(431)	142	(2,055)	(2,008)	47
Net Capital Expenditure (from Appendix 1)	(372)	(457)	(85)	(1,409)	(1,813)	(404)
Crossrail (from Appendix 1)	(284)	(333)	(49)	(1,479)	(1,467)	12
Working Capital Movements	(59)	(39)	20	(65)	(44)	21
Cash Spend on Capital Activities	(715)	(829)	(114)	(2,953)	(3,324)	(371)
Funded by:						
Grants, Precept & other contributions	1,175	1,180	5	5,432	5,417	(15)
Borrowings Raised	142	243	101	445	445	-
Borrowings Repaid	-	-	-	(31)	(20)	11
Total Funding	1,317	1,423	106	5,846	5,842	(4)
Net Movement in Cash	29	163	134	838	510	(328)

Tables may be subject to rounding



Investment Programme Report

First Quarter 2012/13 (April – June)

Table of Contents

1.	Programme Highlights.....	- 3 -
2.	Projects (over £50m) and Programmes (over £10m per annum)	- 4 -
	Sub-Surface Railway Upgrade	- 5 -
	SSR Major Power Works (Signalling).....	- 10 -
	SSR Major Power Works (Traction)	- 10 -
	Victoria Line Upgrade.....	- 12 -
	Underground General Renewals	- 13 -
	Victoria Station Upgrade	- 14 -
	Paddington Station Upgrade	- 15 -
	Tottenham Court Road Station Upgrade.....	- 16 -
	Bond Street Station Upgrade	- 17 -
	Bank Waterloo & City	- 18 -
	Bank Congestion	- 18 -
	Station Development	- 19 -
	Stations Third Party Schemes	- 20 -
	Thameslink.....	- 20 -
	LU Lifts & Escalators (BCV/SSR).....	- 21 -
	Cooling the Tube Programme.....	- 22 -
	Crossrail.....	- 23 -
	Track Renewal (BCV/SSR).....	- 24 -
	Civils (BCV/SSR).....	- 25 -
	Deep Tube Programme.....	- 26 -
	Lifts and Escalators (JNP).....	- 27 -
	Station Condition Renewal (JNP)	- 28 -
	Track (JNP)	- 29 -
	Civils (JNP)	- 30 -
	Jubilee Line Upgrade.....	- 31 -
	Northern Line Upgrade	- 32 -
	East London Line Phase 2b	- 33 -
	Emirates Air Line.....	- 34 -
	Barclays Cycle Hire Scheme	- 35 -

10 Barclays Cycle Super Highways.....	- 36 -
New Investment SCOOT.....	- 37 -
Hammersmith Flyover.....	- 38 -
TLRN Capital Renewal Programme	- 39 -
ITSO.....	- 40 -
Future Ticketing Project Capital.....	- 41 -

Transport for London

Investment Programme Report

First Quarter, 2012/13 (1 April 2012 – 23 June 2012)

I. Programme Highlights

The TfL investment programme delivered £372m of work in the quarter ended 23 June 2012. Although the majority of this was on major projects and programmes, which are individually reviewed in this report, work was undertaken to ensure that the infrastructure was as complete and robust as possible in readiness for the Games. Several major pieces of work were completed within and post quarter for the Games. This included station cooling, station enhancements, perimeter fencing, British Transport Police CCTV, Victoria and Jubilee lines reliability improvements and the Emirates Air Line. Other major milestones delivered in the quarter were:

- Ealing Common and Upminster depot enabling works completed for the provision of stabling for the new S7 train stock as part of the SSR upgrade
- Increased passenger capability from the Victoria line Asset Replacement programme completion
- Introduction of Working Timetable 34 on the Victoria line to 30TPH
- New station entrance and concourse at Paddington for the Hammersmith & City line
- Escalators at Charing Cross, Tottenham Hale and Baker Street all returned to service
- Three restored vent fans at Clapham substation, Weston Rise and Old Ford Road put into beneficial use in time for the Games
- An additional 159 locations added to the Barclays Cycle Hire scheme east of the city and to Westfield London in the west
- The Hammersmith flyover brought back into full service on 28 May

Post quarter events include:

- S Stock S7 service commenced on a section of the Hammersmith & City line
- Station platform cooling at Green Park and Oxford Circus brought into use
- The Emirates Air Line cable car entered revenue operations
- 57 S8 trains delivered on schedule

Cover picture:

The new S7 train in service on the Hammersmith & City line. The Subsurface Railway programme took delivery of its first two S7 trains this quarter and these will be used during the Games on a section of the Hammersmith & City line.

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

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

This main body of this report covers discrete projects with a total cost greater than £50m and programmes spending over £10m per annum. For each project, key milestones are listed with a forecast date compared against the March 2012 baseline. If appropriate, milestones listed as deliverables for the year in the 2012/13 Budget document are included.

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

Key to RAG status:

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

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

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

London Underground

Sub-Surface Railway Upgrade

Spend to end Q1 2012/13 £m	EFC £m
2,003.6	4,176.4

Programme level	Current Plan Date	Actual/Forecast Date	RAG
S Stock Preview Service on Hammersmith and City	09-Jul-12	06-Jul-12	Complete
S Stock in Timetabled Hammersmith and City Service	09-Dec-12	09-Dec-12	●
Roll out of new air-conditioned trains on the Metropolitan Line complete (DfT ANNEX B)	02-Mar-13	14-Oct-12	●
Rolling Stock	Current Plan Date	Actual/Forecast Date	RAG
S-Stock reliability equivalent to A stock Mean Distance Between Service Affecting Failures (MDBSAF)	21-Jul-12	21-Jul-12	Complete
57th S8 Stock available for delivery to London	13-Oct-12	16-Jul-12	Complete
All A-Stock removed from service	02-Mar-13	14-Oct-12	●
SUP Rolling Stock Sub-programme Completion	31-Mar-19	31-Mar-17	●
ATC	Current Plan Date	Actual/Forecast Date	RAG
Location Identified and Agreed for ATC Train Fit Bay	21-Jul-12	08-Jun-12	Complete
End State Track Layout delivery programme in place	15-Sep-12	24-Aug-12	●
System Level Requirements Approved by ATC Supplier	05-Jan-13	05-Jan-13	●

London Underground

Stable Design Data for End State Track Layout North of Baker St	05-Jan-13	27-Oct-12	●
Uxbridge Stabling Detail Design Complete	31-Mar-13	13-Jan-13	●
Approval of the Signal Equipment Rooms Premises Conceptual Design Statement	31-Mar-13	25-Jan-13	●
SUP signalling upgrade complete (DfT ANNEX B)	31-Dec-18	31-Dec-18	●
Depots	Current Plan Date	Actual/Forecast Date	RAG
Neasden Depot - Rail access into New Lifting Maintenance Facility enabled	08-Dec-12	13-Jul-12	Complete
Ealing Common Depot - S7 test train permanent berthing enabled	05-Jan-13	12-Nov-12	●
Neasden Depot - Phase 2 Signalling Commissioned	31-Mar-13	02-Nov-12	●
Neasden Depot - Ability to lift S-Stock in New Lifting Maintenance Facility	31-Mar-13	28-Nov-12	●
SUP Depots Sub-programme Completion	31-Mar-15	31-Mar-15	●
Infrastructure Other	Current Plan Date	Actual/Forecast Date	RAG
SUP Enabling Other Sub-programme Completion	31-Dec-17	31-Dec-17	●
Conductor Rail	Current Plan Date	Actual/Forecast Date	RAG
Extra Low Loss Conductor Rail (ELLCCR) - Installation complete	02-Feb-13	04-May-12	Complete
SUP ELLCCR Sub-programme Completion	31-Dec-12	31-Dec-12	●

London Underground

S7	Current Plan Date	Actual/Forecast Date	RAG
Paddington (H&C) Infrastructure ready for integration testing	21-Jul-12	26-Jun-12	Complete
Paddington (H&C) Infrastructure complete	08-Dec-12	26-Jun-12	Complete
Stepney Green to Bromley-by-Bow Infrastructure ready for integration testing	02-Feb-13	11-Jun-12	Complete
Tower Hill Infrastructure ready for integration testing	02-Feb-13	22-Jan-13	●
Stepney Green to Bromley-by-Bow Infrastructure complete	31-Mar-13	31-Oct-12	●
SUP S7 Sub-programme Completion	31-Dec-17	31-Dec-17	●
DC Power	Current Plan Date	Actual/Forecast Date	RAG
SUP Power Sub-programme Completion	30-Jun-16	30-Jun-16	●
Signal Immunisation	Current Plan Date	Actual/Forecast Date	RAG
Completion of the Signalling Immunisation works	10-Nov-12	10-Nov-12	●
SUP Signalling Immunisation Sub-programme Completion	30-Jun-14	30-Jun-14	●
Management	Current Plan Date	Actual/Forecast Date	RAG
SUP Programme Management Sub-programme Completion	31-Dec-17	31-Dec-17	●

The Sub-Surface Railway network (consisting of the Circle, District, Hammersmith & City and Metropolitan lines) upgrade will provide new air-conditioned rolling stock, new signalling, upgraded stations (to accommodate longer trains) and a new control centre. The upgrade will increase capacity and reduce journey times. The programme benefits will be delivered by 2018. The programme is on budget and on schedule to achieve its planned delivery date.

London Underground

The programme is organised around the following four delivery areas:

Rolling Stock

Delivery of new (S8) trains for the Metropolitan line has continued on schedule this quarter and delivery of the 57th S8 train was completed on the 16 July 2012 with the final (58th) train due next quarter.

The programme also took delivery of its first two S7 trains this quarter. These trains will be used on the Hammersmith and City line during the Games by which time four S7 trains will be available for service.

Improved reliability of the S stock continued to be a key focus for LU and Bombardier, the train suppliers, during the period resulting in the highest ever S8 reliability numbers being achieved.

Automatic Train Control (ATC)

Following agreement of the Bombardier high level schedule earlier this year, the detailed schedule for the entire ATC signalling contract has now been accepted by London Underground. This follows an exercise to ensure that this large and complex schedule (in excess of 12,000 activities) reflects joint London Underground and Bombardier plans agreed at contract review for delivery of the works. This schedule incorporates the completion dates and meets the DfT milestone for completion of the works by December 2018.

Given the delay in Bombardier achieving its contract Gate B earlier in the year, this programme will be closely monitored and any further slippage will be escalated through Bombardier at the highest level.

The Bombardier delivery schedule includes the interfaces with London Underground enabling works including Power, Cable Routes, Signalling Equipment Rooms, the Hammersmith Control Centre and the End State Track Layout modifications which are all proceeding as planned. The power and cable route installation has now commenced for the first signalling commissioning area (Uxbridge to West Harrow) and the Service Control Centre was completed ahead of the schedule requirement.

Having successfully passed through 'Concept Design' last year and 'Joint Requirements, Plans and Processes' in May, the ATC Signalling project is now proceeding with the system level development activities, trackside and on board train signalling equipment design in London, Pittsburgh, Madrid and Derby.

The next major milestones for the signalling project are to complete the generic system design in October 2013, followed by successful testing and demonstration of the system at the Old Dalby test track in April 2014. This is part of London Underground and Bombardier joint strategy to maximise reliability of the system before applying it to London Underground's infrastructure.

Depots

At Ealing Common and Upminster depots, enabling works have been completed in preparation for the provision of stabling berths to accommodate the new S7 train stock. Work to deliver these berths will continue into next quarter and are due for completion in November.

At Neasden depot, the installation of wiring has commenced for the new Signal Equipment Room as part of the S8 depot re-signalling project and installation works are planned to be completed next quarter. At the 'New Lifting Maintenance Facility', the steel framework and

London Underground

cladding have been completed and works commenced to provide the Direct Current “shore” power supply. Access to the facility is close to completion (completed post quarter).

This new train lifting facility will make maintenance of new trains easier and quicker, as it will lift the whole train, removing the need to separate the carriages.

Infrastructure

On Friday 6 July 2012, the S7 preview service entered passenger service at Hammersmith station.

The S7 train ran a timetabled route between Hammersmith and Moorgate station as part of the training programme for introducing the S Stock on the Hammersmith & City line. SUP will progressively increase the routes available in traffic hours as more infrastructure is successfully commissioned and tested in the months ahead. Over the next few weeks S7 will be monitored as it runs in customer service between Moorgate and Hammersmith up to four times a day.

The next key milestone for the Hammersmith and City line is for the S stock to run a timetabled service from December 2012. There are some specific technical challenges to be overcome on train stopping positions and One Person Operation systems to achieve this milestone. The project team continue to implement improvement opportunities to achieve the forecast delivery date.

The SUP team has considerably changed the installation of DC traction conductor rail on London Underground. Extra Low Loss Composite Conductor Rail and its use as part of the Sub Surface Upgrade Programme, has delivered significant long term, financial and environmental benefits to London Underground. A new benchmark for project delivery and unit rates for installation has been achieved. A reduction in unit price from £957 per track metre in February 2009 to a current rate of £574 per track metre has been achieved. The installation cost per track metre has been reduced from £325 to £152 per metre.

All legacy track circuits must be treated such that they are not susceptible to electrical interference (Electro-Magnetic Compatibility) from the new trains, in a process known as “immunisation.” Electrical interference (cross-talk) has been encountered on track circuits between Upney and Upminster which has delayed commissioning of Third Party immunisation works until after the Games, but remain on plan to be completed before the November milestone date.

London Underground

SSR Major Power Works (Signalling)

Spend to end Q1 2012/13 £m	EFC £m
4.1	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
SSR Signalling Power Package 1 - Contract Award (New transformer rooms on Metropolitan and Hammersmith & City line)	02-Feb-13	27-Nov-12	●

This project will provide the main power supplies for the Sub-Surface Railway signalling (local distribution of signalling power is covered elsewhere).

Good progress on the early minor works on site. Preparations to let the first main package of works are progressing to plan.

SSR Major Power Works (Traction)

Spend to end Q1 2012/13 £m	EFC £m
265.4	521.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Package 6 Completion of Cable Pull	21-Jun-12	21-Jun-12	Complete
Power to Support 53 S8 & 48 S7C & 9 S7D Trains in service Available	24-Jul-12	24-Sep-12	▲
SSR - Power available to support Metropolitan Line (x53 S8), Circle Line (x48 S7C) + District Line (x23 S7D) trains in service	13-Oct-12	10-Oct-12	●
SSR Power Upgrade - Package 3b Contract Award for 7 substations (5 upgrades + 2 new builds)	31-Mar-13	29-Mar-13	●
Programme Stage Gate Review (SSR PU Programme Close)	15-Jun-18	15-Jun-18	●

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

London Underground

Work was impeded by instability problems within the power control system software, but this has been overcome. Progress on site is very slightly behind programme and has been compounded by the Olympic works embargo.


Power works to support the S8 and S7 trains have been re-scheduled after the Games to complete by 24 September. There is no subsequent impact to other milestones.

Preparations are now underway to start work on the last two main packages (upgraded intake from the National Grid at Neasden and reinforcing capacity ready for ATC on the Circle and west side of the District line).

London Underground

Victoria Line Upgrade

Spend to end Q1 2012/13 £m	EFC £m
991.9	1,028.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Programme Ready for Introduction of WTT34 (30TPH)	22-Apr-12	22-Apr-12	Complete
Delivery of Victoria Line Upgrade Capability	21-Jul-12	02-Apr-12	Complete
Victoria Line Capacity Increase - Introduction of Working Time Table 35 (33TPH) (DfT ANNEX B)	31-Mar-13	31-Jan-13	

The Victoria line upgrade is a “total” line upgrade including new rolling stock, signalling, control equipment, depot and track works. The programme remains below authority and on target to complete ahead of the contractual completion date of August 2013. System reliability, including mitigating the effect of passenger interactions, remains the primary focus. All 47 of the new trains have been accepted for service.

Completion of the Asset Replacement programme on the Victoria line was successfully achieved on 2 April 2012 enabling the increased passenger capability on the Victoria line in advance of targets and the Games.

The revised timetable implementing 30 trains per hour was introduced as planned on 22 April 2012. Full realisation of the benefits with the introduction of the 33 trains per hour timetable is planned for January 2013, ahead of the DfT agreed target.

The VLU project team delivered all the reliability work streams on the new assets designed to meet the improvement target in time for the Games, including modifications to the doors and Passenger Emergency Alarms which had been impacting fleet performance. Latest reliability performance is 46,422 kilometres mean distance between service affecting failures and reliability performance delivered over the Games exceeded the target by 56 per cent. Key to this was the implementation of the ability to download train status at the majority of stations as a result of collaborative working between the VLU team, Bombardier and LU IM. Additionally, the VLU engineering experts were present in the control room throughout each traffic day during the Games. This enabled potential service affecting failures to be averted via diagnosis and resulted in the ability to proffer timely and appropriate mitigating actions.

London Underground

Underground General Renewals

Spend to end Q1 2012/13 £m	EFC £m
91.6	N/A

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Approval of Concept Submission - Tunnel Cleaning Train Motive Power Unit	13-Oct-12	25-Jul-12	Complete
Engineers Loco 3 - Life Extension	10-Nov-12	08-Oct-12	●
Completion of Victoria Line Automatic Track Monitoring System (unit 1)	08-Dec-12	30-Oct-12	●
Finish on Site - 218 CarBody Ends	31-Mar-14	31-Jan-14	●

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

'92 Tube Stock Refresh

'92 Tube Stock train refresh – all 85 trains completed (Windows & Seats) and 87 cab ends completed against a target of 85.

Battery Loco Life Extension

The completion of the third and fourth Battery Locomotives are on target to be delivered early next quarter.

New Tunnel Cleaning Train

The new Tunnel Cleaning Train project is proceeding to plan. Approval of concept submission for motive power unit is forecast for completion next quarter.

Automatic Track Monitoring System – ATMS

Automatic Track Monitoring System – two Track Geometry Systems have been delivered as planned.

London Underground

Victoria Station Upgrade

Spend to end Q1 2012/13 £m	EFC £m
178.3	589.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
'Bring into Use' Network Rail to LUL Ticket Hall stairs (Sussex Stairs)	23-Jun-12	31-May-12	Complete
Northern Ticket Hall Piling of Box West completed	13-Oct-12	13-Oct-12	●
Commence South Ticket Hall Main Works	10-Nov-12	17-Sep-12	●
Commence Wilton Road Piling	03-Jan-13	18-Oct-12	●
Commence North PAL Open Cut Excavation	14-Jan-13	14-Jan-13	●
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) – Deliver into service	23-Oct-16	07-Oct-16	●
South Ticket Hall and remainder of VSU works Sectional completion S2) – Deliver into service	04-Jun-18	09-Feb-18	●

The Victoria Station Upgrade project will deliver:

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

The project remains on schedule and within authority. The 'Sussex Stairs' (between Victoria line concourses and Network Rail) and the Network Rail entrance were made available for operational use ahead of plan and in time for the Diamond Jubilee weekend. New site offices in Terminus Place have been completed and the combined project team has started to move in.

London Underground

Paddington Station Upgrade

Spend to end Q1 2012/13 £m	EFC £m
36.4	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Lifts Manufacture Complete (At Factory)	15-Sep-12	10-Sep-12	●
Lifts Installed	02-Aug-13	08-Jul-13	●
Final Fit Out Bring into use (Practical Completion)	22-Mar-14	03-Mar-14	●
Acceptance of mandatory asset information documents by LU	28-Jul-14	06-Jun-14	●
LU Fit Out Work Complete	01-Nov-14	07-May-14	●

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

- New ticket hall
- Significantly enlarged passenger concourse with three staircases to platform level
- Provision of new step-free access from street to platform level (H & C platforms)

The new station entrance and concourse for the Hammersmith & City line were completed as planned on 24 June 2012. The works include two new stairways, improved CCTV and extended platforms to accommodate longer trains. Work has now commenced on the fit-out phase of the project which will include lifts to the platforms, ticketing machines and ticket gates and is due to complete in 2014.

London Underground

Tottenham Court Road Station Upgrade

Spend to end Q1 2012/13 £m	EFC £m
245.8	482.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Central Line Overbridges Complete (possession works)	21-Jul-12	18-Jun-12	Complete
Start New Oxford Street Entrance Fit-Out	02-Feb-13	31-Jan-13	●
Commence Ticket Hall Fit Out	02-Feb-13	18-Dec-12	●
Section 1 Completion (Handover part Astoria site)	02-Sep-13	08-Jul-13	●
Section 3 Completion (Consolidated Piling)	19-Sep-14	25-Jul-14	●
Completion of Phase 1 (Partial Opening of the New Plaza Ticket Hall)	31-Mar-15	03-Jan-15	●
Completion of the Project	31-Dec-16	29-Dec-16	●

The project will provide:

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

The project remains on schedule and within authority. The Northern line concourse side tunnels are now complete and the new Central line over-bridges were successfully installed over two weekend closures. The top-down construction of Goslett Yard box has now progressed to level three and the propping of the escalator decline has commenced. The reinforcement to Falconberg court box is complete.

London Underground

Bond Street Station Upgrade

Spend to end Q1 2012/13 £m	EFC £m
130.9	290.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Demolition of sub-structure Complete	02-Feb-13	27-Nov-12	●
Start of main tunnelling operations	15-Jul-13	11-Jul-13	●
Close escalators 1 & 2 for tunnelling	28-Apr-14	22-Oct-13	●
Early hand back Jubilee line platforms. Escalators 6,7, and 8, 3,4,and 5, 4/092 into public use	02-May-15	01-Dec-14	●
Tunnelling Set Up Decommissioned	28-Sep-15	07-Sep-15	●
Frame to be handover to Developer - Planned Date	06-May-16	19-Jan-16	●
Practical completion	28-Apr-17	03-Mar-17	●

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

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

The project remains on schedule and within authority. All works on Thames Water assets in Oxford Street have been completed and the road reinstated. The over-site development piling has now been completed which includes the 900mm diameter, 52 meter deep pile which passed in close proximity to the Central line.

Replacement escalators 1 and 2 were returned to service on 21 May 2012, one month ahead of the plan. The demolition of the walls adjoining the Tanzanian High Commission is now complete.

London Underground

Bank Waterloo & City

Spend to end Q1 2012/13 £m	EFC £m
13.9	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Bring Into Use (DfT ANNEX B)	31-Dec-15	23-Dec-15	●

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

The project remains on schedule and within authority. The interface activity programme issued by Bloomberg confirms its intention to commence station box excavation before the end of September 2012. Bloomberg is currently on plan to install a full monitoring system in readiness for construction.

Bank Congestion

Spend to end Q1 2012/13 £m	EFC £m
13.1	*

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

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

London Underground

An Innovative Contractor Engagement (ICE) procurement route which seeks to promote innovation, reduce costs and secure the project end date has recently been approved.

The invitation to participate has been issued to pre-qualified bidders. Works information documentation is currently being compiled for input into the main works Invitation to Tender (ITT). Shortlisted bidders are to confirm their willingness to proceed to the ITT in August, with the completion of the ICE dialogue process planned for 3 September 2012.

Station Development

Spend to end Q1 2012/13 £m	EFC £m
1,261.1	N/A

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete Design Validation - Vauxhall Station Capacity & Step- Free Access	11-May-12	10-May-12	Complete
Highbury & Islington Event Mitigation Works available for Beneficial Use	21-Jul-12	22-Jun-12	Complete
Cannon Street Bring into use	27-Jul-12	27-Jul-12	Complete
Bromley by Bow Step-Free Access Commence Detailed Design	29-Jan-13	08-Jan-13	●
Bromley by Bow Step-Free Access Bring into Use	23-Dec-14	31-Oct-14	●

This comprises projects primarily to keep stations fit for purpose. It also includes minor station upgrades, some of which are third party funded works and budgetary provisions for future station capacity schemes. Planned funding for Finsbury Park, Highbury & Islington and Vauxhall stations, along with a general provision for congestion relief schemes, are included in this programme.

For the Highbury & Islington Event Mitigation Project, the works were successfully brought into use on 22 June 2012.

Station platform cooling both at Green Park and Oxford Circus have now been completed and were operational prior to the Games.

At Cannon Street station, the station supervisor's office has been successfully brought into use and the new gate line has been commissioned.

An outline agreement has been reached with developer Capco for the provision of increased capacity and enhanced step-free access at both Earl's Court and West Kensington stations as part of the Earl's Court development.

London Underground

Stations Third Party Schemes

Spend to end Q1 2012/13 £m	EFC £m
1.2	*

Croxley Rail link – preparations continue for the Transport and Works Act Order (TWAo) public hearing, which is scheduled to commence on 9 October 2012.

The Northern Line Extension preferred bidder was announced as Malaysian developer, SP Setia. Discussions have been held with various stakeholders to progress property agreements. A review of possible locations for intervention shafts and the production of an independent spoil removal strategy are underway.

At London Bridge Place the ticket hall hoarding was fully removed, providing a step-free interchange during the Games.

Thameslink

Spend to end Q1 2012/13 £m	EFC £m
36.2	45.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
London Bridge Network Rail Station - Network Rail Complete Works	10-Jan-19	10-Dec-18	●

This project provides LU support and infrastructure protection to the Thameslink programme delivered by Network Rail (NR). All of the expenditure is reimbursed by NR.

At Blackfriars outstanding work and snagging continues. Network Rail has yet to clear all snags to the agreed programme. Discussions to expedite close out of snags are ongoing.

The lifts brought into use at Farringdon bring the total number of LU stations with step-free capability to 66. The station is now fully operational.

London Underground

LU Lifts & Escalators (BCV/SSR)

Spend to end Q1 2012/13 £m	EFC £m
157.8	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Charing Cross Escalators 1 and 3 return to service	28-Apr-12	23-Apr-12	Complete
Tottenham Hale Escalator 1 return to service	28-Apr-12	21-Feb-12	Complete
Baker St. Escalator 3 completion of works and return to service	23-Jun-12	18-May-12	Complete

Lift and Escalator refurbishment works are undertaken to ensure continued safe and reliable operation of the assets and to minimise failures which could result in unplanned station closures.

The pan TfL escalator contract has been signed and the contract awarded.

Tottenham Hale escalator 1 was returned to service nine weeks ahead of schedule due to accelerated productivity and advanced Games planning.


Baker Street escalators 3, 5 and 6 were returned to service five weeks ahead of schedule.

Bank escalators 13 & 15 were returned to service two weeks ahead of schedule. Charing Cross escalators 1 and 3 were brought into use one week ahead of schedule.

London Underground

Cooling the Tube Programme

Spend to end Q1 2012/13 £m	EFC £m
170.6	183.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Out of service fans - Phase 4 - All fans available for beneficial use	10-Nov-12	16-Jun-12	Complete
Out of service fans - Phase 4 - Handover to Maintenance (excluding Green Park and Oxford Circus transferred to Stations programme)	30-Jan-13	28-Jan-13	

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.

All three restored vent fans in the current batch (Clapham Substation, Weston Rise and Old Ford Road) have been put into beneficial use in time for the Games.

Work has commenced on the condition surveys and outline designs for the next batch. The project scope will be confirmed after feasibility has been completed on Nightingale Road, Cromwell Curve, Redbridge Lane, Middleton Gardens, Carlton Square, Waterloo, Lambeth North, Baker Street and Brompton Road.

London Underground

Crossrail

Spend to end Q1 2012/13 £m	EFC £m
151.3	269.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Work Package Plan Agreed for Moorgate Ticket Hall Sterilisation (Stage 1)	28-Apr-12	24-Apr-12	Complete
Agreement of Crossrail System Integration User Requirement Statement	28-Apr-12	25-Apr-12	Complete
Liverpool St Enabling Works Bring into Use Station Operations Room	08-Dec-12	09-Nov-12	Complete
LU Support Complete for Crossrail Trial Running Stations (Central Section)	28-Feb-19	31-Dec-18	●

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

LU and CRL have agreed and baselined the plan which manages the close out of the generic design issues relating to the main station fit-out contracts.

LU has agreed the CRL user requirement statement for the systems integration of the station operations rooms in the central section for which LU will become the infrastructure manager.

The works package plan for removal and relocation of assets in the Moorgate ticket hall was agreed by CRL and LU.

LU approval was issued for CRL to continue tunnelling, through soil adjacent to the Hammersmith & City line at Royal Oak. This enables them to tunnel a further 300 metres before additional approval from LU to tunnel beneath the Hammersmith & City line.

London Underground

Track Renewal (BCV/SSR)

Spend to end Q1 2012/13 £m	EFC to 2012/13 £m
20.2	99.3

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Points and Crossings – Achieve 2 units	12-Oct-12	17-Sep-12	●
Ballasted Track Replacement and Re-ballast Metres – Achieve 1,637m	12-Oct-12	17-Sep-12	●
Track Drainage – Replace 4,648m replaced	12-Oct-12	17-Sep-12	●
Deep Tube Class I Renewal (Expected trackform life of 40 years) – Achieve 1,014m	12-Oct-12	28-Sep-12	●
Completion of Central Line Blockade (11 Points & Crossing and 500m BTR achieved)	05-Jan-13	05-Nov-12	●
Track Drainage – Replace 8,104 metres	31-Mar-13	04-Mar-13	●

The Track programme remit is to deliver a five year programme of track, drainage and points and crossings renewals against an established schedule of work. By 2018 the target is that 25 per cent of new infrastructure will have been delivered.

The track recovery plan was completed and phase one of the improvement plan is now in operation. Ballasted Track Renewal (BTR) this quarter resulted in 1,612 metres of BTR achieved. The meterage completed was slightly behind an aggressive plan but in line with targets. Agreeing the revised closures plan including use of blockades is fundamental to achieving the required downwards trajectory in track unit costs.

The track team achieved in the quarter:

- 1,713 metres of track drainage completed
- 962 metres of Deep Tube Renewals
- Installation of 5,270 metres of Extra Low Loss Composite Conductor Rails with the removal of 15,172 metres of scrap rail from various sites across the LU network in line with the plan.
- Location Coding System plates covering 56,907 metres and 8,025 metres of rail grinding at various locations across the LU Network.

London Underground

Civils (BCV/SSR)

Spend to end Q1 2012/13 £m	EFC to 2012/13 £m
4.5	24.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Practical Completion: Northwood – Northwood Hills	26-May-12	25-May-12	Complete
Practical Completion: Wimbledon Park to Southfields	26-May-12	25-May-12	Complete
Detailed Design Complete: Harrow-on-the-Hill to North Harrow	21-Jul-12	21-Jul-12	Complete
Start on Site: Northwood to Pinner	10-Nov-12	09-Nov-12	●
Practical Completion: Strengthening three Bridges in the Bayswater Area	02-Feb-13	01-Feb-13	●
Practical Completion: Bridge Impact Protection - Perivale Area	31-Mar-13	30-Mar-13	●

The Civils Programme is running to plan and under budget for 2012/13. Within the quarter, South Woodford to Woodford, Wimbledon Park to Southfields and the Civils pumps programme all achieved practical completion. Bridge Painting between Northwood – Northwood Hills has also been completed.

Six projects have achieved practical completion on site as programmed. These include three earth structure projects delivered under the framework contract, a package of pump sites and a series of bridge parapet protection works.

Site works on the network will be interrupted by the Games but two earth structure remediation sites at Amersham and Debden were accelerated and completed ahead of the Games. Two off-network sites at Perivale Station (bridge protection beam) and Northwood Hills (over bridge parapet protection) will continue through the summer as approved. Design, scoping and tendering activities will also continue through the next quarter to allow a number of projects to commence on site in September 2012. Formal completion of the pump sites project will also be achieved in the quarter.

London Underground

Deep Tube Programme

Spend to end Q1 2012/13 £m	EFC £m
3.7m	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
DTP Strategic Objectives Defined (Outcome Definition)	26-May-12	22-May12	Complete
Strategy and plan to meet our commitment to the DfT of life extension of the Piccadilly line signalling signed-off by the Rail & Underground Board	31-Oct-12	17-Jul-12	●
Delivery of prototype for a low energy, higher capacity train for Piccadilly and Bakerloo lines (DfT ANNEX B)	31-Dec-15	31-Dec-15	●

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

During the quarter, the programme was subject to the Independent Investment Programme Advisory Group (IIPAG) and External Expert reviews and passed the Programme stage gate review (Gate A – ‘Outcome Definition’). The programme is now in the Feasibility stage.

A feasibility ‘project plan’ to achieve stage gate review has been developed and endorsed by the Programme Board. Work is progressing towards establishing an integrated programme baseline that will represent requirements, assumptions, scope, schedule and costs during the Feasibility stage.

A number of assumptions including target levels of automation and line delivery sequencing were presented to the Programme Board and agreement obtained.

Tube Lines

Lifts and Escalators (JNP)

2012/13 Spend to end Q1 £m	EFC to 2012/13 £m
2.2m	17.7m

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Westminster Escalator 6 Refurbishment - bring into use	08-Jun-12	11-May-12	Complete
Hyde Park Corner Escalator 3 Refurbishment - bring into use	09-Jun-12	18-May-12	Complete
Canada Water Secondary Passenger Lift 4 - bring into use	16-Jul-12	12-Jun-12	Complete
Bermondsey Secondary Passenger Lift 1 - bring into use	16-Jul-12	15-Jun-12	Complete
West Ham Escalator 6 Refurbishment - bring into use	16-Jul-12	26-Jun-12	Complete
Highgate Escalator 1 Refurbishment - bring into use	04-Mar-13	01-Feb-13	●
Leicester Square Escalator 4 Refurbishment - bring into use	04-Mar-13	01-Feb-13	●

Lifts at Bermondsey and Canada Water were completed and returned to service ahead of programme.

Twenty per cent design achieved for major lift refurbishments at Russell Square, Hampstead, Green Park and Westminster.

Completed work on escalators at Westminster, Waterloo, Hyde Park Corner, London Bridge, and Canning Town.

Design works continue for major refurbishment works at Russell Square, Hampstead, Green Park and Westminster Lifts. Preparation works for the post-Games escalator interventions commenced.

Tube Lines

Station Condition Renewal (JNP)

2012/13 Spend to end Q1 £m	EFC to 2017/18 £m
7.8m	17.3m

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Heathrow Terminals 1,2,3 - delivery into service	14-Sep-12	14-Sep-12	●

Heathrow Terminals 1,2,3 customer facing modernisation works, which includes two new lifts, additional ticket gates to ease congestion and a revamped ticket office and travel information centre were all completed ahead of the Games. The upgrading of additional staff accommodation is due to be completed in September.

Rail Vehicle Accessibility Regulations (RVAR Platform Humps)

Completion of installation works at Hendon Central and Green Park Jubilee line platforms. Commenced installation works for Olympic Delivery Authority humps at Finsbury Park, Oakwood and Hounslow West. Commenced installation works of temporary platform humps at Green Park (Piccadilly and Jubilee lines) and Kings Cross (Piccadilly line).

Completion certificates have been signed for the works at Kings Cross (Northern line), Heathrow Terminals 1,2,3 and 4.

Tube Lines

Track (JNP)

2012/13 Spend to end Q1 £m	EFC to 2012/13 £m
6.3m	29.6m

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Completion of 1200m of Tube Reconditioning	31-Mar-13	01-Feb-13	●
Completion of 4000m of re-rail	31-Mar-13	31-Mar-13	●

A total of 2,251 metres of scrap rail has been removed in the quarter.

Six life extension sites, along with Elephant & Castle platform two pit renewal sites, were handed back to Operations.

Bridge ballasting works in a 52 hour closure between Brent Cross and Golders Green was completed.

In addition, the track team commenced work on Stockwell platform three and Covent Garden platform two (pit renewal), Morden to South Wimbledon (tube reconditioning) and Baker Street to Bond Street (life extension).

Tube Lines

Civils (JNP)

2012/13 Spend to end Q1 £m	EFC to 2012/13 £m
5.5m	29.4m

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Completion of 740m of Earth Structure Renewal	27-Mar-13	27-Mar-13	●
Completion of 4000m of Drainage intervention	31-Mar-13	31-Mar-13	●
JNP Drainage renewal, complete 3400m (Drainage)	31-Mar-13	30-Mar-13	●

Bridges and structures sites completed at Finchley Road, Dollis Hill and Willesden Green.

Painting works on structures at Brent Cross, Hendon and Burnt Oak along with trackside structure works at Brent Cross were completed in the quarter. Work commenced on a further three structures at Oakwood, Wembley Park and Brent Cross.

Track drainage works continued with drain lining repairs at Neasden, now 84 per cent complete, South Ealing now 76 per cent complete, Queensbury now 26 per cent complete and Kilburn now 73 per cent complete. All works are on programme to achieve the 1,500 metres installation milestone due next quarter.

Tube Lines

Jubilee Line Upgrade

2012/13 Spend to end Q1 £m	EFC to 2017/18 £m
37.3m	46.5m

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Decommissioning and removal of assets	30-Jun-14	30-Jun-14	●

Work continues post operational handover to deliver the remaining works. These core works include a programme to deliver Transmission Based Train Control, Engineering Vehicles (February 2013) and Ruislip Pre-Departure Test Facility (October 2013). There is also a programme for decommissioning and removal of old assets (scheduled for completion in June 2014).

Works on a series of 'strengthening' enhancements to the baseline system to further improve performance and operability (final phase scope and programme not yet defined) are also about to commence.

Hardware modifications to miniature circuit breakers have been completed in line with the pre-Games plan. The final pre-Games software build has also been successfully introduced. With the above in place, Transmission Based Train Control reliability on the line has continued to improve during the quarter.

Exit speeds from Neasden Depot were improved during the quarter by enabling trains to exit in Automatic Train Operator mode and also further improvements to signal release. These changes are showing significant reductions in incidents of late running.

The Battery Locomotives 'Consent to Operate' has been fully approved enabling trains to run under LU signal control for the first time on 27 June 2012. Eight drivers are now trained with a further four planned before the Games. The fitting of inner inter car barriers to the Jubilee line fleet was completed on 8 June 2012.

Tube Lines

Northern Line Upgrade

2012/13 Spend to end Q1 £m	EFC to 2017/18 £m
92.0m	484.1m

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Installation Complete Northern Migration Areas (NMA High Barnet to West Finchley) and NMA2 (Mill Hill East to Highgate)	10-Jul-12	29-Apr-12	Complete
Start System Testing NMA1 (High Barnet to West Finchley)	04-Aug-12	15-Jun-12	Complete
Installation Complete; NMA5 (Stockwell to Morden)	21-Sep-12	16-Jul-12	Complete
Installation Complete; NMA6 (Edgware to Belsize Park)	26-Oct-12	14-Sep-12	●
Installation Complete; NMA4 (Old Street/Euston to Oval)	23-Nov-12	05-Sep-12	●
Ready for Revenue Service (High Barnet Area)	23-Nov-12	30-Apr-12	Complete
106 Trains ready for Revenue ATO Service	03-Dec-12	30-Oct-12	●

A milestone was reached over the May bank holiday weekend, when system testing commenced with trains on the entire section of the High Barnet branch. The results confirmed the system stability and enabled a safety letter to be issued to commence maturity level three testing. This also led to a System Review Panel certificate being issued. Further success was achieved with the commencement of the next series of system testing which enables Transmission Based Train Control to control and protect trains.

Other installation and testing activities in the Northern Migration (NMA) 1 and 2 areas (High Barnet branch) are nearing completion in line with the programme.

Reliability testing (loops and axle counters) commenced in the quarter, which will enable early identification and resolution of issues to improve reliability when formal testing and system proving commences.

London Rail

East London Line Phase 2b

Spend to end Q1 2012/13 £m	EFC £m
54.5	72.7

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete integration testing	31-Jul-12	27-Jun-12	Complete
Commencement of trial operations	30-Nov-12	28-Jun-12	Complete
Commence passenger services	09-Dec-12	09-Dec-12	●

East London Line (ELL) Phase 2b will provide an additional four trains per hour on the core East London line. These trains will run to Clapham Junction via a new chord that leaves the ELL Phase 1 route to the south of Surrey Quays and joins the South London line to the north of Queens Road (Peckham). This new track will enable a new route, between Highbury and Islington and Clapham Junction and provide the final link to make London Overground a fully orbital railway.

A successful testing and commissioning operation was undertaken with Network Rail on the weekend of 23-24 June 2012. This resulted in the line being electrified for the first time and the very first test train being run along the route to the new platform formation at Clapham Junction on 24 June 2012.

To enable the above, Network Rail works at Old Kent Road were completed and the new junction commissioned and entered into service. The Clapham Junction Platform two road was commissioned and the telecommunications system and signalling equipment were also tested and commissioned.

Overall the works are on schedule to support passenger opening in line with the Network Rail timetable change in December 2012.

London Rail

Emirates Air Line

Spend to end Q1 2012/13 £m	EFC £m
58.1	62.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Commencement of trial operation	Summer-12	28-May-12	Complete
Revenue operation commences	Summer-12	28-Jun-12	Complete

The Emirates Air Line entered revenue service prior to the Games. This followed an intensive quarter of works including completion of the Emirates Greenwich Peninsula and Emirates Royal Docks station terminals, installation of the canopies, ticketing gate lines and signage.

The network power and communication systems were tested and commissioned and trial evacuation exercises were successfully undertaken.

A period of trial operations was carried out prior to being handed over to Mace Macro for operation of the Emirates Air Line.

Surface Transport

Barclays Cycle Hire Scheme

Spend to end Q1 2012/13 £m	EFC £m
109.9	117.7

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 2: Go Live - Expansion area launch	02-Mar-12	02-Mar-12	Complete
Phase 2: Construction complete	30-Apr-12	30-Apr-12	Complete
Phase 1: End of phase 1 close	31-May-12	04-Jul-12	Complete
Phase 2: JCB/Amex card acceptance available	21-Sep-12	21-Sep-12	●
Phase 2: Start of Phase 2 Close (Gate 2)	28-Jan-13	28-Jan-13	●
Phase 2: End of phase 2 close (Gate E)	30-Apr-13	31-May-13	▲

The Barclays Cycle Hire scheme launched successfully to registered members on 30 July 2010 and was opened up to all users on 3 December 2010. Around half of the scheme members have opted for annual membership, which means the scheme costs less than 12 pence per day, as the vast majority of trips are less than 30 minutes. This is a low-cost and convenient alternative for many travellers.

Barclays Cycle Hire has now expanded east of the city and to Westfield London in the west, with a public launch on the 8 March 2012. The construction of this expansion was completed on 30 April 2012 adding an additional 159 locations to the scheme. The complete and expanded scheme covers 65km² of the Capital with around 8,000 hire bikes now available from 561 locations across central and eastern London.

The design and development of an improved IT system with customer usability improvements is due for delivery in winter 2012.

The minor slippage on the 'end of phase 2 close' milestone is for alignment with the Surface Board meeting date which will occur at the end of the gate review process.

Surface Transport

10 Barclays Cycle Super Highways

Spend to end Q1 2012/13 £m	EFC £m
24.6	105.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 2 (routes 5 and 12) Invitation to Tender issued	15-Feb-13	31-Mar-13	▲
Phase 2 (routes 5 and 12) detailed design complete	28-Feb-13	28-Feb-13	●
Phase 2 (routes 5 and 12) contract awarded	30-May-13	30-May-13	●
Phase 2 (routes 5 and 12) construction started	15-Jun-13	30-Jun-13	▲
Phase 2 (routes 5 and 12) construction complete	01-Dec-13	01-Dec-13	●
Phase 2 (routes 5 and 12) service commences	15-Dec-13	30-Dec-13	▲
Phase 5 (2 routes) service commences	30-Dec-15	30-Dec-15	●

The Ten Barclays Cycle Superhighways project will deliver ten radial cycle commuter routes from outer to central London by 2015. The first two routes of the programme (Route 2 and Route 8) were opened in July 2011, following completion of the Barclays Cycle Superhighways Pilot Routes project in July 2010.

Since January 2012, following a request by the Mayor, TfL has been working on a junction review programme to review all junctions on the current Barclays Cycle Superhighways, as well as all planned major junction improvement schemes on the Transport for London Road Network. Key lessons from the review are being incorporated into the design of future Barclays Cycle Superhighways.

The three minor milestones slippages reflect the latest schedule following remobilisation of the programme after the junction review process and are now in line with the programme presented to and agreed by the Barclays Cycle Superhighways Board on 12 June 2012.

Surface Transport

New Investment SCOOT

Spend to end Q1 2012/13 £m	EFC £m
13.2	17.0

Milestones	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)	31-Dec-12	31-Dec-12	●
115 detailed designs completed	31-Dec-12	31-Dec-12	●
115 Sites civil engineering complete (FY 12/13)	01-Mar-13	01-Mar-13	●
115 Sites SCOOT Loops installed (FY 12/13)	18-Mar-13	18-Mar-13	●
115 sites commissioned onto UTC (FY 12/13) 528 cumulative	31-Mar-13	31-Mar-13	●
Final signal technology enabling completed (Annex B: milestone)	31-Jul-13	31-Jul-13	●

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

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

The remaining 115 sites are planned to be installed in the 2012/13 financial year, taking the total to the full 1,000 sites. During the quarter, design briefs were completed at 15 sites with detailed designs delivered for four sites, civils infrastructure installed at four sites, SCOOT loops installed at four sites and four sites commissioned.

It is forecast that the Mayoral objective will be met by the current plan date of July 2013.

Surface Transport

Hammersmith Flyover

Spend to end Q1 2012/13 £m	EFC £m
16.7	95.5

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 2: Corporate Gate A project commencement approved	31-May-12	06-Jun-12	Complete
Installation of strengthening measures at critical piers	30-Jun-12	28-May-12	Complete
Designer appointed	31-Jul-12	31-Jul-12	Complete
Award of framework agreement or contract	31-Mar-13	31-Mar-13	●

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

Due to the poor condition of Hammersmith Flyover, and immediate risks to the safety of the structure, measures to support load-bearing capacity prior to the Games commenced in January 2012. The first phase of works, treating the parts of the structure that have suffered the worst deterioration, has been completed, with the flyover re-opening to full traffic loading on 28 May 2012.

The second phase of works, the development and implementation of a long-term strengthening solution, is currently at an early stage with Invitations to Tender due to be issued in the coming quarter.

TLRN Capital Renewal Programme

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, delivering a safe and serviceable network.

Spend to end Q1 2012/13 £m	EFC £m
20.5	47.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Delivery of the 2012/13 programme of works	31-Mar-13	31-Mar-13	●

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

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

Carriageway resurfacing

By the end of Quarter 1, 305,346 square metres of carriageway was resurfaced against a forecast output of 450,000 square metres for the year.

Footways resurfacing

By the end of Quarter 1, 13,856 square metres of footway was resurfaced against a forecast output of 44,000 square metres for the year.

Lighting column replacements

By the end of Quarter 1, 910 lighting columns were replaced against a forecast output of 1,100 for the year.

The relative high spend in the quarter reflects the acceleration of works undertaken to compensate for the Games works moratorium.

ITSO

Spend to end Q1 2012/13 £m	EFC £m
41.4	65.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Head office processing system operational	06-Sep-12	06-Sep-12	●
Rail hardware rollout complete	30-Apr-13	30-Apr-13	●
Completion of project	24-Dec-13	24-Dec-13	●

ITSO (Integrated Transport Smartcard Organisation) is the smartcard specification being mandated by the Department for Transport (DfT) for rail franchises and for the national bus concessionary scheme. Enabling the acceptance of ITSO specified tickets requires changes to TfL's ticketing systems, including a card reader capable of reading both the Oyster and ITSO tickets, establishment of a head office processing system, new and upgraded communications links and other system changes. The project is being funded by the DfT under an agreement with TfL dated 28 May 2009.

Over the Air Communications trial extended to include Dartford Bus Garage. Deployment to all garages is planned for post-Games. Rail reader has gone into integration test and remains on track for deployment from September 2012. Stage 2 ITSO software development continues on schedule, with Host Operator or Processing System (HOPS) to HOPS testing planned. Local Area Network surveys started on Train Operator Companies' estate.

Corporate

Future Ticketing Project Capital

Spend to end Q1 2012/13 £m	EFC £m
8.5	66.0

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Phase 1 – initial bus launch to be implemented, payment of the bus single fare by contactless bank card	31-May-12	13-Dec-12	■
Phase 2b – 7 day capping to be implemented	31-Mar-13	30-Nov-13	■
Phase 2a – multi-modal daily travel and daily capping with contactless bank card to be implemented (DfT milestone)	03-Jun-13	30-Nov-13	■

The Future Ticketing Programme enables the acceptance as payment for travel of contactless cards issued on an EMV (Eurocard, Mastercard, Visa) platform both by banks and by TfL. To enable cost savings and acceptance of contactless cards, changes to the existing ticketing system and back office processes will be made.

On Phase 1, the supplier Cubic has been operating a trial of the new Oyster “over the air” functionality at Grays depot since February 2012. Delays have been caused due to the need to stabilise the build before wider deployment. This functionality is now deployed at two garages. Formal EMV accreditation has been completed and TfL has successfully demonstrated end to end transaction processing through to live card issuer systems.

On Phase 2, re-phasing of the programme to align with the revised third party supplier plan has caused the December 2012 completion date to slip to June 2013. Detailed design and integration planning is underway with Cubic and a security solution agreement reached.