

TRANSPORT FOR LONDON

BOARD

SUBJECT: TfL FIVE YEAR INVESTMENT PROGRAMME REPORT

MEETING DATE: 8 FEBRUARY 2006

1. PURPOSE

- 1.1 To inform the Board on the performance of the Investment Programme in the third quarter of 2005/06 (17 September 2005 to 10 December 2005). This first TfL 5 year Investment Programme will continue until 2009/10 and this report will be published quarterly.

2 KEY HIGHLIGHTS

- 2.1 Principal highlights of the Investment Programme arising over the third quarter of 2005/06 are as follows:
- London City Airport Extension opened ahead of schedule on 2 December 2005. The official opening was held on 6 December whilst ridership on the new extension exceeded 10,000 for the first time on 8 December.
 - LUL successfully introduced 7-car trains into passenger service on the Jubilee Line on 29 December. The line was due to be closed for five days from 26 December but re-opened two days ahead of schedule. This will increase capacity by nearly a fifth across the whole line, or an extra 6,000 passengers in both directions every morning and evening peak.
 - LUL achieved operational use of Wembley Park Station on 30 September ahead of the final completion of the station on 31 December 2005. Work is currently ahead of programme for completion of the Station Modernisation elements by May 2006.
 - Kings Cross/CTRL – Phase 1 handover remains on target to complete in September 2006. The Re-Stated Works Agreement was executed on 19 December 2005 as a result of agreement by DfT to progress the Phase 2 works.
 - London Underground Tunnel Cooling - The station survey is complete and several quick-win type solutions are being worked up. These include a new fan at Liverpool Street for the Central Line platforms and improving airflows in Charing Cross, Euston, Embankment and Holborn.

- Victoria Station Upgrade is approaching the end of the design phase to programme. The project has pioneered the use of 3D CAD with the procurement of a full 3D survey of Victoria Station and production of a 3D design model. Workstreams are being initiated in the New Year to explore the potential for future phases of work to improve the District and Circle line areas of the station and to integrate with the wider proposals of the Victoria Interchange Programme.
- A406 Hanger Lane Bridges and A40 Western Avenue Bridges have both suffered delays as a result of planning approvals. These are now largely resolved and the latter project is now planned to complete on schedule. Surface is facilitating work to explore mitigations against the systemic risk which planning approvals represents to all 'new asset' type projects across TfL.
- Good progress continues to be made in the early implementation stages of the Congestion Charging - Western Extension.

3 DELIVERY

3.1 The interim Oversight Group has made significant progress over the last quarter including:

- Completion of the 'develop function' stage and focus on the team becoming almost completely operational.
- Completion of early Independent Engineer reviews for West London Tram, Kings Cross/CTRL and Blackwall Tunnel Northbound. Whilst the introduction of these reviews has to a certain extent been a learning experience, they have achieved their aim in terms of demonstrating value to the projects reviewed and providing valuable experience in shaping the permanent process.
- The roll out of the full Investment Management Review process has gone to plan with London Rail transitioning to this arrangement in period 8. The Investment Programme Chief Officers meeting (IP COM) forum was felt to be particularly useful in relation to planning actions to mitigate the risks of strategic cross-modal working.
- Independent Engineer procurement progressed with 12 bidders short listed. 10 tenders were received and these are being evaluated, by a cross-TfL representative team, over the New Year period. This work stream, remains on schedule to have a framework contract in place (c 3-4 suppliers) by end of February 2006.
- A published Benchmark report (capturing 'best practice' observations of the Oversight team during its initial meetings with external organisations) has now been distributed across the business to enable the benefits to be shared.
- A Chief Officer's working group chaired by the Managing Director, Surface Transport has been established to address the issue of planning consents.

- The TfL relationship with the Olympic Delivery Authority and the Olympic Transport Authority has been established and preparation for the first Olympic focused report for submission to the ODA is on track for February 2006.
- One-to-one meetings with senior TfL staff have commenced to collect feedback that will influence the final configuration of the function.

3.2 The Interim team are in a firm position to 'hand over' the developed function to schedule and preparation for, and execution of, this transition will be the primary effort of the final quarter of this financial year (concluding by end April 2006).

PROJECTS OVER £100m

3.3 Major projects which have a total budget within the Investment Programme of more than £100m are listed in the table below. A more detailed summary of projects over £100m is provided in **Annex 1**.

Code	Project	Total Budget ¹	IP	Status
LU-PJ03	Sub-Surface Train Capacity	N/A ²	N/A ²	●
LU-PJ26	Camden Town Congestion Relief	£255m	£124m	■
LU-PJ110	Channel Tunnel Rail Link at Kings Cross	£765m	£101m	●
ST-PF39	Congestion Charging Western Extension	N/A ²	N/A ²	●
LR-PJ01	East London Line Extension	£896m	£896m	●
LR-PJ06	DLR Capacity Enhancements 3 Car	£102m	£102m	●
LR-PJ08	London City Airport DLR Extension	£150m	£80m	●
LR-PJ09	Woolwich Arsenal DLR Extension	£150m	£150m	●

Notes:

¹ Presently includes the 2005/6 budgeted amounts rather than the 2006/7 Business Plan values.

² Information is commercially sensitive

- = Will be delivered according to authorised plan
- ▲ = Variance exists but either the impact is not deemed significant or recovery plans are in place or no current variance but requires close management attention
- = Variance will have significant impact on project delivery schedule and cost

Total Budget = Budget for the duration of the project

IP = Total project spend budgeted in the 5 year Investment Programme

Delivery highlights and key issues over the quarter are as follows:

- 3.4 **Camden Town Congestion Relief** – Work to rekindle the scheme is progressing. Anticipated claims from the objectors for cost reimbursement have been slower than expected with only two claims of the four anticipated received to date.
- 3.5 **Channel Tunnel Rail Link (CTRL) at Kings Cross** – Phase 2 Re-stated works agreement (construction of the Northern Ticket Hall and concourse access to St Pancras) was executed on 19 December 2006. Current handover of the Western Ticket Hall is due on 19 March 2006 in line with plan, with the Phase 1 handover in September 2006.

- 3.6 **Congestion Charging Western Extension** - Good progress is being made on the early stages of implementation. Savings have been secured as a result of successful negotiations with camera and communications service providers, and consultants. Go-live remains on track for February 2007.
- 3.7 **East London Line Extension** – Good progress is being maintained on all the major workstreams, however it should be noted that timescales are highly demanding. The Main Works terms and conditions have been reviewed by the legal team and have been issued to the tenderers. The Invitation to Tender for the Rolling Stock was issued on 2 November 2005, with replies received on 4 January 2006.
- 3.8 **DLR Capacity Enhancements** - Procurement remains on programme with tenders having been received from all four bidders for outline design works. Contracts were awarded at the end of the third quarter and design works have now commenced.
- 3.9 **London City Airport** - London City Airport Extension opened ahead of schedule on 2 December 2005, 13 days ahead of the contracted date of 15 December. The official opening was held on 6 December.
- 3.10 **Woolwich Arsenal DLR Extension** - Construction work for the tunnel boring machine launch chamber continues ahead of schedule. Work is also progressing with regard to land issues and detailed design.

PROGRAMMES/PORTFOLIOS AND PROJECTS UNDER £100m

These projects are defined as those whose expenditure is less than £100m over the 5 year Investment programme. It should be noted that some projects will have significant expenditure after the Investment Programme period which will lead to total project values above this level.

Delivery highlights and other key issues during the third quarter of 2005/06 for other projects under £100m include:

- 3.11 **Jubilee Line 7th car project** – All additional 7th cars are now ready and infrastructure works complete. On 1 December the first trains were taken out of service for conversion. The line was due to be closed for 5 days from 26 December but re-opened two days early on the 29 December with full 7 car trains introduced to passenger service. To further increase capacity 4 additional 7 car trains are being purchased with the first 2 delivered and being tested. The other 2 will be delivered in February 2006. This increases the fleet size from 59 to 63.
- 3.12 **Operational Accommodation** – Detailed designs of the priority schemes to improve capacity, condition and ambience for all four Operational Accommodation projects (South London House, Klondyke House/South Dock House and Earls Court) are now complete. A planned Independent Engineer's review is currently underway, and detailed outcomes are expected in the 4th Quarter. This project is slightly ahead of programme.
- 3.13 **Trackernet** – The software application that provides real time train movements has been extended to the Earls Court area. Logging of trains as they pass a specific point has been deployed in all nine signal cabins across the Metropolitan, Hammersmith & City and District lines (SSL lines). The project is on programme.

- 3.14 **Croxley Link** – The agreement to purchase the necessary land is complete but is unlikely to take place until early 2006.
- 3.15 **A 406 Bounds Green** – The scheme is delayed to avoid conflict with parallel work to the M25 Holmesdale Tunnel and to reflect Enfield's recent confirmation of requirement for a planning application. The new programme schedule reflects the likelihood of Public Inquiry given relevant boroughs' views that the proposed scheme is an insufficient response to congestion the A406. As a result of this a further design review is in progress and cost increases are expected which will require a revised business case to be produced.
- 3.16 **A 406 Hanger Lane Bridges/A40 Western Avenue Bridges** - Ealing Planning Committee considered the two planning applications relating to Hanger Lane Bridge on 19 October 2005 and have granted approval subject to completion of a section 106 agreement between TfL and Ealing Council. The Western Avenue Bridges contractor has now received the necessary permission for the erection of site accommodation and has begun setting up on site. Overall the project is now back on schedule.
- 3.17 **North Acton Bus Garage** – This project continues to be delayed as a result of planning consent from the London Borough of Ealing having been refused and thus going to appeal. Forecast completion date is now July 2007.
- 3.18 **Hounslow Bus Station** – This project is closely related to Hanworth Road Bus Garage, as it had been envisaged that the upgrade of Hounslow Bus Station would be facilitated by relocating the adjacent garage to a new facility in Hanworth Road. Problems with obtaining planning consent for Hanworth Road however mean that this option is no longer viable. The Hounslow Bus Station and Hanworth Road Bus Garage projects are therefore effectively 'on hold' pending identification of an alternative way forward.
- 3.19 **Low Emission Zone (LEZ)** – Funding received TfL Board approval in October. Consultation with the GLA Functional Bodies and the Assembly on the Strategy revisions finished on 14 November. Preparation for the public and stakeholder consultation between 13 February and 22 April is now underway.
- 3.20 **TLRN Capital Renewal Programme** - Latest programme reflects the impact of TLRN's 'Step Change' initiative. This is a series of activities to deliver rapid, visible and high quality improvement to the appearance of the TLRN in a very short period of time. Underlying delivery performance in this programme, and Surface Transport's other major 'annualised' capex programmes (i.e. the Traffic Management, Walking, Cycling and Road Safety programmes) is strong.
- 3.21 **Bus Priority** – TLRN Schemes - This programme has suffered some slippage primarily as a result of traffic system resource constraints. Attempts are being made to mitigate this by identifying new schemes which are less reliant on those resources which are in short supply. Additionally, significant improvements have been made to Surface's capacity planning processes, which will improve forward programming by providing better visibility of future resource constraints.
- 3.22 **Battersea Bridge** – Battersea Bridge fully re-opened to all traffic on 15 January, following repairs to the damage incurred following a vessel colliding with the

structure in September. The contractor will complete the remaining non-structural repairs by the end of March. The team and contractors have been congratulated for their response and effort, especially over the festive period, enabling the bridge to re-open well ahead of the original spring forecast.

- 3.23 **DLR Railcar Refurbishment** – Nine refurbished vehicles entered service during the quarter, with a total of 59 vehicles now completed. Final completion of the refurbishment programme is currently anticipated to be November 2006, eight months later than planned.
- 3.24 **Stratford Regional Station Modernisation** – Surveys and preliminary works for the provision on double track platforms have been completed. Hoardings are complete. The construction phase has commenced with LU pumping station temporary works, earthworks, train crew walkway diversion and LU pumping station temporary works ongoing.
- 3.25 **Stratford International DLR Extension** – Work continues on preparation for the public inquiry. The closure process for the North London Line between Stratford and Canning Town has commenced with notices appearing in the Evening Standard and National Press. Potential risk at public enquiry due to Union Railways/Newham Council dispute over travelator connection at Stratford.
- 3.26 **Stratford Regional Station Upgrade** – Stratford is an Olympic critical Interchange Station surrounded by a number of property developments, including the Stratford City Development. This work is not in TfL's five year Investment Programme. Delivery of the station works to meet the Olympic programme requires design development to commence in early January 2006, and funding to support the design has been released from the Olympic Transport budget. Funding for the capital works is expected to come from S106 agreements and the Olympic Transport budget.
- 3.27 **Thames Gateway Bridge** - Following the results of the traffic survey count in Bexley the inquiry has been adjourned until the end of January to allow TfL to submit measures to mitigate the effects of the high growth level detected. Completion of the inquiry is now forecast for the end of May 2006.
- 3.28 **West London Tram** - Progress is on target for a TWO application in the summer of 2006. Additional modelling work is in hand for the submission and to prepare for the Public Inquiry. A local consultation on specific issues started in October 2005 and 250 responses have been received to date. The local press has focused on 2 of the 27 identified storehouse locations as being cause for concern. The project team is working closely with the London Borough of Ealing to resolve this situation to develop a closer working relationship to prevent problems in the future. Hillingdon Council have voted to formally object to the scheme. TfL is dealing with this result accordingly.
- 3.29 **Cross River Tram** - Work has commenced on the options selection phase which will involve local public consultation and will result, by early 2007, in a single option for the whole route capable of being safeguarded by the Boroughs.
- 3.30 **East London Transit** – The draft outline business case and feasibility study for Phase 1b (extension to serve Barking Riverside development) is to be completed by

the end of January 2006. Consultation has commenced on Phase 2 (extension from Barking to the northern end of the TGB).

- 3.31 **Greenwich Waterfront Transit** - Resolution of the route through Woolwich town centre remains a significant concern and work is ongoing with councillors, officers from LB Greenwich and their consultants to resolve the GWT option through this key interchange point.
- 3.32 **Croydon Tramlink Extension** – Following a briefing with the Mayor at the GLA Integration Unit (GLAIU), the CTLE team met with the Managing Director, Finance & Planning and the Managing Director, Surface Transport to present the implications of terminating the tram at the rail station. A revised report has now been drafted and was presented to the Mayor during the week commencing 19 December 2005.

4 INVESTMENT PROGRAMME EXPENDITURE

- 4.1 The Investment Programme comprises both directly managed capital programmes by TfL and indirectly managed programmes where delivery is the responsibility of a third party under a PPP/PFI type contract or other arrangement.

DIRECTLY MANAGED

The table below now breaks out expenditure on projects included in the Investment Programme prior to the receipt of a Transport Works Order (TWO). These include projects such as West London Tram and Greenwich Waterfront Transit. This expenditure whilst part of the Investment Programme is treated as operating expenditure for the purpose of statutory accounting.

- 4.2 Net Value of Work Done (VOWD) on projects directly managed by TfL at the end the third quarter was is £34m under budget, after overprogramming. The full year forecast is anticipated to be £29m under budget, after overprogramming, capital receipts and reimbursements.

VOWD (Directly Managed) £'millions	Year to Date		Full Year	
	Actual	Variance to Budget	Forecast	Variance to Budget
London Underground	213	(64)	335	(41)
Surface Transport	192	(44)	346	(92)
London Rail *	59	(7)	99	4
Group Directorates *	33	(32)	70	(47)
Gross Directly Managed Exp	496	(147)	851	(176)
Capital receipts/reimbursements	(114)	10	(172)	12
Property sales	(7)	2	(13)	-
Overprogramming (capital)	-	101	(5)	135
Net Directly Managed Exp	375	(34)	661	(29)
Development Expenditure *	(36)	(6)	(74)	(25)
Net Capital Expenditure	339	(40)	586	(54)

* VOWD includes development expenditure that is treated as operating expenditure in London Rail and Group Directorates for statutory accounts purposes

A detailed modal breakdown of capital expenditure is provided in **Annex 2**.

London Underground

- 4.3 Expenditure for the year to date within London Underground's own managed works was below budget by £64m. Principal variances continue to be from cost savings and phasing differences in Connect enabling works of £27m and Phase 2 CTRL works at Kings Cross of £18m, which is matched by lower reimbursements from DfT. As mentioned earlier in the report DfT has now agreed to progress the Phase 2 works.
- 4.4 The London Underground full year forecast is £41m below budget, mainly consisting of CTRL works at Kings Cross of £14m, Connect enabling works of £12m, Power works of £7m and the Camden and Tottenham Court Road station schemes at £7m below budget.

Surface Transport

- 4.5 Expenditure for the year to date of £192m is £44m below budget with a current full year capital expenditure forecast some £92m below budget (a £23m improvement compared to the quarter 2 forecast). The main causes of this underspend include: (i) a £42m saving on Congestion Charging Western Extension as a result of successful contract negotiations with service providers and a rephrasing of traffic management and enforcement infrastructure works, (ii) a £14m year end underspend on iBus as a result of changes in the accountancy treatment of this programme (largely stemming from a revised payment profile agreed with the supplier at the time of the contract award) and (iii) £23m forecast year end underspend on the A406 Western Avenue and A40 Hanger Lane Bridges projects.

London Rail

- 4.6 The year to date variance of £7m is mainly due to delays to the commencement of construction on the Stratford Station (£4m) and slower than anticipated activity on the DLR Railcar Refurbishment project (£5m).
- 4.7 The current full year capital expenditure forecast is that London Rail will spend £4m above its budget, which includes the delays to Stratford Station (£5) and the Railcar Refurbishment project (£8m) but with additional forecast expenditure above budget on the East London Line Extension Project (£8m), backup and security on the DLR (£5m) and National Rail service and station security (£5m).

Group Directorates

- 4.8 As reported in the previous quarter, the actual and forecast reduction in spend is mainly as a result of the cessation of the Oyster Card National Rail validator Installation project, as the Train Operating Companies declined TfL's financing offer. As a result, TfL does not expect to finance the validators.

INDIRECTLY MANAGED

- 4.9 These are projects where delivery is the responsibility of a third party under a PPP/PFI type contract or other arrangements. Reportable values represent the assessed capital value of assets delivered.

London Underground

- 4.10 Work has continued with the Infracos, particularly Metronet since Tube Lines reporting structure is closely aligned, to populate London Underground's Master Projects Database (MPD) with information regarding the indirectly managed capital expenditure. A permanent solution enabling Metronet's use of MPD is still being implemented. For the purposes of this report, LU has robust information up to the end of quarter 3 for Tube Lines, but only for the year to the end of Period 8 for Metronet.
- 4.11 The VOWD as at the end of the quarter, at £768m was £32m above the latest Annual Asset Management Plans (AAMPs). Expenditure by the Infracos includes additional spend caused by slippage from prior years into this financial year. Expenditure under the PFI contracts is lower than budget due to revised work allocation on the Power PFI between directly managed and PFI funded expenditure.
- 4.12 The amounts included in the Investment Programme represent capital payments the Infracos plan to make to their subcontractors, which in some cases run ahead of the actual delivery of the capital work. London Underground has yet to formally approve the Infraco plans and the quality and validity of the data contained in those plans is yet to be proven.
- 4.13 Progress on renewals and upgrade works is as follows:
- **Tube Lines JNP** - Track renewals works are broadly in line with the revised plan over the first two years. Tube Lines has delivered two of the eleven station enhancements due this year ahead of the contracted dates (one in Q1 and one in Q2), with the remaining nine expected by the end of the financial year. Two lift replacements and 10 escalator refurbishments/replacements were delivered by the end of quarter 3, with one further escalator refurbishment completed subsequently.
 - **Metronet SSL** - Track renewals works are considerably behind the revised plan. Metronet SSL is contracted to deliver 13 station enhancements this year, plus 5 carried forward from last year. Two have been completed (one in each of quarter 2 and quarter 3), a further 10 are forecast to be completed by the end of the year with the remaining 6 expected to be delayed until 2006/07. Three escalator replacements have been delivered to date this year and a fourth is due in quarter 4.
 - **Metronet BCV** - Track renewals works are considerably behind the revised plan. Metronet BCV is contracted to complete 15 station upgrades in 2005/06, plus 3 carried over from last year. Two have been delivered (one in each of Q2 and Q3) and a further 3 are forecast to be completed in quarter 4. Completion of the remaining 13 is forecast to be delayed by between 10 and 95 weeks compared

with the contracted dates. Four escalator refurbishments were completed by the end of quarter 3 with a further 3 delivered into service subsequently.

Surface Transport

- 4.14 Indirectly managed capital expenditure in Surface Transport arises from to Improvements to the bus fleet, A13DBFO and Borough Principal Road renewal.

The full year forecast variance of £18m is the result of lower expenditure on bus network fleet improvements of £6m resulting from lower than expected contract price increases from retendering. £11m underspend on A13 DBFO caused by the problems the concessionaire has had completing the communications system. This work is not expected to be completed until the next financial year and therefore reduced payments will continue.

London Rail

- 4.15 Indirectly Managed capital expenditure in London Rail relates to the assessed capital value of assets delivered on the London City Airport, Woolwich Arsenal DLR Extension and Woolwich Arsenal DLR 3 Car Railcars. Currently there is no contractual mechanism in place to capture actual costs therefore quarter 3 will reflect budget values.

5 OLYMPICS

- 5.1. TfL is responsible for the delivery of a significant part of the Olympic transport portfolio. Projects amounting to £1.9b are already included in TfL's latest business plan however projects to the value of £98m will require additional funding. For both groups of projects it has been agreed that the current arrangements for assurance and reporting, already established at Modal and OVERSIGHT levels, should be harnessed for use by the Olympic Transport Authority and the Olympic Delivery Authority to track delivery progress of this portfolio.
- 5.2. TfL OVERSIGHT has worked closely with Modes and the 'shadow' OTA to define the Independent Assurance review and reporting mechanisms. Next steps are to clarify the proposed reporting timelines (1st live report to be available to ODA, and therefore public scrutiny, in Feb/Mar 2006) and identify issues and risks. This report will include an Independent Engineer's review of the East London Line thereby providing corroboration of Independent Assurance.

6 PROCUREMENT AND EFFICIENCY

6.1 Savings identified to Quarter 3 as a result of value engineering and similar exercises include:

Construction	£m
Westminster Bridge Facia Replacement	17.9
A 40 Bridge Works	12.1
Consultancy	
North Greenwich Station	0.4
Congestion Charging – Western Extension	3.2
Cross River Transit	1.6
Thames Gateway Bridge	1.9
West London Tram	0.4
Financing (NPV)	
DLR Woolwich Arsenal Extension	10.0
DLR 3 Car Railcars	6.5

7 RECOMMENDATION

7.1 The Committee is asked to note the progress of the Investment Programme.

Projects over £100m


ANNEX 1


The following Annex provides progress details of projects in excess of £100 million which are being implemented and are in the Investment Programme.


The overall project status reflects the Modes latest view of schedule and cost performance over the total life of the project (inclusive of and beyond the length of the Investment Programme).


Total Budget = Budget for the duration of the project


IP = Total project spend budgeted in the 5 year Investment Programme


LU-PJ03	Sub-Surface Train Capacity	Total Budget = N/A IP = Commercially Sensitive	
Baseline:	The aim of this project is to provide additional train capacity (above that already to be provided through PPP upgrades). The initial phase of the project is focused on the central area of the sub-surface network and the Wimbledon branch.		
Schedule:	Progress is on plan to deliver an additional car (7 th) to all new C Stock plus the lengthening of station platforms where needed, to accommodate the extra car. The Specified Right has now been exercised and Metronet Rail SSL will commence work on feasibility for the 4 major stations and design work will also commence on the platform extensions. The project has a revised completion date of 2018, three years later than the original baseline plan.		
Forecast:	Year to date expenditure totalled £0.4m against a budget of £0.7m with the full year forecast on budget at £1m.		
Approval:	Full authority was approved on 9 February 2005. The figures are confidential.		


LU-PJ26	Camden Town Congestion Relief	Total Budget = £255m IP = £124m	
Baseline:	The objectives of the station redevelopment are to develop a scheme that maximises the capacity of the station (expanded ticket hall and additional escalators) and provide step free access to platform level. The Secretary of State has refused the TWA application.		
Schedule:	LU are working with the LB Camden (LBC) to rekindle progress with the project. An outline plan of activities has been agreed with LBC to facilitate the securing of planning and conservation area consent for a revised over station development (OSD). LUL and LBC agree that resubmitting a TWA Order for the new station will be contingent upon planning consent for the OSD and station. Key activities include the preparation of an OSD design brief by LBC, a LUL funded redesign and full public consultation. Following this, planning consent has been programmed for mid 2007, with TWA assent some 18-24 months later in 2009. Main construction would follow in 2010 at the earliest and beyond the current 5 year plan.		
Forecast:	Year to date expenditure is £2.6m against a budget of £1.8m. The project whole year forecast is £2.7m against a budget of £6.6m resulting from the current planning delays.		
Approval:	Authority for preliminary design and supporting costs for securing formal planning application/TWA powers of £18.5m approved on 4 February 2004 by Managing Director Finance & Planning. No further authority will be sought until a solution to the planning issues has been found.		


LU-PJ110	Channel Tunnel Rail Link (CTRL) at Kings Cross	Total Budget = £765m IP = £101m (DfT funded)	
Baseline:	King's Cross Congestion Relief (Channel Tunnel Rail Link) covers increased capacity at King's Cross St Pancras. Phase 1 includes an expanded Tube ticket hall and new Western Ticket Hall. Phase 2 includes a new Northern Ticket Hall, step-free access to Metropolitan & Circle lines and links to the new Channel Tunnel Rail Link Terminal. The King's Cross project is funded by the DfT and contracted by London Underground to Metronet.		
Schedule:	Phase 1 handover remains unchanged and on target to complete in mid September 2006. The new Western Ticket Hall and the enlarged Tube Ticket Hall opening is now forecast for 19 March 2006. The Phase 2 Northern Ticket Hall, deep level tunnels and MIP access, high level programme has been agreed with DfT. The restated Works Agreement was executed on 19 December 2005 as a result of agreement by DfT to progress the phase 2 works.		
Forecast:	Year to date expenditure totalled £58.4m against a budget of £76.3m with the full year forecast £95.5m against a budget of £110m, reflecting delays in DfT approval of additional funds for phase 2,		
Approval:	Authority of £462m approved at London Transport Board on 6 February 2003. Additional authority of £465m was approved at IRMC 20 September 2005 for onward submission to PRG. TfL Board approval was received on 26 October 2005 with DfT approval received in December 2005.		

ST-PF39	Congestion Charging Western Extension	Total Budget = N/A IP = Commercially Sensitive	
Baseline:	The objective of the scheme is to further reduce congestion in a wider area of London (a Western Extension) by extending the benefits achieved in the Central London Congestion Charging Scheme.		
Schedule:	Good progress is being made on early stages of implementation. 'Go-live' remains on track for February 2007.		
Forecast:	Year to date expenditure totalled £14.6m against a budget of £26.0m with the full year forecast £22.5m against a budget of £64.8m.		
Approval:	The February 2005 TfL Board approved in principle the entering into of contracts required to implement the Western Extension.		

LR-PJ01	East London Line Extension	Total Budget = £896m IP = £896m	
Baseline:	This project scope covers the rail link between Dalston Junction, Crystal Palace and New Cross Gate. This includes 4 new stations, 6 refurbished stations and 3 major bridges.		
Schedule:	Good progress is being maintained on all the major workstreams, however it should be noted that timescales are highly demanding. The Main Works terms and conditions have been reviewed by the legal team and have been issued to the tenderers. The Invitation to Tender for the Rolling Stock was issued on 2 November 2005, with replies received on 4 January 2006.		
Forecast:	Accrued expenditure for the year amounts to £29.3m against a budget of £24.2m and the whole year forecast is £45.8m against a budget of 37.4m.		
Approval:	May 2005 – Approval in principle to the entering into of contracts and other expenditure exceeding £100m.		

LR-PJ06	DLR Capacity Enhancement 3 Car	Total Budget = £102m IP = £102m	
Baseline:	This scope of this project covers the structural works (platform extensions, track realignment, viaduct strengthening) necessary for 3 car operations between Bank/Tower Gateway & Lewisham.		
Schedule:	Procurement remains on programme with tenders having been received from all four bidders for outline design works and the evaluation process is underway.		
Forecast:	Accrued expenditure for the year amounts to £1.3m against a budget of £4.0m with the whole year forecast £4.5m against a budget of £4.6m		
Approval:	October 2005: DLR - Capacity Enhancements (3 Car). £1.5m approved to cover the development and outline design stage.		

LR-PJ08	London City Airport DLR Extension	Total Budget = £150m IP = £80m	
Baseline:	This scope of this project covers the extension of DLR to London City Airport and onward to King George V, including intermediate stations at West Silvertown and Pontoon Dock. This includes passive provision for two further stations to be opened in line with future development. It has been let as a 30 year DBFM concession.		
Schedule:	London City Airport Extension opened ahead of schedule on 2 December 2005. The official opening was held on 6 December whilst ridership on the new extension exceeded 10,000 for the first time on 8 December.		
Forecast:	Accrued expenditure for the year amounts to £3.0m against a budget of £2.9m and the whole year forecast is £4.2m against a budget of £5.6m		
Approval:	No additional approvals are required on this project.		

LR-PJ09	Woolwich Arsenal - DLR Extension	Total Budget = £150m IP = £150m	
Baseline:	The scope of this project covers extension of the railway under the Thames from King George V to Woolwich Arsenal with a new combined station at Woolwich Arsenal linking the town centre, buses, South Eastern rail services and Waterfront Transit.		
Schedule:	Construction work for the tunnel boring machine launch chamber continues ahead of schedule. Work is also progressing with regard to land acquisition issues and detailed design.		
Forecast:	Accrued expenditure for the year amounts to £11.7m against a budget of £11.5m and the whole year forecast is 14.0m against a budget of £11.9m		
Approval:	No further approvals 2005/06. Funding for construction is now under a concession agreement value £177m and no further capital funding will be sought.		

Modal Summary of Capital Expenditure

ANNEX 2

£'m	Year to Date		Full Year		
	Actual	Variance to Budget	Forecast	Budget	Variance to Budget
London Underground					
Capital expenditure	213	(64)	335	376	(41)
Capital receipts/reimbursements	(98)	(1)	(145)	(142)	(3)
Property sales	(7)	2	(13)	(13)	-
Net Capital Expenditure	108	(63)	177	221	(43)
Surface Transport					
Capital expenditure	192	(44)	346	438	(92)
Capital receipts/reimbursements	(10)	(3)	(15)	(12)	(3)
Net Capital Expenditure	182	(46)	331	426	(95)
London Rail					
Capital expenditure	59	(7)	99	95	4
Capital receipts/reimbursements	(2)	(2)	(2)	-	(2)
Net Capital Expenditure	56	(10)	98	95	2
Group Directorates					
Capital expenditure	33	(32)	70	117	(47)
Capital receipts/reimbursements	(4)	15	(10)	(30)	19
Net Capital Expenditure	29	(16)	60	87	(28)
Total					
Capital expenditure	496	(147)	851	1,027	(176)
Capital receipts/reimbursements	(114)	10	(172)	(184)	12
Property sales	(7)	2	(13)	(13)	-
Overprogramming (capital)	-	101	(5)	(140)	135
Net Directly Managed Expenditure	375	(34)	661	690	(29)
Development Expenditure	(36)	(6)	(74)	(49)	(25)
Total Net Capital Expenditure	339	(40)	586	640	(54)

() indicates variance is a below budget spend except for capital receipts/reimbursements and property sales