

Operational and Financial Performance Report - Second 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.

Quarter 1 (Periods 1-3)	1 April 2012 – 23 June 2012
Quarter 2 (Periods 4-6)	24 June 2012 – 15 September 2012
Quarter 3 (Periods 7-9)	16 September 2012 – 8 December 2012
Quarter 4 (Periods 10-13)	9 December 2012 – 31 March 2013

TfL performance summary

Demand: Quarter 2 saw incredibly high demand across the network, with buoyant Games demand more than offsetting changes to regular passengers' travel plans. On Tuesday 7 August, passengers made a record 4.52 million journeys on the Underground.

Service: Service reliability over the quarter was better than target across the network and remained robust during the Games period. On the Underground, Excess Journey Time (EJT) was less than five minutes for the first time ever in Period 6. Customer Satisfaction Survey (CSS) results were positive for Quarter 2, exceeding targets in many areas and reaching record highs on part of the network. During the Games, almost 4,000 of TfL's non-operational staff were deployed as Travel Ambassadors and Incident Customer Service Assistants (ICSAs), making an essential contribution to the smooth running of the service during the 2012 Games.

Customer feedback: Despite record demand during the Games, London Underground registered the lowest complaints figure that any UK rail operator has achieved in the past five years; just over one complaint per 100,000 passenger journeys. London Overground recorded its best ever complaints rate in a single quarter of 2.76 per 100,000 passenger journeys, while London Buses' complaints rate remained stable at 2.30 complaints per 100,000 passenger journeys. The complaints rate for Barclays Cycle Hire halved to 2.83 complaints per 100,000 trips in spite of an uplift in new membership applications and an increase in casual users during the Games. London River Services recorded only a single complaint in the quarter. Complaints data from across all TfL services can be found at: tfl.gov.uk/transparency/

Financial Performance: Operating income in the year to date was £22m above Budget. Fares income was 1.4 per cent higher than budget with higher demand growth across Underground, Docklands Light Railway (DLR), London Overground (LO) and Emirates Air Line (EAL) augmented by the effects of the Games. There was slightly lower fares income on Buses due to industrial action in June and, as expected, fewer fare paying passengers during the Games period as services in central London were reduced. Over the full year, demand increases are forecast to be slightly offset by a lower than budgeted fares change from January 2013, a result of lower than predicted inflation rates coupled with the Chancellor's announcement to restrict Travelcard increases to RPI plus one per cent. TfL will receive additional government grant of £96m to keep the fares package lower than expected. Despite the lower than anticipated fares rise, overall full-year fares income is forecast to be £12m up from the previous forecast.

Operating expenditure (net of third-party contributions) was £18m higher than budget in the year to date largely due to additional costs related to the Olympic and Paralympic Games, particularly the Games Bus Settlement which provided enhanced bonuses to Bus drivers. TfL expects to recover these costs from the

Olympic Delivery Authority (ODA) and London Organising Committee of the Olympic and Paralympic Games (LOCOG) through a combination of grant, third-party funding and payments for free travel. All Games operating enhancements were delivered at no additional cost to TfL or to fare payers. These cost increases were offset slightly by rephasing of projects in the Corporate Directorates.

Operating expenditure is forecast to increase in the full year compared to the Quarter 1 forecast by £16m, partly due to payments to Powerlink to terminate the Power Private Finance Initiative (PFI) contract which is forecast to provide significant savings in future years. This is partly offset by slippage on Local Implementation Plan major schemes and a reclassification of IT expenditure in Tube Lines.

Net capital expenditure (excluding Crossrail) was £224m less than budget in the year to date mainly because of revised phasing. However, the full-year forecast has increased by £128m since Quarter 1, reflecting re-profiling, including an acceleration of land purchase associated with the Bank capacity upgrade and property development income reprofiled to future years.

Crossrail capital expenditure was £46m less than budget in the year to date largely due to revised phasing including on tunnelling at the west portal.

Savings: In the year to date £649m (gross) savings have been delivered, which was £37m below target principally due to a reprofiling of property sales income into future years. This is reflected in the full-year forecast position of £101m (gross) below target, which also reflects the upfront cost of restructuring the Power PFI contract in London Underground. It is expected that this deficit will be fully offset by higher savings in future years.

Staff: At the end of Quarter 2, TfL employed 27,812 Full time equivalent (FTE) staff (excluding those on maternity leave). This was 209 fewer than budget due to delayed recruitment in LU and a high number of vacancies across Surface. These were partly offset by additional temporary project resource in Tube Lines and in Crossrail, where a number of agency staff that were previously employed by Programme Delivery Partners have transferred to Crossrail where a new cost reduction strategy is in place.

London Underground

Operational Performance

London Underground Performance	Units	Quarter 2 2012/13			Full Year 2012/13		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
LU							
Passenger Journeys	m	288.1	25.1	24.8	1,222.0	45.0	51.5
% Scheduled Services Operated	%	98.2	1.2	1.3	97.0	-	-
Excess Journey Time (Weighted)	Mins	5.01	(0.70)	(0.70)	5.82	(0.03)	(0.02)
Overall CSS – London Underground	Score	83	3	4	80	-	-
LU and DLR: recorded crime per million passenger journeys	#	9.5	0.1	(1.3)	9.6	-	-

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

Amber = within 5% of target

Red = 5% or more worse than target

CSS: Customer Satisfaction Survey

- 1.0 Underground demand exceeded target in Quarter 2 with additional demand during the Olympic Games in Period 5 and the Paralympic Games in Period 6, more than offsetting weaker underlying demand growth. During the Games, for the first time in history, on Tuesday 7 August, Underground passengers made 4.52 million journeys.
- 1.1 Enhanced train timetables were operated and engineering works suspended during the Games period leading to record levels of performance. In Period 6, both the percentage of scheduled services operated and excess journey time were at record levels. Over Quarter 2 as a whole, the percentage of scheduled services operated was 98.2 per cent, bettering the target by 1.2 per cent. Excess journey time averaged 5.01 minutes over the quarter and was under 5 minutes for the first period ever in Period 6.
- 1.2 London Underground's Customer Satisfaction Survey improved by 1 point to a new record of 83 in Quarter 2, while during the Games period, Customer Satisfaction reached a record high score of 85. Staff visibility and helpfulness measures during the Games were enhanced by non-operational staff from across different disciplines being deployed as 'Travel Ambassadors' and Incident Customer Service Assistants (ICSAs) to support operations.
- 1.3 Crime rates this quarter remained at the same level as last quarter.

Financial Performance

London Underground £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
Fares Income	(957)	(12)	(2,147)	14	(14)
Other Operating Income	(77)	(3)	(168)	(2)	(6)
Total operating Income	(1,034)	(15)	(2,315)	12	(20)
Operating Expenditure (net of third-party contributions)	823	22	1,892	57	64
Net Capital Expenditure	483	(51)	1,004	64	(144)
Net Service Expenditure	272	(43)	581	133	(100)

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

Amber = Overspend/ Lower income by 5% or less

- 1.4 Underlying passenger demand remains higher than budgeted, but is slightly below the levels forecast in the first quarter. The Quarter 2 full-year fares income forecast has been reduced to reflect the lower January fare change due to the revised fares policy and a lower RPI.
- 1.5 Operating expenditure to date is higher than budget due to additional maintenance and staff costs related to the Olympic and Paralympic Games. This will be funded through additional grant from the ODA. The full year is forecast to be £64m over budget, primarily as a result of the inclusion of the costs of bringing the Powerlink PFI contract in house, which will result in significant savings in future years. This is also reflected in the variance to the first quarter forecast.
- 1.6 Net capital expenditure was £51m below budget in the year to date, mainly due to rephasing of Track and Station works to after the Olympics. The full-year forecast is £144m lower than budget, primarily due to the adoption of a less aggressive forecast on major congestion relief schemes, most noticeably the Victoria Station Upgrade, which were incorporated in the previous forecast. The forecast at Quarter 2 also reflects some accelerated land purchases associated with the Bank Station Capacity Upgrade. The majority of the underspend will unwind in future years and there are no issues with regard to programme milestone delivery.
- 1.7 At the end of Quarter 2, London Underground employed 18,026 FTE, 191 FTE fewer than budget, as a result of delayed recruitment of Capital Programmes staff due to rephasing of project work as well as higher attrition rates of operational staff. The forecast for the end of the year is now 18,315 FTE, 298 FTE higher than budget. Additional operational staff to drive increased reliability plus lower than expected attrition rates in maintenance account for the majority of this increase.

Tube Lines

Financial Performance

Tube Lines £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
Operating Income	(5)	(0)	(12)	1	(1)
Operating Expenditure (net of internal income)	183	18	395	(22)	28
Net Capital Expenditure	88	(41)	231	9	(55)
Net Service Expenditure	266	(23)	614	(12)	(28)

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 income forecast was reduced by £0.5m at Quarter 2 to reflect the delayed commencement of the management of an external fleet.
- 2.1 Operating expenditure was £18m above budget in the year to date due to the reclassification of certain items of group income and capital expenditure (£16m). The underlying variance of £2m relates to additional maintenance works in advance of the Olympic and Paralympic games. The full-year impact of these items is reflected in the Quarter 2 forecast.
- 2.2 Capital expenditure was £41m below budget in the year to date, due largely to rephasing of contractor costs for the Northern line Transmission Based Train Control (TBTC) upgrade (£23m), bridge painting and civil works (£9m) and the capital element of the reclassification noted above (£8m). These movements were largely reflected in the Quarter 1 full-year forecast. The additional increase from the Quarter 1 to Quarter 2 forecast is driven by a reclassification of IT expenditure.
- 2.3 At the end of Quarter 2, Tube Lines employed 2,637 FTE staff, 78 FTE (3 per cent) more than Budget. The full-year forecast of 2,679 FTE is 138 FTEs higher than budget. This is mainly due to additional temporary project resource required for additional works.

London Rail

Operational Performance

London Rail Performance	Units	Quarter 2 2012/13			Full Year 2012/13		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
DLR							
Passenger Journeys	m	27.2	4.1	8.2	102.6	9.3	16.5
% Scheduled Services Operated	%	98.7	0.7	1.1	98.0	-	0.4
On-time performance	%	98.9	1.7	1.4	97.2	-	(0.3)
Overall CSS – DLR	Score	85	3	2	82	-	(1)
London Overground							
Passenger Journeys	m	29.4	5.8	6.5	121.2	15.0	18.6
PPM London Overground (MAA)	%	96.7	0.9	1.2	95.8	-	(0.8)
Overall CSS – London Overground	Score	83	3	2	80	-	(2)
Trams							
Passenger Journeys	m	7.2	0.4	0.8	30.5	0.7	2.0
% Scheduled Services Operated	%	98.7	0.7	0.6	98.0	-	(1.0)
Overall CSS - Tramlink	Score	87	1	1	86	-	1

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

Amber = within 5% of target

Red = 5% or more worse than target

CSS: Customer Satisfaction Survey

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

- 3.0 All areas of London Rail continued their excellent performance, reflected in the CSS results for the Quarter 2. DLR is three points above target and two points above last year. London Overground exceeded its target by three points with a score of 83, an increase of one point from the previous quarter, reflecting the positive impact of the Games and the enhanced services operated during the Games. The Trams score was 87, which was one point above both target and Quarter 2 last year.
- 3.1 DLR passenger journeys for the second quarter totalled 27.2 million, a 43 per cent improvement on the same period in 2011/12, driven by both the large numbers of passengers who travelled on the DLR network during the Games period and stronger underlying demand. The sixteen days of the Olympics saw growth of 105 per cent versus last year. The DLR full-year forecast has now increased by 19 per cent to 102.6 million passenger journeys for the full year.
- 3.2 Excellent DLR performance during the whole quarter (and particularly during the Games) resulted in On-time service reliability (at 98.9 per cent) beating target by 1.7 per cent and the Scheduled Services Operated score of 98.7 per cent being 0.7 per cent ahead of target.
- 3.3 London Overground (LO) continues to stand second in the national table for Public Performance Measure (PPM) MAA, with a score of 96.7 per cent, 0.9 per cent above target. Demand continues to increase to record levels, with 29.4 passenger journeys in Quarter 2, representing growth of 28 per cent against last year. Over the sixteen days of the Olympics, there were 57 per cent more Overground passenger journeys than on the same days last year. The LO forecast has been increased to 121.2 million passenger journeys for the full year (up by 19 per cent) as a result of this underlying demand growth and the impact of the Games.

- 3.4 Trams passenger journeys totalled 7.2 million for Quarter 2, which was 13 per cent higher than last year. This is matched by the high percentage of scheduled service operated, 0.7 per cent better than target at 98.7 per cent.
- 3.5 Total passengers on the Emirates Air Line (EAL) between the opening date of 28 June 2012 and the end of the Quarter 2, were 1.15 million, significantly higher than expected, with particularly high numbers during the Games period. The operational performance has been very good, with availability of 98.5 per cent to the end of Quarter 2. An initial customer satisfaction score of 92 has been recorded.

Financial Performance

London Rail £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
Fares Income	(120)	(13)	(272)	(19)	(25)
Other operating Income	(4)	2	(11)	(1)	4
Total Operating Income	(124)	(12)	(283)	(19)	(21)
Operating Expenditure (net of third-party contributions)	164	(3)	345	(1)	2
Net Capital Expenditure	55	(69)	82	(12)	(66)
Net Service Expenditure	95	(83)	145	(33)	(85)

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

Amber = Overspend/ Lower income by 5% or less

- 3.6 Fares income to date is £13m above budget due to a combination of a greater number of passenger journeys on DLR and London Overground, arising from a series of high attendance events ahead of the Games, the Games themselves and initial passenger numbers on the Emirates Air Line being much greater than predicted. The full-year impacts are reflected in the latest full-year forecast of £272m, which is £25m above budget. Other operating income is £4m under budget mainly due to funding of station works which are now due to take place in 2013/14.
- 3.7 Operating expenditure net of third-party contributions to date is £3m under budget due to changes in the timing of DLR and London Overground costs more than offsetting additional DLR Games requirements. These latter requirements along with additional Trams and DLR maintenance are reflected in the full-year forecast being increased to £2m (1 per cent) above budget.
- 3.8 Net capital expenditure in the year to date is £69m under budget mainly due to revised phasing on East London Line (ELL) Phase 2 capital project, which is also reflected in the full-year forecast variance to budget.
- 3.9 The commencement of the previously unbudgeted, but now prioritised, London Overground Capacity Improvement Project accounts for the headcount of 183 FTE being 10 FTE over budget at the end of the quarter, as well as a year-end forecast of 186 FTE, which is 25 FTE over budget.

Crossrail

Financial Performance

Crossrail £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
Net Service Expenditure	598	(46)	1,481	3	14

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 the year to date, Crossrail spent £46m less than budget. Timing differences included the delayed start of tunnelling at the west portal, deferrals and rephasing caused by a change in the procurement strategy for tunnelling at the west portal, incorrect forecast phasing for the fit-out of Tunnelling and Underground Construction Academy which was incurred in previous periods, and the deferral of property acquisitions until later in the year. There were also some savings following the implementation of the Network Rail Interim Funding arrangement and savings on design costs.
- 4.1 The full-year forecast increase reflects property commitment being brought forward, partly offset by revised phasing of direct construction costs.
- 4.2 At the end of Quarter 2, Crossrail employed 633 FTE staff which was 64 FTE more than budget. A number of agency staff that were previously employed by Programme Delivery Partners (PDP) have transferred to Crossrail and there is a new cost reduction strategy in place where Crossrail will be recruiting staff for roles that were previously included in the PDP budget. This also explains why the forecast for the end of the year of 798 FTE exceeds the original budget by 209 FTE.

Surface Transport

Operational Performance

Surface Transport Performance	Units	Quarter 2 2012/13			Full Year 2012/13		
		Actual	Vs target	Vs last year	Forecast	Vs target	Vs last year
London Buses							
Passenger Journeys	m	535.5	4.6	13.9	2,382.0	26.0	37.5
% Scheduled Services Operated	%	97.7	0.1	-	97.4	(0.2)	(0.2)
Excess Wait Time	Mins	1.0	(0.1)	0.1	1.1	-	0.1
Overall CSS – Buses	Score	82	2	2	81	1	1
London Buses: recorded crime per million passenger journeys	#	8.8	(0.4)	(0.5)	9.3	-	-
Performance - Other Areas							
Cycling levels on the TLRN*	Index	305	(15)	11	270	(19)	(3)
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)	%	N/A	N/A	N/A	89.3	0.1	0.4
Overall CSS - Congestion Charging Scheme	Score	83	1	6	82	-	-
Cumulative reduction in KSI Londonwide - % reduction (from 05-09 baseline) (March – May 2012)	%	(17.9)	11.5	3.4	(22.2)	10.6	3.0

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).

- 5.0 Bus passenger journeys in Quarter 2 were slightly higher than target by 0.9 per cent and 2.7 per cent higher than the same quarter last year. Quarter 2 this year included 3.7 million free Games Spectator journeys. However, during the Games period non-Games journeys were 4.0 million lower when compared to the same period last year.
- 5.1 The full-year forecast for bus passenger journeys has been increased by 26 million to 2,382 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 2 were 0.1 per cent better than target and unchanged compared to last year. Operations during the Olympics and Paralympics generally ran smoothly, with significant losses confined to those expected due to road events and to signal timing changes. Industrial action by drivers in June is the reason for the full-year forecast being 0.2 percentage points below target.
- 5.3 Quarter 2 results for Excess Wait Time (EWT) on high frequency routes reflected the move to a greatly expanded Quality of Service Indicators (QSI) system from the start of 2012/13. The change in Excess Wait Time compared with a year ago was broadly in line with expectations.

- 5.4 In Quarter 2 the average index of cycle flows on the TfL Road Network (TLRN) was 305, 4.8 per cent down on target, but 3.8 per cent higher than Quarter 2 last year. The variance to target was primarily driven by unfavourable weather conditions during July; a total of 87 millimetres of rain fell, over twice the monthly average. Cycle flows in August and September saw positive changes, driven by more favourable weather conditions and changes in demand, including a large rise in casual users on the Barclays Cycle Hire scheme during the Games. The full-year forecast reflects reduced cycle flows from April to June 2012, the wettest months since records began in 1910.
- 5.5 The usual Transport for London Road Network (TLRN) Journey Time Reliability (JTR) (AM peak) target was replaced during the Games period with the 'Operational Games Performance - TLRN JTR (AM peak) during the 2012 Games, which at 90 per cent exceeded the target of 75 per cent. London 2012 delivered extremely reliable Games family journey times, causing no athlete or official to be late for their event. In addition, due to the flexible management of Games Lanes, active and responsive traffic management and widely disseminated travel advice, the impact on regular traffic was kept to a minimum ensuring the rest of London also enjoyed good reliability.
- 5.6 Provisional data for Quarter 2 2012/13 (March 2012 to May 2012) indicates that the reduction in people killed or seriously injured (KSI) on London's roads compared to the 2005-09 baseline was 17.9 per cent. This was an increase of 3.4 per cent compared to Quarter 2 2011/12, the lowest number since 1986 (the earliest year of police reported casualty data for Greater London), but lower when compared to the same quarter in 2010/11 and 2009/10 by 7.9 per cent and 10.6 per cent respectively.
- 5.7 The target for this year was based on prior year performance; winter 2010/11 was the coldest since records began in 1910 and consequently casualties were significantly suppressed. As a result, meeting the Quarterly KPI targets for the remainder of 2012/13 may present challenges. However, it should be noted that considerable KSI casualty reductions have been achieved during Quarters 3 and 4 of previous years. Also, it is anticipated that KSI casualties during the Games period (for which results will be available at Quarter 3) will be lower as a result of reduced regular travel. The forecast is on track to achieve the required 40 per cent reduction in KSIs by 2020.

Financial Performance

Surface Transport £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
London Buses					
Bus Fares Income	(641)	2	(1,417)	2	2
Bus Contract Costs and Ticket Commission	829	6	1,795	2	3
Direct Bus Subsidy	188	8	379	4	5
Other Bus Income	(12)	(0)	(25)	(0)	(1)
Bus Operating Expenditure (net of third-party contributions)	44	(0)	96	(5)	(3)
Bus Capital Expenditure	4	(5)	23	1	4
Net Bus Service Expenditure	224	3	473	0	5
Other Surface Transport					
Other Operating Income	(153)	2	(341)	0	6
Other Operating Expenditure (net of third-party contributions)	369	(4)	805	(16)	(5)
Other Net Capital Expenditure	48	(11)	116	2	(60)
Net Service Expenditure	489	(10)	1,053	(13)	(54)

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Red = Overspend/ Lower income by more than 5%

Amber = Overspend/ Lower income by 5% or less

- 5.8 Bus fares income during the first half of the year was below budget primarily because of industrial action in June and fewer fare paying passengers during the Games period. The full-year forecast has been slightly reduced due to revised RPI, January Fares Revision assumptions and the Games effect. These were partially offset by increases due to economic factors, underlying demand, Travelcard and Freedom Pass increases.
- 5.9 Bus contract costs during the first half of the year were higher than budget due to the Bus Workers' Games bus settlement, partially offset by deductions for mileage not operated as a result of industrial action in June and ticket commission savings. These variances have been reflected in the full-year forecast along with lower contract inflation assumptions.
- 5.10 Other bus operating expenditure was in line with budget in the year to date. The full-year forecast has reduced largely due to New Bus for London expenditure (NBfL) being capitalised.
- 5.11 Bus capital expenditure was £5m below budget in the year to date, largely due to Countdown 2 savings achieved and rephasing of Countdown 2 web development expenditure. The full-year forecast is higher than budget mainly due to NBfL expenditure, following the decision for TfL to purchase the buses rather than the Bus Operators, partially offset by Countdown 2 savings. The variance from the Quarter 1 forecast is due to the NBfL reclassification from revenue, partially offset by Countdown 2 savings.
- 5.12 In the year to date, other operating income was lower than budget, most notably due to the revised go-live for a number of Highways advertising sites, lower Cycle Hire income due to lower volumes and a higher proportion of free trips. Lower income was partly offset by favourable Speed

Awareness driver training income as a result of higher volumes. The full-year forecast for other operating income is lower than budget, largely due to Highways advertising site income being transferred to Corporate and Cycle Hire income expectations partly offset by favourable Speed Awareness driver training income.

- 5.13 Year to date other operating expenditure was below budget mainly due to Local Implementation Plan (LIP) Programme works which were rephased to later in the year due to the Games. Further underspends included Taxicard savings, Games advertising savings and rephasing on Cycle Superhighways due to the Better Junctions review. The above were partially offset by phasing variances on Olympic expenditure.
- 5.14 The full-year forecast is £5m lower than budget mainly due to slippage on LIPs major schemes of £7m and savings on Olympic Road Management and Taxicard. These are partly offset by additional Games expenditure which is funded by LOCOG and the ODA.
- 5.15 Other net capital expenditure was below budget by £11m mainly due to rephasing including Cycle Hire Phase 2, Signal Modernisation, Bridge safety and Tunnels safety, partially offset by accelerated expenditure on Roads Capital Renewals and Hammersmith Flyover in order to complete works ahead of the Olympics.
- 5.16 The full-year forecast is £60m below budget principally due to savings and project rephasing, of which the most significant item is Cycle Superhighways (due to the Better Junctions review).
- 5.17 At the end of Quarter 2, Surface Transport employed 3,336 FTE which was 183 FTE fewer than budget. This was primarily due to a high number of vacancies across Surface, including Roads, Congestion Charging and Community Safety, Enforcement and Policing directorates, which are now expected to be filled later in the year. Vacancies were partly offset by a small increase in Traffic Control specialist contractors working on the Games and Fault Control Operators. The full-year forecast at 3,360 FTE is 31 FTE higher than budget primarily due to increases in the Traffic Directorate to manage the lane rental scheme introduced in Quarter 1 and extend operational shifts in the LSTCC and Fault Control to enable faster and better targeted response to faults and improved incident management and reporting.

Corporate Directorates

Corporate Directorates £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
Operating Income	(16)	4	(46)	(5)	(3)
Operating Expenditure (net of third-party contributions)	208	(25)	487	(2)	(44)
Net Capital Expenditure	(2)	(48)	80	65	46
Net Service Expenditure	191	(69)	521	58	(1)

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 Operating income was £4m lower than budget in the year to date. This was mainly driven by the rephasing of Spend-to-Save income at Quarter 1. This was partly offset by higher income in Customer Experience, Marketing and Communications (CEM&C) reflecting the popularity of Oyster card schemes and the introduction of an on-line payment facility. In the full year, operating income is forecast to be £3m higher than budget, mainly reflecting higher income from the introduction of the 60+ scheme in November 2012, and £5m higher than previously forecast, mainly driven by the transfer of advertising income from Surface Transport and higher income from the Oyster card schemes.
- 6.1 At Quarter 2, operating expenditure, net of third-party contributions, was £25m lower than budget. This was mainly due to rephasing of projects in Finance, CEM&C and OneHR. Also, there were savings in HR due to lower demand for staff training and lower costs relating to graduates. These factors are largely driving the full-year forecast variance of £44m compared to budget, but the forecast remains broadly in line with the previous quarter.
- 6.2 Net capital expenditure was £48m lower than budget in the year to date at Quarter 2. This is due to higher sale proceeds from Lots Road Power station, reprofiling of Spend-to-Save initiatives, rephasing of property and IM projects in Finance and reprofiling of the Future Ticketing Project (FTP) into next year. In the full year, capital expenditure is forecast to be £46m higher than budget. This is mainly due to reprofiling of property development sales into future years, but is partly offset by the reprofiling of expenditure on the FTP and projects in IM and One HR. These factors are also reflected in the full-year forecast movement since last quarter.
- 6.3 At Quarter 2, there were 2,998 FTE in the Corporate Directorates. This was 15 FTE higher than budget, largely reflecting project support in IM and CEM&C. The full-year forecast of 3,160 FTE is 203 FTE higher than budget. This is mainly driven by a higher number of temporary staff in Finance delivering IM projects and, in CEM&C, staff to provide technical support to the ticketing projects and TfL Online.

Group Items

Group items £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
Interest Income and debt service	114	(29)	278	(9)	(38)
Contingency and Other Group items	(5)	(89)	(11)	(164)	(177)
Net service expenditure	109	(118)	267	(173)	(215)

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

Amber = Overspend/ Lower income by 5% or less

7.0 At Quarter 2, debt service continues to be below budget because the issue of long-term debt assumed to take place at the start of the year did not take place until Period 5.

7.1 Contingency and Other Group Items expenditure is lower than budget and the Quarter 1 forecast due to the removal of contingency provisions and the identification of savings as part of the new Business Plan.

Savings

Savings and Efficiencies £m	Year to date (Periods 1-6) 2012/13			Full Year 2012/13		
	Actual	Target	Vs Target	Forecast at Q2	Target	Vs Target
Corporate and Group Wide	221	269	(49)	483	538	(55)
Rail and Underground	267	261	6	509	565	(56)
Surface Transport	162	157	5	301	291	10
Gross	649	687	(37)	1,293	1,394	(101)
Implementation Costs	(4)	(51)	46	(91)	(101)	10
Net	645	636	9	1,202	1,293	(91)

Tables may be subject to rounding

Savings and Efficiencies are reported as positive numbers which means that a variance in brackets indicates lower achieved savings or higher implementation costs

8.0 In the year to date, the gross position of £37m less than target is primarily due to corporate savings which are £49m below target. Property sales income has been reprofiled into future years, with this shortfall offset by in-year reprofiling in commercial development implementation costs and favourable variances within LU and Surface Transport.

8.1 In the full year, the programme is forecast to be £101m (gross) below target for the full year. This is driven by the reprofiling of property sales income into future years coupled with the inclusion of £107m upfront costs associated with terminating the LU Powerlink PFI contract. Both of these items are expected to be fully offset by savings in future years. In year, savings on staff costs in LU and early delivery of Surface Transport initiatives partially offset the deficit.

Balance Sheet

Transport for London Group Balance Sheet at Quarter 2 £m	Actual	Variance to Budget	Forecast at Q2	Variance to Budget
Non-current assets – (higher) / lower than budget	26,613	249	27,848	274
Current assets (exc. cash & investments) – (higher) / lower than budget	638	(62)	617	(20)
Cash & investments – (higher) / lower than budget	3,558	(809)	3,701	(529)
Creditors - higher / (lower) than budget	(3,009)	22	(2,933)	6
Derivative liabilities - higher / (lower) than budget	(112)	30	(111)	29
Borrowings – higher / (lower) than budget	(7,848)	482	(7,539)	(9)
Provisions – higher / (lower) than budget	(2,547)	59	(2,504)	29
Total Net Assets – (higher) / lower than budget	17,293	(29)	19,079	(220)

- 9.0 Non-current assets were £249m below budget at the end of Quarter 2. Lower than planned capital expenditure activity of £264m was offset by higher long-term debtors of £15m mainly due to the advance funding of works to be undertaken by Network Rail on the Crossrail project. The Quarter 2 non-current asset forecast is £274m below budget, consisting of lower capital spend activity of £302m off-set by lower than planned disposals due to a reduction in scope of track works and station upgrades and lower depreciation following a review of track, signalling rolling stock and power supply assets.
- 9.1 Current assets were £62m higher than budget at the end of Quarter 2. Of this, £59m was in respect of ODA grant accruals, with payment now being expected later than assumed in the budget. Current Assets are forecast to be £20m higher than budget, with higher debtor balances expected in Underground in respect of the Lots Road property deal (£15m) and higher income accruals in Surface for Borough traffic signals and CCTV camera maintenance and recoverable road schemes (£6m).
- 9.2 A breakdown of the cash variances to date and forecast is shown in the table at Appendix 3.
- 9.3 Creditor movements for the year to date position are close to budget and are within expected trading variances. Creditor balances are forecast to be within £6m of the budget. However, this variance is the net of a reduction in finance lease creditors of £73m, following the termination payment to the Power PFI provider, offset by higher trade and capital creditors, predominantly in Crossrail due the acceleration of works and additional pile removals at the Liverpool Street site.
- 9.4 The derivatives position at Quarter 2 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.
- 9.5 External borrowings at Quarter 2 were £482m above budget, this is because TfL took advantage of market conditions and issued new long term debt during period 5, with this new debt replacing existing short-term debt. This is a timing variance only which will be completely eliminated over the next two periods as short-term debt matures.
- 9.6 Provisions at the end of Quarter 2 were £59m higher than budget, primarily due to timing changes for payments against the Crossrail property provision in TfL. Forecast provisions are £29m higher

than budget, again mainly due to lower than budget payments in the year for Crossrail property compensation claims.

Appendix One: Financial Summary

TfL Group £m	Year to date (Periods 1-6) 2012/13		Full Year 2012/13		
	Actual	Vs Budget	Forecast at Q2	Vs Forecast at Q1	Vs Budget
Fares income	(1,718)	(23)	(3,835)	(2)	(36)
Other income	(272)	1	(613)	(9)	(5)
Total operating income	(1,991)	(22)	(4,448)	(12)	(41)
Operating expenditure (net of third-party contributions)	2,626	18	5,824	16	49
Operating margin	636	(5)	1,376	5	7
Interest income & debt service	114	(29)	278	(9)	(38)
Contingency and Other Group Items	(5)	(89)	(11)	(164)	(177)
Total Group Items	109	(118)	267	(173)	(215)
Margin	745	(122)	1,643	(169)	(207)
Net capital expenditure (excl. Crossrail)	677	(224)	1,538	128	(276)
Net service expenditure (excl. Crossrail)	1,421	(346)	3,180	(40)	(483)
Capital expenditure: Crossrail	598	(46)	1,481	3	14
Net service expenditure: TfL	2,019	(392)	4,662	(38)	(468)

Tables may be subject to rounding

Appendix Two: Balance Sheet

Balance Sheet £m	Year to Date			Full Year 2012/13		
	Actual	Budget	Variance	Forecast at Q2	Budget	Variance
Intangible assets	95	103	8	122	123	1
Property, plant & equipment	26,007	26,260	253	27,247	27,518	271
Investment properties	307	310	3	288	290	2
Long term derivatives	-	-	-	-	-	-
Long term debtors	204	189	(15)	191	191	-
Non Current Assets	26,613	26,862	249	27,848	28,122	274
Stocks	42	38	(4)	40	38	(2)
Short term debtors	596	537	(59)	577	558	(19)
Short term derivatives	-	1	1	-	1	1
Cash and Investments	3,558	2,749	(809)	3,701	3,172	(529)
Current Assets	4,196	3,325	(871)	4,318	3,769	(549)
Short term creditors	(1,954)	(1,941)	13	(1,961)	(1,899)	62
Short term derivatives	(1)	(8)	(7)	-	(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)	-	(141)	(141)	-
Current Liabilities	(4,341)	(4,335)	6	(4,346)	(4,292)	54
Long term creditors	(60)	(51)	9	(57)	(52)	5
Long term borrowings	(5,671)	(5,189)	482	(5,363)	(5,372)	(9)
Long term lease liabilities	(927)	(927)	-	(847)	(908)	(61)
Long term derivatives	(111)	(74)	37	(111)	(74)	37
Other provisions	(121)	(54)	67	(84)	(52)	32
Pension provision	(2,285)	(2,293)	(8)	(2,279)	(2,282)	(3)
Long Term Liabilities	(9,175)	(8,588)	587	(8,741)	(8,740)	1
Total Net Assets	17,293	17,264	(29)	19,079	18,859	(220)
Capital and Reserves						
Usable reserves	3,155	2,484	(671)	3,582	2,829	(753)
Unusable reserves	14,138	14,780	642	15,497	16,030	533
Total Capital Employed	17,293	17,264	(29)	19,079	18,859	(220)
Cash and Investments:						
CRL Sponsor funding account	1,481	1,380	(101)	1,328	1,414	86
Other cash and investments	2,077	1,369	(708)	2,373	1,758	(615)
Total as above	3,558	2,749	(809)	3,701	3,172	(529)

Appendix Three: Cash summary

Cash Summary In / (Out) Flow £m	Year to Date			Full Year 2012/13		
	Actual	Budget	Variance	Forecast at Q2	Budget	Variance
Margin (from Appendix 1)	(745)	(867)	(122)	(1,643)	(1,850)	(207)
Working Capital Movements	(119)	(80)	39	(14)	(146)	(132)
Cash Spend on Operating Activities	(864)	(947)	(83)	(1,657)	(1,996)	(339)
Net Capital Expenditure (from Appendix 1)	(677)	(901)	(224)	(1,538)	(1,814)	(276)
Crossrail (from Appendix 1)	(598)	(644)	(46)	(1,481)	(1,467)	14
Working Capital Movements	(84)	(78)	6	(124)	(44)	80
Cash Spend on Capital Activities	(1,359)	(1,623)	(264)	(3,143)	(3,325)	(182)
Funded by:						
Grants, Precept & other contributions	2,384	2,404	20	5,423	5,406	(17)
Borrowings Raised	747	265	(482)	445	445	-
Borrowings Repaid	(11)	(11)	-	(29)	(20)	9
Total Funding	3,120	2,658	(462)	5,839	5,831	(8)
Net Movement in Cash	897	88	(809)	1,039	510	(529)



Investment Programme Report

Second Quarter July – September 2012/13

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Cover picture; TfL staff directing customers through Stratford Station to the Olympic Park

Transport for London

Investment Programme Report

Second Quarter, 2012/13 (24 June – 15 September 2012)

I. Programme Highlights

Delivery of the Investment Programme continues to show strong performance and positive progress.

High levels of service were delivered throughout the Games period; the Tube had a 34% increase in passengers; London Overground an increase of 26%; and the DLR also saw significant increases.

LU's Operations were supported by Capital and Asset Performance Directorates throughout the Games with additional standby support, and preparatory work to ensure reliability of new assets, contributing to exceptional overall service. Performance of the assets on Victoria Line Upgrade (VLU) and Sub-Surface Railway Upgrade Programme (SUP) was above Games targets and lifts and escalator performance was exceptionally good. The air cooling was accelerated and brought into service at Green Park and Oxford Circus stations ahead of the Games.

The Olympics Junctions & Carriageways Project completed the rollout of all junction and carriageway measures in time for the Games and have subsequently returned the road network to its original state following the closing of the Games.

Despite the focus on Games performance there were a number of other notable achievements:

On the Sub-Surface Railway (SSR) Upgrade, reliability of the new (S8) trains on the Metropolitan line continues to improve and reached 18,856km mean distance between service affecting failures (MDBSAF) by the end of the quarter, it's highest ever level. This follows concerted efforts made by the team to deliver its fleet reliability programme, including a focus on the performance of train operating systems. The S7 trains on the Hammersmith and City line have also seen an improvement in the measure of reliability, increasing to 3,200km between failures, as a result of both a low number of failures and the slowly increasing number of kilometres travelled.

On the Victoria line Upgrade, the growth trend in technical reliability continued to be maintained at around 27,000km MDBSAF and the project was Highly Commended in the Project of the Year category at the National Rail Awards.

The Countdown Project achieved 'final acceptance' on 13 July 2012 following the completion of the 2,500 signs rollout.

The Emirates Air Line entered revenue service on 28 June 2012 and had carried one million passengers by the beginning of September.

Significant milestones delivered in the quarter included;

- SSR Upgrade S Stock Preview Service provided on Hammersmith & City
- SSR Upgrade 57th S8 train available for delivery to London
- SSR Upgrade End State Track Layout delivery programme in place
- Victoria Station commenced North Paid Area Link Open Cut Excavation
- Cannon Street station was brought into use ahead of the Games

- Emirates Air line revenue operation commences

95% of milestones delivered in the quarter were on or ahead of target.

Significant milestones delivered post quarter included;

- SSR Upgrade all A-Stock removed from service
- SSR Upgrade roll out of new air-conditioned trains on the Metropolitan Line complete
(Annex B:2013)
- Victoria Station Northern Ticket Hall piling of box west completed
- Victoria Station Commence South Ticket Hall main works

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's).

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 2 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 Q2 2012/13 £m	EFC £m
2153.6	4196.5

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 (Annex B: 2013)	02-Mar-13	14-Oct-12	Complete
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	17-Aug-12	Complete
57th S8 Stock available for delivery to London	13-Oct-12	11-Jul-12	Complete
All A-Stock removed from service	02-Mar-13	14-Oct-12	Complete
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	14-Sep-12	Complete
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	24-Sep-12	Complete
Uxbridge Stabling Detail Design Complete	31-Mar-13	20-Mar-13	●
Approval of the Signal Equipment Rooms Premises Conceptual Design Statement	31-Mar-13	04-Feb-13	●
SUP signalling upgrade complete (Annex B: 2018)	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	25-Jul-12	Complete
Ealing Common Depot - S7 test train permanent berthing enabled	05-Jan-13	05-Jan-13	●
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	12-Dec-12	●
SUP Depots Sub-programme Completion	31-Mar-15	31-Mar-15	●
Infrastructure Other	Current Plan Date	Actual/Forecast Date	RAG
Paddington (H&C) Infrastructure ready for integration testing	21-Jul-12	04-Jul-12	Complete
Paddington (H&C) Infrastructure complete	08-Dec-12	04-Jul-12	Complete
Stepney Green to Bromley-by-Bow Infrastructure ready for integration testing	02-Feb-13	31-Oct-12	●
Tower Hill Infrastructure ready for integration testing	02-Feb-13	15-Apr-13	▲

London Underground

Stepney Green to Bromley-by-Bow Infrastructure complete	31-Mar-13	31-Jan-13	●
SUP Enabling Other Sub-programme Completion	31-Dec-17	31-Dec-17	●
Conductor Rail	Current Plan Date	Actual/Forecast Date	RAG
SUP ELLCCR Sub-programme Completion	31-Dec-12	31-Dec-12	●
Extra Low Loss Conductor Rail (ELLCCR) - Installation complete	02-Feb-13	04-May-12	Complete
S7	Current Plan Date	Actual/Forecast Date	RAG
SUP S7 Sub-programme Completion	31-Dec-17	31-Mar-13	●
DC Power	Current Plan Date	Actual/Forecast Date	RAG
SUP Power Sub-programme Completion	30-Jun-16	31-Mar-13	●
Signal Immunisation	Current Plan Date	Actual/Forecast Date	RAG
Completion of the Signalling Immunisation works	10-Nov-12	31-Jul-13	■
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, modified depots and stations to accommodate the new 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 last A Stock run was on 29 September, achieving the DfT Annexe B funding milestone, to complete the roll-out of the new S stock on the Metropolitan line 15 months early. A full S Stock service was run on the Metropolitan line throughout the Games period, with high levels of reliability.

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, and delivery of the 57th S8 train in the quarter, prior to the start of the Games was a milestone achievement.

The programme also took delivery of a further two S7 trains this quarter making four in total and provided a preview service on the Hammersmith & City line during the Games.

Reliability of S stock continued to improve during the period resulting in the highest ever S8 reliability being achieved, exceeding the target set for the Games and bettering that of the outgoing A stock.

Automatic Train Control (ATC)

The re-signalling of the entire SSR network with a modern train control system also provides the opportunity to remodel key pinch-points of track – for example at junctions like Aldgate, Baker Street and Edgware Road. This will allow a once-in-a-generation simplification of track to facilitate world-class reliability and performance. This programme is known as End State Track Layout. The End State Track Layout team achieved a key project milestone with the publication of it's overall delivery schedule for the project. The programme has been designed to align with Bombardier's ATC signalling supply programme and sets out the activities to deliver the track layout enhancements and rationalisations to support the introduction of the new ATC signalling system and the phased delivery of performance improvements across the SSR network. Technical innovation and adoption of global best practice approaches are being explored to minimise access to the railway during installation of ATC systems.

Following receipt of Bombardier's detailed signalling supply schedule, plans are now being developed for testing the ATC system and it's component parts, including installation of the system on the test track at Old Dalby. This approach to demonstrate the functionality and reliability of the system removes risk from the live operational railway. Bombardier has slipped against their latest agreed schedule but following elevation, a recovery plan to the end of the year has been agreed that holds all sectional completion and DfT milestone dates. The causes of delay were lack of resources and leadership, both of which have been addressed, and there is still high confidence in the chosen technical solution.

The project is currently working towards approval of system level requirements with Bombardier and the design of ATC stabling arrangements at Uxbridge and Baker Street, both of which are scheduled to be completed next quarter.

The next major milestones for the signalling project are to complete functional design specification by March 2013 and the generic system design by October 2013.

Depots

At Neasden, track access to the new lifting maintenance facility (NLMF) and civil engineering works have been completed. This new state-of-the-art lifting facility will greatly improve speed and efficiency of train maintenance through it's ability to lift an entire train, rather than the current practice of separately lifting individual carriages. Also at Neasden, installation work has been completed on the new signal equipment room (SER).

London Underground

At Hammersmith, demolition works have been completed for one of the access roads (road 24) and a contract awarded to commence extending this road to accommodate new, longer S7 trains.

At Upminster, the permanent way and associated conductor rail works have been completed to the North sidings and work will commence on depot sheds next quarter.

Infrastructure

A key focus of activity this quarter has been making the infrastructure ready to run S stock in timetabled service on the Hammersmith & City line. Despite some specific technical challenges this milestone is due to be achieved, on schedule, on 9 December 2012. This work follows earlier successful achievement of the milestone to make infrastructure ready for the S stock preview service. Difficulties with the One Person Operation (OPO) solution may delay the date by which infrastructure at Tower Hill will be ready. However, a recovery programme is being developed to retrieve this situation.

All legacy track circuits must be treated such that they are not susceptible to electrical interference (Electro-Magnetic Compatibility) from the new trains. This process is termed “immunisation.” Establishing a technical solution for parts of the District line has proven to be more challenging, resulting in delays to commissioning these areas. Whilst the potential solutions will delay completion of the immunisation, this does not impact the forecast achievement of the DfT milestone to complete the roll out of new trains on the District line before the end of 2016.

Signalling modification work is required during the migration from current trains to new S stock. Work has progressed on these systems throughout the quarter, including Victoria, Embankment, St James’s Park, Sloane Square and Temple, with commissioning completed late September 2012. This work is being delivered using LU’s internal delivery expertise including signalling, civil engineering, design and bridges and structures teams.

London Underground

SSR Major Power Works (Signalling)

Spend to end Q2 2012/13 £m	EFC £m
4.4	*

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).

Early minor works progressed satisfactorily on site and tender reviews for the first main package of works were completed. Close liaison with the ATC team continued, and the joint objective for the next quarter is to resolve how signalling power supplies will be provided in areas with Network Rail traction power supplies.

London Underground

SSR Major Power Works (Traction)

Spend to end Q2 2012/13 £m	EFC £m
280.8	518.0

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	01-Oct-12	Complete
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	Complete
SSR Power Upgrade - Package 3b Contract Award for 7 substations (5 upgrades + 2 new builds)	31-Mar-13	18-Feb-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.

Minor construction activity continued over the summer, but commissioning of new equipment into service was suspended during the Games works embargo. Commissioning recommenced in mid-September and progressed well thereafter.

Preliminary site work has now commenced on the eastern part of the District line, tender reviews for the package of work needed to support post-ATC operation on the Circle line are underway, and conceptual design to increase intake capacity from the National Grid at Neasden, needed post-ATC, is complete.

London Underground

Victoria Line Upgrade

Spend to end Q2 2012/13 £m	EFC £m
998	1,025.8

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) (Annex B: 2013)	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.

Following the Games embargo for intrusive works, the teams have been remobilised to address the programme of snagging works for long term reliability and maintainability, underpinning the strong underlying performance achieved in readiness for the Games. There is ongoing close collaboration with operational colleagues to support the move to Working Time Table 35 in January. The team is also driving approval and completion of handover and maintenance documentation for the Asset Performance Directorate (APD) as well as ensuring resolution of the issues outstanding for rolling stock Final Acceptance payment.

The experience gained in supporting operational colleagues during the Games has been captured and will form part of the new project scope which is being developed for the Victoria line (post VLU) to satisfy the corporate vision of the Victoria and Jubilee lines and DLR achieving recognition as being world class railways.

The VLU was Highly Commended in the Project of the Year category at the National Rail Awards.

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Underground General Renewals

Spend to end Q2 2012/13 £m	EFC £m
95.3	N/A

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Approval of Concept Submission - Tunnel Cleaning Train Motive Power Unit	13-Oct-12	16-Jul-12	Complete
Engineers Loco 3 - Life Extension	10-Nov-12	05-Jul-12	Complete
Completion of Victoria Line Automatic Track Monitoring System (unit 1)	08-Dec-12	07-Dec-12	●
Finish on Site - 218 Car body ends	31-Mar-14	29-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

344 body ends have now been completed against a target of 340.

Battery Loco Life Extension

Third and fourth Battery Locomotives were completed ahead of plan.

New Tunnel Cleaning Train

The Tunnel Cleaning Train is in two units: the motive unit and the cleaning unit. The former is low risk and on programme and the latter, although on programme, may require some further development work to mitigate environmental issues.

Automatic Track Monitoring System – ATMS

This is an “invest to save” programme in that it will provide track defect and quality information from in-service passenger trains, thereby reducing the requirement for access and manual inspections.

Automatic Track Monitoring System dynamic testing for track geometry system is progressing to plan to achieve the key milestone in December.

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Victoria Station Upgrade

Spend to end Q2 2012/13 £m	EFC £m
191.8	589.3

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	12-Oct-12	Complete
Commence South Ticket Hall Main Works	10-Nov-12	15-Oct-12	Complete
Commence Wilton Road Piling	03-Jan-13	10-Dec-12	●
Commence North PAL Open Cut Excavation	14-Jan-13	13-Aug-12	Complete
North Ticket Hall, access to Vic Line, LFEPA Shaft (Sectional Completion S1) – Deliver into service (Annex B: 2016)	23-Oct-16	29-Aug-16	●
South Ticket Hall and remainder of VSU works Sectional completion S2) – Deliver into service (Annex B: 2018)	04-Jun-18	13-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

A project of this scale at the Capital's busiest station poses huge engineering challenges. Poor ground conditions must be stabilised through a process of "jet grouting" prior to tunnelling,

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and to facilitate this over 2200 grouting sleeves are being installed in the station and the surrounding roads.

The challenging nature of these works means that some disruption is inevitable, but we are doing everything possible to minimise the disruption to local business, theatres and those travelling to, from and around the station.

The project remains on schedule and within authority. The combined project team have completed their move into site offices in Terminus Place. The Wilton Road station exit has now been permanently closed to allow station upgrade works to proceed. The widened Sussex stairs are now in regular customer use. The first section of the paid area link (PAL) roof slab has been successfully cast and waterproofed. Preparatory works for the retention of the facade to the Duke of York public house have commenced.

Paddington Station Upgrade

Spend to end Q2 2012/13 £m	EFC £m
39.3	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Lifts Manufacture Complete (At Factory)	15-Sep-12	14-Sep-12	Complete
Lifts Installed	02-Aug-13	11-Apr-13	●
Final Fit Out Bring into use (Practical Completion)	22-Mar-14	30-Jun-14	■
Acceptance of mandatory asset information documents by LU	28-Jul-14	10-Sep-14	▲
LU Fit Out Work Complete (Annex B: 2014)	01-Nov-14	14-Jul-14	●

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

- 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 design for the station fit-out works, which are to be delivered by London Underground to assist Crossrail in mitigating delays on the main works contract, has now been completed. The manufacture of lifts 3 & 4 is complete (milestone achieved). The project team is investigating opportunities to recover the delay now that fit-out works have commenced.

London Underground

Tottenham Court Road Station Upgrade

Spend to end Q2 2012/13 £m	EFC £m
259.4	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	11-Jan-13	●
Commence Ticket Hall Fit Out	02-Feb-13	23-Nov-12	●
Section 1 Completion (Handover part Astoria site)	02-Sep-13	21-May-13	●
Section 3 Completion (Consolidated Piling)	19-Sep-14	09-Sep-13	●
Completion of Phase 1 (Partial Opening of the New Plaza Ticket Hall)	31-Mar-15	04-Jan-15	●
Completion of the Project (Annex B: 2016)	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. Over the next few months, as the heavy civil engineering aspects of the scheme complete, the focus of the project moves towards above ground and fit-out works and the risks associated with below ground civil engineering work diminishes.

Following a number of minor safety incidents the Contractor has undertaken to prepare and implement an enhanced Safety Improvement Plan to improve site safety performance.

London Underground

Bond Street Station Upgrade

Spend to end Q2 2012/13 £m	EFC £m
137.5	290.2

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Demolition of sub-structure Complete	02-Feb-13	01-Feb-13	●
Start of main tunnelling operations (Annex B: 2013)	15-Jul-13	09-Sep-13	▲
Close escalators 1 & 2 for tunnelling	28-Apr-14	11-Jan-14	●
Early hand back Jubilee line platforms. Escalators 6,7, and 8, 3,4,and 5, 4/092 into public use	02-May-15	03-Mar-15	●
Tunnelling Set Up Decommissioned	28-Sep-15	09-Nov-15	▲
Frame to be handover to Developer - Planned Date	06-May-16	22-Apr-16	●
Practical completion (Annex B: 2017)	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 overall remains on schedule and within authority. The detailed design and the installation of the piles to support the future station ticket hall are both complete. At Stratford Place the stage two piling works are complete, and the installation of plunge columns has commenced.

A minor delay to the commencement of tunnelling operations has been forecast, due to a delay in the completion of demolition activities. A mitigation plan to recover this is being prepared.

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Bank Waterloo & City

Spend to end Q2 2012/13 £m	EFC £m
14.1	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Bring Into Use (Annex B: 2015)	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. Bloomberg have installed a full monitoring system in readiness for the commencement of construction which is now scheduled towards the end of October 2012. The deed of variation formalising the changes to the station box design is now close to completion. Discussions are ongoing with Bloomberg to gain access to the completed station box to commence fit-out works ahead of the completion of the over-site development.

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Bank Congestion

Spend to end Q2 2012/13 £m	EFC £m
14.7	*

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 (Annex B: 2021)	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.

We are adopting an exciting and innovative approach to the delivery of this project. Known as Innovative Contractor Engagement (ICE), the approach seeks to promote innovation and maximise value through the development of an early dialogue with Contractors. The ICE approach was developed by London Underground to better deliver large complex projects, and Bank is piloting the approach with the support of Infrastructure UK (part of HM Treasury).

Short-listed bidders have confirmed their willingness to proceed to invitation to tender (ITT) stage by submitting request to proceed (RTP) documentation.

This now completes the initial dialogue phase of the ICE.

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Station Development

Spend to end Q2 2012/13 £m	EFC £m
1,264.5	1,461.4

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	26-Jul-12	Complete
Bromley by Bow Step-Free Access Commence Detailed Design	29-Jan-13	12-Mar-13	▲
Bromley by Bow Step-Free Access Bring into Use	23-Dec-14	07-Jan-15	▲

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.

At Heathrow T123 all front of house works were completed ahead of the Games. Work to back of house continues with completion estimated for the end of October. Cannon Street station was brought into use ahead of the Games, with completion of all works forecast for early November.

Regarding step-free access at Bromley by Bow, although commitment to Section 106 funds had been delayed, funds have now been received. This has delayed the issue of the design ITT and the start of the design.

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Stations Third Party Schemes

Spend to end Q2 2012/13 £m	EFC £m
4.2	*

The Northern Line Extension operational strategy that supports the omission of the proposed shaft in Claylands Road has been agreed. Preparations are underway for the public consultation exercise commencing in November 2012. Discussions with the new owners of the former Battersea Power Station site, S.P. Setia, have commenced.

Croxley Rail Link - The Transport and Works Act public hearing was due to commence on 9 October and complete on 18 October.

Thameslink

Spend to end Q2 2012/13 £m	EFC £m
34.6	42.8

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 snagging works continue towards a full hand back of all assets in mid November. The project has been shortlisted in the outstanding team-working category in the National Rail Awards.

Farringdon Station is now fully operational; the programme to clear all snags is expected to continue until the end of the year.

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LU Lifts & Escalators (BCV/SSR)

Spend to end Q2 2012/13 £m	EFC £m
159.1	*

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.

TfL have awarded a contract to Kone for up to 50 lifts at market leading rates.

TfL have also recently announced the largest ever order for station escalators (over 100 machines) at world-class unit-rates to supplier Otis. Through this contract, Otis has committed to a 60 per cent improvement in Tube escalator reliability with incentives to increase this further. Payments are linked to achieving these improvements.

The Lifts and Escalator Games resilience plan, developed in collaboration with the Asset Performance Directorate (APD) and Tube Lines, proved highly effective in ensuring that disruption due to failures was virtually eliminated during the period of the Games. This excellent performance was driven by enhanced availability of spares, contractors on 24 hour standby, preventative inspections and suspension of all but essential works.

The annual milestone setting process for 2013/14 has commenced and will provide an approved selection of milestones going forward.

London Underground

Cooling the Tube Programme

Spend to end Q2 2012/13 £m	EFC £m
171.2	182.0

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 ventilation shafts in Phase 4 were delivered into beneficial use before the Games. Condition surveys and benefit/cost comparisons of candidates for Phase 5 have now commenced.

Both Green Park and Oxford Circus Platform Cooling were successfully delivered in time for the Games. Green Park platform cooling was brought into use on 13 July whilst Oxford Circus platform cooling was delivered on 17 July a full ten weeks ahead of plan.

There has been significant customer feedback regarding the Platform Air Handling Units – all immensely positive and their performance during the Games was exceptional.

The more strategic plan for the Victoria line continues with the use of regenerative braking, ventilation shaft utilisation and the as yet to be commissioned Coasting Control on 09 stock.

London Underground

Crossrail

Spend to end Q2 2012/13 £m	EFC £m
157.2	274.0

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	●
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.

The design assurance deliverables for the new works were clarified and agreed between LU and CRL by streamlining the requirements in line with the agreed Technical Assurance Plan.

The new CRL and LU relationship scorecard was finalised and formally published.

Approval was given by LU for CRL to tunnel beneath the Hammersmith & City line, following receipt of necessary assurance evidence. Works took place with no adverse effects to LU infrastructure.

The works package plan has been agreed with CRL for the Station Operations Rooms Systems Integration Project. Invitations to tender have been submitted by LU for the concept design.

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Track Renewal (BCV/SSR)

Spend to end Q2 2012/13 £m	EFC to 2012/13 £m
35.3	94.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Points and Crossings - Achieve 2 units	12-Oct-12	17-Sep-12	Complete
Ballasted Track Replacement and Re-ballast Metres - Achieve 1,637m	12-Oct-12	17-Sep-12	Complete
Track Drainage - Replace 4,648m	12-Oct-12	30-Nov-12	▲
Deep Tube Class 1 Renewal (Expected trackform life of 40 years) - Achieve 1,014m	12-Oct-12	28-Sep-12	Complete
Completion of Central Line Blockade (11 Points & Crossing renewed)	05-Jan-13	05-Nov-12	●
Ballasted Track Replacement and Re-ballast Metres - Achieve 6,908m	31-Mar-13	04-Mar-13	●

Track Partnership

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.

Unit rates for track renewals are tied to volumes. The Track Partnership has established a strategic plan linking in with known Tube Lines work and stretching over five years, it includes the use of “blockade” working and although painful for customers it is also a more efficient way of working and sometimes, depending on the complexity of the area it may also be the only viable option.

The plan looks to bring a more focussed approach to closures and transitions from its current track condition approach to an approach that maximises the work bank by bringing work forward or pushing it back and then concentrating this in more customer coherent parcels that looks to focus work in a particular area of the network and then move on with the aim of not returning for some years – this is difficult to achieve in some areas where the sheer scale of renewal required and the location mean some degree of disruption for long periods but in general the approach is valid and a more efficient use of resources. The plan also looks to combine Track Partnership work and Tube Lines work where these synergies exist to maximise use of both GB Rail freight and Transplant fleet of trains.

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The Unit Rate flight path is predicated on this plan and achieves better than target year on year given the volumes in the plan. The plan will also act as a focus for other programmes to manage their work.

The track team achieved three programme milestones early by completing two points & crossing units, 221 metres of Ballasted Track Renewals and 184 metres of Deep Tube Renewals.

London Underground

As part of the Track Partnership's improvement programme the biggest training event in London Underground Track Renewals history took place at Ruislip Depot over the Games moratorium. The training was undertaken on four live track renewal depot worksites and resulted in delivery of 560 metres of ballasted track renewal. The training of 426 staff was supported by 40 engineering trains with 14 trainers qualified in engineering and behavioural skills training.

Drainage work from the Track Partnership has fallen behind plan as a direct result of the Track Partnership Improvement Programme and is currently forecasting to undershoot the PAM by circa 500 metres. A remedial plan is in place to recover this meterage, pulling forward new work and increasing delivery of mid-week working – nearly 1000 metres of drainage work was completed and the Track Partnership team are now fully resourced and gaining ground.

Track Delivery Unit (TDU)

The in-house LU Track Delivery Unit (TDU) performance continues to go from strength to strength exceeding planned volumes and driving down Unit Rates to record lows;

- Class 1 Deep Tube Renewal (DTR) milestone achieved two weeks early (28 Sep 2012) by driving and capitalising on all production opportunities during the Games period
- Unit rates for historic (pre-TDU) DTR works were in excess of £10k per metre. Unit rates for current TDU delivery range between £6.5k per metre and £8.5k per metre dependant on the complexity and location with further efficiencies planned
- Removal of over 200 tonnes (4,500 metres) of scrap rail in support of Games Reliability Plan
- Early delivery volumes up on a demanding rail grinding programme consistently delivering 20 to 30 per cent more than plan with over 12,000 metres planned in quarter three
- Grinding unit rates are improving consistently – budgeted at £80 per metre, delivered in quarter two for £75 per metre and on target for quarter three delivery at £65 per metre

Neasden Depot Siding Road reconfiguration and installation of 13 sets of points completed on schedule together with new work comprising of re-railing and re-ballasting works for Croydon Tramlink.

London Underground

Civils (BCV/SSR)

Spend to end Q2 2012/13 £m	EFC to 2012/13 £m
7.7	28.4

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 for 2012/13. Planned site works, off the network, proceeded at two locations during the Games period including the protection of over-bridges in Perivale. Project work in the quarter focussed on finalising designs and project completion stages. 15 project conceptual or detailed designs were completed in the quarter to programme, including the detailed designs for the earth structure remediation projects at Chorleywood-Chalfont and Latimer and Harrow-on-the-Hill to North Harrow.

Projects recently started on site and to plan at Bayswater to strengthen cast iron roof beams over the track, in Islington to protect over-bridge parapets and at North Harrow to stabilise two embankments. As scheduled, in quarter three works will start on site at Northwood Hills - Pinner on embankment stabilisation and on the preparation of the abutments of bridges at Chiswick Park ahead of the replacement of the superstructures planned for period eleven.

Site works will commence next quarter to stabilise embankments at Fairlop. These works have been brought forward in the programme to take advantage of the Hainault blockade when works can be carried out more easily and cost effectively than during traffic hours.

The use of construction management methodologies has brought the Civils Unit Rates for some jobs down to the level of Network Rail – the key player in this area - given the nature of the LU infrastructure, this is quite an achievement and drives the unit rates to 1/3rd of that for historical contractor earth works stabilisation. Three further construction managed sites are planned for this financial year.

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Deep Tube Programme

Spend to end Q2 2012/13 £m	EFC £m
4.9	*

Milestones	Current Plan Date	Actual/Forecast Date	RAG
DTP Strategic Objectives Defined (Outcome Definition)	26-May-12	22-May-12	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	Complete
Deep Tube Programme Authority Expires	31-Dec-12	31-Dec-12	●
(*) Delivery of prototype for a low energy, higher capacity train for Piccadilly and Bakerloo lines (Annex B: 2015)	31-Dec-15	31-Dec-15	●

The Deep Tube Programme (DTP) 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.

Clearly with such a major investment, good industry practice and prior experience requires that an up-front feasibility and de-risking exercise is carried out. This feasibility stage has indicated several work streams each of which relates to a key risk and the funding and detailed scheduling of these is being finalised whilst the initial work has already started.

Progress against scope is on track to deliver Programme Gate B by October 2013. An integrated programme baseline has been established for the Feasibility stage, based on the objectives and assumptions that were approved by the DTP Board in quarter one. Performance and trends will be measured in relation to this baseline. Any changes will be managed by a formal change management process.

(*) A detailed definition of the 2015 DfT Annex B milestone "delivery of a low energy, higher capacity prototype train" has been agreed with the DfT, with formal written confirmation being sought. Note that this milestone does not constitute delivery of a prototype train which would be able to run usefully on the LU network.

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A holistic conceptual picture has been constructed to illustrate the current status of the Deep Tube railway design. Thirteen critical design features have been identified which will be used to establish and monitor maturity of the railway design.

A supplier engagement strategy has been produced to govern how the team will work with suppliers to develop the design whilst recognising commercial sensitivity.

Tube Lines

Lifts and Escalators (JNP)

2012/13 Spend to end Q2 £m	EFC to 2012/13 £m
4.0	17.6

Milestones	Current Plan Date	Actual/Forecast Date	RAG
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	15-Feb-13	●
Leicester Square Escalator 4 Refurbishment - bring into use	04-Mar-13	01-Feb-13	●
Canary Wharf Escalator 8 Refurbishment – bring into use	04-Mar-13	02-Feb-13	●
Clapham South Escalator 1 Refurbishment – bring into use	04-Mar-13	22-Feb-13	●
Waterloo Escalator 21 Refurbishment – bring into use	30-Mar-13	18-Mar-13	●

Lifts

The handover of lifts at Bermondsey and Canada Water was completed.

Escalators

Achieved 'Bring in to Use' status for escalators at Bermondsey, Waterloo, Westminster, and West Ham. All mobilisation pack information was completed along with ancillary documentation, approvals and licenses for the five escalator refurbishments which started simultaneously post Games.

Tube Lines

Station Condition Renewal (JNP)

2012/13 Spend to end Q2 £m	EFC to 2017/18 £m
7.9	15.4

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Heathrow Terminal 1,2,3 - delivery into service	19-Dec-12	19-Dec-12	●

Rail Vehicle Accessibility Regulations (RVAR Platform Humps)

The Olympic Delivery Authority (ODA) installation works at Finsbury Park, Oakwood and Hounslow West were completed in the Quarter. RVAR works on Kings Cross (Piccadilly line) and Green Park (Piccadilly and Jubilee line) platforms were also completed.

Tenders for Northfields Train Crew Accommodation have been received and are being reviewed. The programme is on target for contract award in October.

All front of house stations works for the Heathrow Modernisation project were successfully completed prior to the Games period as planned.

Tube Lines

Track (JNP)

2012/13 Spend to end Q2 £m	EFC to 2012/13 £m
10.6	30.9

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	●

Re-railing of 360 metres of track was achieved between Baker Street and Bond Street in a 27 hour closure, and bridge ballasting works in a 52 hour closure between Brent Cross and Golders Green was delivered successfully.

Key achievements completed in the quarter, included 315 metres of track replacement, 209 metres of tube reconditioning, 33 metres of pit reconditioning, 504 metres of life extension and 1933 metres of scrap rail removal at five sites (between Leicester Square and Charing Cross, and Arnos Grove and Southgate). All sites were handed back to Operations.

Tube Lines

Civils (JNP)

2012/13 Spend to end Q2 £m	EFC to 2012/13 £m
6.6	18.1

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	●

All pre Games work was completed at Canons Park ahead of programme and the Temporary Speed Restriction (TSR) was lifted to allow full speed running on 25 July, achieving the Games milestone.

Monitoring continues on a nightly basis with no movement detected on either track or embankments.

Site preparation works are being undertaken in readiness for the next phase of remediation works on the southbound embankment, due to be completed by November 2012. The designs for northbound embankment have been produced and submitted.

Bridge and structure painting works were completed at Oakwood, Brent Cross, north of Hendon and between Burnt Oak and Colindale. Painting works commenced on the bridge between Boston Manor to Osterley. The contract was awarded for work structure packages including Neasden Depot, Dollis Hill and South Harrow.

717 metres of ultra-violet drainage lining renewal were completed with year to date actuals ahead of plan.

Tube Lines

Jubilee Line Upgrade

2012/13 Spend to end Q2 £m	EFC to 2017/18 £m
29.9	45.8

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 (TBTC), 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).

The good performance of the TBTC system continued through the Games period which supported the achievement of exceeding the Jubilee line performance targets. During September, the 28 day moving average for TBTC delays is down to just two minutes per day.

Ten engineering trains are now TBTC enabled and the Long Welded Rail trains achieved the first TBTC enabled rail-drop on 14 September.

Additional software builds are planned to address modifications at Neasden depot and reliability improvements in November. A further two builds are planned to address operability and reliability improvements beyond the scope of the original upgrade. This will include system modifications in reaction to Platform Edge Door and Axle Counter failures.

Tube Lines

Northern Line Upgrade

2012/13 Spend to end Q2 £m	EFC to 2017/18 £m
121.6	412.7

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	03-Sep-12	Complete
Installation Complete; NMA6 (Edgware to Belsize Park)	26-Oct-12	19-Dec-12	▲
Installation Complete; NMA4 (Old Street/Euston to Oval)	23-Nov-12	28-Nov-12	▲
106 Trains ready for Revenue ATO Service	03-Dec-12	01-Dec-12	●
Northern line upgrade complete, delivering 20% increase in capacity (Annex B: 2014)	31-Dec-14	31-Dec-14	●

Maturity Level 4 system testing (where TBTC controls and protects trains in Automatic Train Operation mode) commenced in the second migration area (West Finchley to Highgate) during the quarter. This was a key achievement delivered ahead of programme.

Progress continued in overcoming the remaining installation challenges, notably with the completion of complex equipment installation at Camden Town and loop installation at Leicester Square.

Installation is substantially complete in most locations between Edgware and Belsize Park, barring Golders Green which was impacted by the additional Games access restrictions. Within the quarter although two milestones have slipped, in neither case is there an impact to the overall project completion.

London Rail

East London Line Phase 2b

Spend to end Q2 2012/13 £m	EFC £m
58.7	76.7

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Complete integration testing	31-Jul-12	24-Jun-12	Complete
Commencement of trial operations	30-Nov-12	25-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.

During the quarter the civil works contractor, Birse Metro, continued to finalise their remaining works and are expected to complete on site in October 2012. Fencing work along the perimeter of the phase 2 site, as well as along the track route has begun which is also due to be completed in October 2012.

The invitation to tender for the subway works at Rollins Street has been issued; work will commence in November 2012, and completion is expected prior to the December 2012 opening date.

The formal implementation agreement with Network Rail regarding the works at Clapham Junction station was signed by Network Rail on 11 September 2012. Works have progressed and London Rail continues to support Network Rail to ensure delivery by the date required for passenger service.

Overall the project is 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 Q2 2012/13 £m	EFC £m
59.3	61.8

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Commencement of trial operation	01-May-12	28-May-12	Complete
Revenue operation commences	01-Jun-12	28-Jun-12	Complete

The Emirates Air Line entered revenue service prior to the Games in June 2012.

Over one million passengers have been carried since the opening with in excess of 180,000 passengers using the service in a week during the Games.

Surface Transport

Barclays Cycle Hire Scheme

Spend to end Q2 2012/13 £m	EFC £m
110.7	152.9

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	13-Jul-12	Complete
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.

The TfL Board approved in September 2012 plans for Cycle Hire expansion and intensification, taking Cycle Hire west and south-west into areas of high demand including parts of Wandsworth, Hammersmith and Fulham, and additional areas of Lambeth, and Kensington and Chelsea. This will increase the number of bicycles to around 11,000 across the whole scheme, supported by at least an additional 5,000 docking points. This scheme is due to launch in December 2013 with full completion by spring 2014.

The design and development of an improved IT system with customer usability improvements is due for delivery in spring 2013.

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 Cycle Super Highways

Spend to end Q2 2012/13 £m	EFC £m
25.4	107.1

Milestones	Current Plan Date	Actual/Forecast Date	RAG
CS2 Extension – preliminary design complete	31-Jan-13	31-Jan-13	●
Route 5 Invitation to Tender issued	15-Feb-13	31-Mar-13	▲
Phase 2 (routes 5 & 12) detailed design complete	28-Feb-13	*	
CS2 Extension – detailed design complete	31-Mar-13	31-Mar-13	●
Route 5 contract awarded	30-May-13	30-May-13	●
CS2 Extension – construction complete	30-Aug-13	30-Aug-13	●

The Ten 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 Cycle Superhighways Pilot Routes project in July 2010.

The Cycle Superhighways programme remobilised in May 2012 following a pause for the pan-TLRN Junctions Review. In relation to route 12, it is now intended to deliver this route alongside the junction improvement works planned for Highbury Corner, with an extension to route 2 being brought forward to August 2013. This will mean that cyclists on route 12 will benefit from substantial improvements to one of the biggest barriers to cycling along the route.

The minor milestone slippage on Route 5 reflects 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 Cycle Superhighways Board on 12 June 2012.

*This milestone will now not be delivered in this form due to the changed sequence of delivering Routes 5 and 12.

Surface Transport

New Investment SCOOT

Spend to end Q2 2012/13 £m	EFC £m
13.4	112.3

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: 2015)	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. At the end of the second quarter, 38 design briefs were completed, 18 detailed designs completed, four civil engineering sites completed, four SCOOT loops installed and four sites commissioned.

Potential for further expansion of SCOOT over the next six years is under consideration, as reflected in the EFC figure shown above.

Surface Transport

Hammersmith Flyover

Spend to end Q2 2012/13 £m	EFC £m
16.9	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	30-Oct-12	■
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, 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 now underway with a designer and is expected to be appointed by 30 October 2012. The procurement date has been re-phased to align with the schedule for appointing the contractor, avoiding a prolonged initial design period and optimising the contractor's input.

Surface Transport

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 Q2 2012/13 £m	EFC £m
25.5	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 2, 392,136 square metres of carriageway was resurfaced against a forecast output of 450,000 square metres for the year (87% of annual target achieved to date).

Footways resurfacing

By the end of Quarter 2, 25,863 square metres of footway was resurfaced against a forecast output of 44,000 square metres for the year (59% of annual target achieved to date).

Lighting column replacements

By the end of Quarter 2, 714 lighting columns were replaced against a forecast output of 1,100 for the year (65% of annual target achieved to date). This total is a reduction from the 910 reported in Q1, following an internal reassessment of progress.

Corporate

ITSO

Spend to end Q2 2012/13 £m	EFC £m
43.1	65.9

Milestones	Current Plan Date	Actual/Forecast Date	RAG
Head office processing system operational	06-Sep-12	18-Dec-12	■
Rail hardware roll-out complete	30-Apr-13	30-Aug-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 has been extended to a further four garages with main roll-out to start on 15 October and complete by early December. The rail reader vanguard has started, and deployment on the Train Operator Companies (TOCs) estate will commence in mid-October. The Local Area Network surveys and installations remain on schedule.

Stage 2 ITSO software development continues, with integration testing due to start in November. There have been some issues agreeing the product set to be used with Southern TOC and this has caused a delay to the hardware roll-out and head-office processing system being operational, although this is not on the critical path and December 2013 completion remains on target. Integration testing will include Host Operator Processing System (HOPS) to HOPS testing with the Southern HOPS, this is progressing with some integration issues being worked through. A pilot of ITSO acceptance on Southern services is on schedule for the first quarter 2013.

Future Ticketing Project

Spend to end Q2 2012/13 £m	EFC £m
12.8	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	15-Nov-13	■
Phase 2a – multi-modal daily travel and daily capping with contactless bank card to be implemented (Annex B: 2012)	03-Jun-13	15-Nov -13	■

The Future Ticketing Programme enables the acceptance as payment for travel of contactless cards issued on an EMV (Eurocard, Mastercard, and 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.

Phase 1- due to previous delays caused by the requirement to stabilise the build before wider deployment, completion is forecast for December 2012. The functionality was proved in June, but the stability issues could not be resolved in time to allow the rollout to take place before the Games moratorium.

The new software is now being deployed to the remainder of the fleet following a period of stable operation. Launch activities including driver education, finalisation of web text and briefing materials for contact centre staff are progressing well.

Phase 2 - due to a request by the DfT to prioritise IOP+ (Integrated Transport Smartcard Organisation on Prestige) development and diversion of resources from its precursor, the initial bus launch, to implement significant changes to the annual Fares Revision package at the direction of the Mayor, this is now forecast for completion in November 2013.

Design assurance has been completed on a number of work packages and the first stage of Cubic's internal integration testing has started. User acceptance and performance testing is underway for the TfL developed components that will be delivered to the contractor in November 2012.