

Investment Programme Report

Third quarter, 2006/07



Cover Image: The 540-tonne boring machine (named Carla) that was used to tunnel the DLR Woolwich Arsenal extension connecting King George V station to the heart of Woolwich Town. The up tunnel was broken through on 19 December 2006.

Transport for London

Investment Programme Report

Third quarter, 2006/07 (17 September – 09 December 2006)

1 Programme Highlights

1.1 The key highlights from the third quarter of 2006/07 were:

- Piccadilly Line services to Heathrow Terminal 4 station resumed on 17 September 2006 following a 20-month closure as part of the Terminal 5 extension project.
- The new Connect radio system went live on the District line on 11 October 2006, Circle and Hammersmith & City lines on 08 November 2006 and Metropolitan line on 11 December 2006.
- Capita went live with registration of discounts for residents within Western Extension of the Congestion Charge area on 20 October 2006.
- The East London Line main works contract was awarded to a consortium comprising Balfour Beatty and Carillion on 20 October 2006.
- Transport Works Act order was received for Stratford International DLR station on 25 October 2006.
- On Channel Tunnel Rail Link (CTRL) at King's Cross, heritage works to St Pancras' Euston Road facade was completed on 9 September 2006 and the access passage between all London Underground lines reopened on 8 October 2006. Phase 1 of the project was successfully completed on 10 December 2006.
- Stretch of railway between Stratford and North Woolwich formerly used by Silverlink Metro was transferred to DLR on 10 December 2006 to be converted for DLR operations as part of Stratford International Extension.
- Public consultations were initiated on options for the Croydon Tramlink Extension to Crystal Palace (19 October 2006), London-wide Low Emission Zone (4 November 2006) and route options for Cross River Trams (21 November 2006).
- LU was awarded the 'Project of the Year' for the Jubilee 7th Car Project on 31 October 2006 at the Association of Project Management annual awards ceremony.
- DLR won the London Planning Award for 'Best Public Sector Planning Organisation' in recognition of the successful expansion of its network, innovative approach to planning and development including pioneering community liaison initiatives and proactive stakeholder engagement. DLR also scooped the Community Rail Award for best 'Local Transport Integration Project' for London City Airport station.
- Lancaster Gate station on the Central line successfully reopened on 13 November 2006 following refurbishment of lifts and station modernisation.
- An announcement was made that the new station currently under construction on the Hammersmith & City line will be known as Wood Lane and Shepherd's Bush station (Hammersmith & City) will be renamed as Shepherd's Bush Market.

- Announcement made on 5 December 2006 that operation of 11 north London stations currently managed by Silverlink Metro will be transferred to London Underground on 11 November 2007.
- The Commissioner announced that a third of the Tube network will be upgraded with new air conditioned trains on Circle, District, Hammersmith & City and Metropolitan with increased capacity, new signalling and renewed track over the next decade.
- Following extensive work across all of Transport for London, the 2005/06 to 2009/10 Investment Programme 2007 was approved by the Board.

Post quarter events

- MTR Laing and Go-Via were selected to submit a 'best and final offer' for the contract in the summer of 2007 to run London Overground services on the integrated North and East London Railways.
- The 1.7km Coulsdon Relief Road, creating a bypass on the A23 London to Brighton which will remove 80% of traffic from Coulsdon Town Centre opened on 18 December 2006.
- Woolwich Arsenal Extension Up Tunnel broke through on 19 December 2006.
- Two £100 million bonds were issued by TfL as part of the financing for its five-year Investment Programme in December.
- A Skanska Grant Rail joint venture was awarded the contract for Package 8 (Network Rail Interface) for the Stratford International Extension on 10 January 2007.




2 Projects (over £100m)

- 2.1 TfL's Investment Programme contains a range of programmes and projects over £100m in addition to a range of smaller activities which are delivered by TfL directly, through our partners in the London Boroughs or through long-term partnerships with the private sector such as the PPP on London Underground and Private Finance Initiatives (PFI).

TfL has established an 'Oversight' function, whose purpose is to provide assurance for the Commissioner on the delivery of the Investment Programme. Oversight has determined a risk based list of 'top 12' and 'top 50' projects which form the basis of programmes and projects within the overall Investment Programme Report.


This section reports on discrete projects with a total cost greater than £100m. Projects identified from the latest 'Oversight' risk categorisation process as being included in the top 12 are identified by an asterisk (*).

For each project, key milestones are given with a forecast date against the current planned date and a Red Amber or Green (RAG) status as follows:

	Delivery on schedule
	Delivery < 3 months behind schedule
	Delivery > 3 months behind schedule

London Underground

- 2.2 Channel Tunnel Rail Link (CTRL) at King's Cross (*)

Channel Tunnel Rail Link at King's Cross	Current Plan Date	Actual / F'cast Date	RAG
Phase 1 final completion	31-12-2006	10-12-2006	completed
Phase 2 completion	31-12-2010	31-12-2010	

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.

The main component of Phase 1, the Western Ticket Hall, was successfully opened on 28 May 2006. Heritage works to St Pancras' Euston Road facade was completed on 9 September 2006 and the access passage between all London Underground lines reopened on 8 October 2006. Phase 1, including refurbishment of the Metropolitan and Circle line platforms was completed on 10 December 2006.

Phase 2, including the Northern Ticket Hall, has begun with continuing site surveys and contractor mobilisation on site. Good coordination has been established with other programmes at the King's Cross site. The Phase 2 tunnelling works and excavation of the Northern ticket hall have commenced with the overall project remaining on target for completion in December 2010.

Once the new Channel Tunnel Rail Link is opened, King's Cross St Pancras Station is forecast to be one of the busiest on the Underground network, serving 92,000 passengers in the morning peak by 2011.

2.3 Victoria Station Upgrade (*)

Victoria Station Upgrade	Current Plan Date	Actual / F'cast Date	RAG
TWA Submission	28-02-2007	30-11-2007	■

With 68 million people passing through it each year, Victoria is the most congested station on the Underground network. Temporary station closures are regularly used to manage access to and congestion within the station, particularly during the morning peak. This project will provide a significant increase in passenger circulation space in key congested areas of the station and step-free access from street to platform for the Victoria Line.

To minimise potential objections at the TWA Order public enquiry, the current proposed scheme is being amended to avoid conflict with a proposed Land Securities commercial development and the Victoria Palace Theatre. This has resulted in a delay to the TWA Order application date. The current forecast for submission remains at November 2007.

Progress this quarter has included further investigations for the asbestos removal works. For the Corner Site Development, revised drawings have been presented to the LU Design Board and agreement is now being sought with Westminster Council. Procurement has commenced with contracts for the utilities' diversions design and station modernisation scoping having been let. The major works are still on target to commence in Quarter 4 2009.

The project completion date is likely to be delayed to Quarter 4 2014 from the original forecast of Quarter 3 2013 further to a review of the construction programme following completion of the feasibility study.

2.4 Tottenham Court Road Congestion Relief (*)

Tottenham Court Road Congestion Relief	Current Plan Date	Actual / F'cast Date	RAG
RIBA ¹ Stage D design received	01-06-2006	08-09-2006	completed
Design tenders returned	15-01-2007	29-01-2007	▲

Tottenham Court Road station is at the heart of London's West End, and is currently operating in excess of its capacity. It therefore suffers from significant congestion. Demand at the station is forecast to increase, and access to the station would need to be severely restricted to avoid unsafe levels of congestion and operation. The scheme will provide a significantly enlarged ticket hall with improved and additional entrances to the station, additional escalator access to the Northern Line platforms, and improved circulation space and step-free access throughout the station. It will also provide a link into the proposed Crossrail scheme.

Progress this quarter includes agreement on the procurement strategy that will contract the design separately from the build. The design work streams will begin in the new year with the invitation to tenders being returned on 29 January 2007 following a two week extension of time requested by the tenderers.

¹ Royal Institute of British Architects

The Powers for the new ticket hall are included within the provisions for the Crossrail Hybrid Bill, and work has continued on interfacing and negotiating with various petitioners to the Tottenham Court Road portion of the Bill, and providing support through the Parliamentary Select Committee process. Commencement of the main works on site is now expected in Quarter 2 2008. This Bill now also includes Bond Street Congestion Relief scheme. Award recommendation for the utilities diversion works has been approved and works are due to start in the new year.

2.5 Tunnel Cooling

LUL Tunnel Cooling	Current Plan Date	Actual / F'cast Date	RAG
Victoria ground water cooling trials complete	31-07-2007	31-07-2007	●

This is a long term programme to reduce ambient temperatures in a number of ways including increased ventilation, improved energy efficiency, and train-based measures. An accelerated design programme has commenced to provide solutions in time for the line upgrade programmes. The design contracts for the Victoria and Northern Lines are being let alongside "Base Data" collection. This accelerated early design will allow informed prioritisation of works to coordinate with station modernisations and line upgrades. With regard to the Victoria ground water trial, all monitoring systems are now in place and it is proposed that a further 6 months of monitoring be undertaken.

2.6 LU Line Upgrade – PPP BCV (*)

Line Upgrade – PPP BCV	Current Plan Date	Actual / F'cast Date	RAG
W & C line upgrade complete	March 2007	March 2007	●
Victoria Line – 1 train accepted to run in LU traffic hours	Spring 2009	Spring 2009	●
Victoria Line – Commence rolling stock full production	Summer 2010	Summer 2010	●

The Waterloo and City line was reopened on 11 September 2006 and the upgrade is due for completion in March 2007. This was as a result of LU giving permission for a line closure during the summer.

For the BCV network, the first major line upgrade is the Victoria Line. The works include new rolling stock, signalling, control equipment, depot and track.

Train cars are now in production. Testing of the first train is near completion with testing on the network during engineering hours planned to start in February 2007. Detailed design on the second prototype train (Train 2) is nearing completion and production has begun. Delivery is due in September 2007. Depot enabling works for the delivery of the first train are close to completion.

There are delays to the installation on Signal Equipment Rooms, with a possible 5-week delay to commissioning. The delay to construction has been caused by the late sign-off of the detailed design.

The System Control Centre building has been handed over for the installation of the signalling equipment. Tenders for the core control system are due to be issued in early 2007.

A series of closures for the track renewals were completed successfully but progress in engineering hours has been slow. Metronet has revised the track strategy to complete the

works necessary to run the first train by February 2007 with all other track works being completed by the end of 2008.

A revised completion date of February 2012 for the Journey Time Capability (JTC) improvement is now targeted by Metronet. However this accelerated delivery date has slipped, primarily due to delays in the aforementioned signalling component of the project. The contractual date however is August 2013. The plan dates shown in the table above will be reviewed during Quarter 3.

2.7 LU Line Upgrade – PPP JNP

Line Upgrade – PPPJNP	Current Plan Date	Actual / F'cast Date	RAG
Jubilee Line – Delivery of last train	Spring 2008	Spring 2008	●
Jubilee Line – LU acceptance of first section	Summer 2008	Summer 2008	●
Jubilee Line – LU acceptance of entire line	November 2009	November 2009	●

Work is under way on both Jubilee Line Upgrade and Northern Line Upgrade. They provide for signal and train control replacement to improve the capability of the Lines. Completion is due 2009 for the Jubilee Line, with the Northern Line to follow in 2011.

On the Jubilee Line programme, the Transmission Based Train Control (TBTC) and Rolling Stock elements both remain 3 months behind the 'early finish' target programme. Rolling stock fit-out is now accelerated with Tubelines working on three trains simultaneously, but recovery is still slow. Both activities are critical to the overall upgrade schedule and LU is pressing for Recovery Plans for both work streams. Work planned over the next quarter includes testing of re-equipped trains on the test track at Highgate, start of driver training and completion of wayside signalling equipment installation on the dual-fit area.

2.8 LU Line Upgrade – PPP Sub-Surface Line (SSL)

Line Upgrade – PPP SSL	Current Plan Date	Actual / F'cast Date	RAG
New rolling stock – Preliminary vehicle design complete	28-02-2007	28-02-2007	●
D78 Stock – 66% of rolling stock refurbished and in service	31-08-2007	31-08-2007	●
Signalling system – preliminary design freeze	31-12-2008	31-12-2008	●

The SSL network (consisting of Circle, District, Hammersmith & City and Metropolitan lines) upgrades will provide new and refurbished rolling stock, new signalling and a new control centre.

The interfaces and interoperability of the signalling systems with the SSL network and Network Rail is an emerging issue. Joint forums are now in place to ensure maximum compatibility.

The migration from 630V traction power to 750V is now agreed between all parties. This will allow more efficient operation and contribute to improved JTC.

The SSL Upgrade Programme is currently in Phase 1. This will deliver eight new "S-Stock" trains on the Metropolitan Line to supplement the existing "A-Stock" fleet, an interim signalling control facility, signalling works to install DTG-R infrastructure on the north west Metropolitan Line, track circuit immunisation to allow new trains to operate, signalling "pinch-point" improvements, depot and stabling modifications to support the eight new trains, new

train staff facilities at selected stations, low voltage power upgrade and cabling upgrades. The programme is on track to complete by 2018.

2.9 7-Car Circle Line

7-Car Circle Line	Current Plan Date	Actual / F'cast Date	RAG
Surveys/design for platform extensions begin	31-03-2007	31-03-2007	●
Platform extension work starts on site	31-03-2008	31-03-2008	●

This project provides for all the work associated with enabling 7-car operation at the minority of stations where trains are currently restricted to 6-car running. The project also provides an additional new S-stock car to that already being supplied under the SSL Upgrade Programme. The feasibility study for platform extensions at four stations has identified affordability issues, which are being addressed by the design contractors. Prices have been submitted which are currently being re-assessed in parallel with the design proceeding to RIBA Stage D (up to Powers).

London Rail

2.10 East London Line Extension (*)

East London Line Extension	Current Plan Date	Actual / F'cast Date	RAG
Award Main Works Contract	31-05-2007	20-10-2006	completed
Test Running	31-01-2010	14-05-2009	●
Completion	29-06-2010	19-10-2009	●

The upgraded and extended East London Line is planned to open in 2010 with TfL as the passenger service operator through a joint ELL/NLR concession, termed 'London Overground'. The concession contract is scheduled to be awarded in June 2007, ready for the transfer of operation of the North London Line to TfL in November 2007. MTR Laing and Go-Via were selected to submit a 'best and final offer' for the contract. LU will be the infrastructure controller and network operator north of New Cross Gate, with Network Rail the infrastructure controller for the remainder.

The East London Line main works contract was awarded to a consortium comprising Balfour Beatty and Carillion on 20 October 2006. The line between Whitechapel and Shoreditch Stations was handed over to the main works contractor on 3 November 2006. Second stage enabling works are due to be completed by 15 January 2007.

The project remains on track for the ELL to re-open on the scheduled date.

2.11 DLR Bank-Lewisham 3 Car Infrastructure

DLR Bank-Lewisham 3 Car Infrastructure	Current Plan Date	Actual / F'cast Date	RAG
Beckton Depot completion	20-10-2006	31-01-2007	▲
Tender documents to be returned	30-11-2006	21-12-2006	completed
Construction work starts	30-04-2007	10-04-2007	●
Construction/trackwork/signalling complete	30-09-2009	30-09-2009	●
Service operational	31-10-2009	31-10-2009	●

Tenders for the main works package were received on 21 December 2006 and are currently being evaluated. The contract is due to be let in March 2007. The final works on the Beckton Depot expansion was delayed and is now expected to be completed by 31 January 2007. The second stage of the depot expansion will follow on to service the new Olympic Railcars.

2.12 DLR Woolwich Arsenal Extension

DLR Woolwich Arsenal Extension	Current Plan Date	Actual / F'cast Date	RAG
Complete up-tunnel	06-09-2006	19-12-2006	completed
Project completion	31-01-2009	31-01-2009	●

Although there was some delay in constructing the up-tunnel under the Thames due to the ingress of water, this was completed on 19 December 2006. To mitigate the impact of the delay, six-day working has now been put in place until the end of the project and the lost time is expected to be recovered to allow the completion of the project on schedule.

2.13 DLR Stratford International

DLR Stratford International	Current Plan Date	Actual / F'cast Date	RAG
Contract Package 8	01-12-2006	20-12-2006	▲
TWA powers granted	31-12-2006	25-10-2006	completed
Contract Package 7	29-01-2007	29-01-2007	●
Contract Package 6	28-05-2007	10-04-2007	●

Transport Works Act powers was granted on 25 October 2006. The ITT has been issued for all three contracts, with Package 8 (Network Rail Interface) for the Stratford International works awarded on 10 January 2007. Package 7 (Canning Town Flyover) tenders were returned on 21 December. Silverlink operation on the North London Line south of Stratford Regional ceased on 11 December 2006 and the track handed over to DLR for work to start on the conversion of the railway for DLR operation.

Finance & Planning

2.14 Cross River Tram

Cross River Tram	Current Plan Date	Actual / F'cast Date	RAG
Complete Stakeholder consultation on route options	15-11-2006	30-10-2006	completed
Complete review of options post consultation	28-02-2007	28-02-2007	●
Complete public consultation on route options	30-03-2007	30-03-2007	●

The public consultation on the route options was launched on 14 November 2006 with consultation brochures issued to a quarter of a million addresses and seven road shows, four of which have been undertaken. The consultation will finish in January 2007. A further public consultation will take place next year on the various depot options. Negotiations have now been satisfactorily completed with the developer at King's Cross on the alignment of the terminus there and the Section 106 agreement was agreed by Camden on 16 November 2006.

2.15 Croydon Tramlink Crystal Palace Extension

Croydon Tramlink Crystal Palace Extension	Current Plan Date	Actual / F'cast Date	RAG
Commence public consultation	31-10-2006	19-10-2006	completed
Commence investigation of options	31-10-2006	31-10-2006	completed
Agree governance and handover strategy with London Trams and Surface Transport	01-10-2006	28-02-07	▲

The public consultation on the route options commenced on 19 October 2006 and lasted for two months. Agreement has been reached with the London Development Agency on a compatible Crystal Palace Park / Tram scheme, which has been included in the route options. The preferred option will be available in July 2007 following assessment of the findings of the consultation exercise.

The project team is currently working with London Rail on the implication of possible transfer of additional rail lines to TfL in the future.

Governance and handover strategy for Croydon Tramlink Extension was discussed as planned at the Tram Board on 11 December 2006 and the implementation details will be agreed between London Trams and MPBU before the end of February 2007.

2.16 Thames Gateway Bridge (*)

Thames Gateway Bridge	Current Plan Date	Actual / F'cast Date	RAG
Obtain HM Treasury and PRG approval of outline Business Case	31-12-2006	21-11-2006	completed
Issue of OJEU Notice and Pre-Qualification Questionnaire for Concession Contract	31-12-2006	19-01-2006	▲
Approval by Secretary of State	30-03-2007	30-03-2007	●
Issue Invitation to Tender	30-05-2007	30-05-2007	●

A public inquiry was held between June 2005 and May 2006 into the planning applications and orders. Decisions on the planning applications and orders from the relevant Secretaries of State are expected by March 2007.

HM Treasury Project Review Group approved £350m of PFI credits for the projects on 21 November 2006. The project is seeking expressions of interest from potential bidders via an OJEU notice and pre-qualification questionnaire, which is planned to be issued by mid-January. Once the Secretary of State has approved the scheme, the ITT will be issued.

2.17 West London Tram

West London Tram	Current Plan Date	Actual / F'cast Date	RAG
TfL Board submission for approval to deposit (TWO) Application	30-11-2006	31-05-2007	■
Deposit (TWO) Application	31-03-2007	29-06-2007	▲
End of objection period	18-05-2007	31-08-2007	■

The project is currently undergoing a series of internal reviews, the first of which will be in December to review the finalised scheme modelling, in preparation for seeking Board approval to submit a Transport and Works Act Order application. As part of the TWA order TfL has to present possible alternatives to the tram. This work is ongoing and involves a bus alternative scheme.

2.18 Stratford Regional Station Upgrade (*)

Stratford Regional Station Upgrade	Current Plan Date	Actual / F'cast Date	RAG
Obtain Planning Consent and Powers	31-08-2006	14-11-2006	completed
Complete Scheme definition and programme	30-03-2007	30-03-2007	●

The validated estimate for the Olympic Enhancements is £104m for the capital works; the funding gap remains £54m with discussions ongoing between ODA, DfT and DCMS to resolve. The scheme has been presented to Treasury, DfT, DCMS and ODA, who have agreed that there is no alternative.

Whilst the funding gap is being resolved, ODA have agreed to provide advance funding to allow Network Rail to procure long lead items for the first site possession in August 2007 and for DLR to contract for subway work as part of its Stratford International Extension contracts. The procurement strategy for the implementation has been approved subject to securing the necessary funding. The detailed design remains on forecast to complete by March 2007.

The project remains on track to complete in October 2010, ready for the commencement of Olympic trial events in January 2011.

3. Other projects

- 3.1 This section reports on the remainder of the top 12 projects identified from the latest Oversight risk categorisation process which have a value below £100m and are therefore not included in the section above. It also includes other noteworthy projects in the quarter as identified through the Investment Management Review (IMR) process.

London Underground

3.2 Olympic Works (*)

Olympics Accessibility	Current Plan Date	Actual / F'cast Date	RAG
Southfields Design Complete	Summer 2007	Summer 2007	●
Green Park Design Complete	Spring 2008	Spring 2008	●
Baker Street Design Complete	Spring 2009	Spring 2009	●

This project provides step-free access at three Olympic-critical stations; Southfields, Green Park and Baker Street (SSL only). All three stations are at feasibility stage. The conceptual design of Southfields Station is progressing with the Ticket Hall reconfiguration possibly being included. The feasibility study for Green Park is due to complete in January 2007. The Options Analysis for Baker Street is complete and the design phase has begun.

All three station projects are on target for completion in 2008 (Southfields), 2009 (Baker Street) and 2011 (Green Park).

3.3 Connect Airwave (*)

Connect Airwave	Current Plan Date	Actual / F'cast Date	RAG
Contract award	30-06-2006	22-01-2007	■

This project enhances the emergency services communication system on the Underground expanding coverage and capacity. The contract is to be awarded in mid January 2007. Early installation of Airwave transceivers before Connect goes live on many lines may allow the airwave programme to be accelerated. Completion remains on target for 2008.

Surface Transport

3.4 Congestion Charging Western Extension (*)

Congestion Charging - Western Extension	Current Plan Date	Actual / F'cast Date	RAG
Go Live with Public Information Campaign	20-10-2006	09-10-2006	completed
Completion of enforcement infrastructure proving	30-11-2006	31-12-2006	completed
Function, volume and end to end testing complete	08-01-2007	08-01-2007	●
Western Extension Scheme Operation	19-02-2007	19-02-2007	●

The overall programme remains on track to go live in February 2007. Capita staffing enhancements and training are on schedule with 67% of their staff target recruited. Discount registrations are increasing with 34% of potential registrants achieved by end of the third quarter. Infrastructure proving was completed in December and end to end system testing is planned to be complete during January 2007.

3.5 iBus (*)

iBus	Current Plan Date	Actual / F'cast Date	RAG
System Acceptance	08-12-2006	19-01-2007	▲
First Garage Application	04-05-2007	22-06-2007	▲
Final Acceptance	21-01-2009	21-01-2009	●

The iBus project is to procure and implement a radio communication and Automatic Vehicle Location (AVL) solution. This will improve quality of information to customer, including on-bus and at bus stops, and reduce the current risk of a system failure.

Siemens has failed to meet the System Acceptance testing milestone of 8 December 2006 and has revised their programme. This also impacts on the First Garage Application milestone, but the project team expects to recover lost time during the Roll Out phase. Final Acceptance is still forecast to be completed by January 2009.

3.6 A406 Bounds Green (*)

A406 Bounds Green	Current Plan Date	Actual / F'cast Date	RAG
Submit Planning Application	30-11-2006	30-11-2006	completed
Commence Construction	30-06-2009	30-06-2009	●
Complete Construction	30-04-2011	30-04-2011	●

The project will make a number of safety and environmental improvements along Telford Rd, Bowes Rd and the North Circular Rd between the A109 Bounds Green Rd/Station Rd and Chequers Way. Following the approval of the preferred "2006 Scheme" by the TfL Board a Planning Application was submitted on 30 November 2006. A Public Inquiry, if required, is currently planned to complete by April 08, with construction forecasted to commence by the end of June 2009. The scheme continues to forecast completion in April 2011.

3.7 Bus Priority – TLRN Schemes

Bus Priority – TLRN Schemes	Current Plan Date	Actual / F'cast Date	RAG
8 Bus Lane Schemes Completed	31-03-2007	31-03-2007	●

This investment programme covers the preliminary and detailed design, consultation and implementation of physical bus priority measures on the TLRN. The small number of schemes which were carried over from 2005/06 into this financial year are now forecast to be completed by March 2007. Half of the eight bus lane schemes scheduled for 2006/07 were completed by the end of Quarter 3.

3.8 Coulsdon Relief Road

Coulsdon Relief Road	Current Plan Date	Actual / F'cast Date	RAG
Road Open (sectional completion)	23-10-2006	18-12-2006	completed
Substantial Completion and Handover	22-12-2006	12-03-2007	▲
Landscape maintenance completion	22-12-2009	22-12-2009	●

This is a local regeneration scheme involving the development of the 1.7km Coulsdon Relief Road to divert up to 80% of traffic away from Coulsdon Town Centre. The uncharted gas mains pipe discovered at the north junction was replaced and work continued unabated. There was a noticeable improvement in the intensity of the contractor's site activity to achieve road opening by 18 December 2006. Substantial completion is forecast by March 2007.

3.9 Dial-a-Ride Scheduling System

Dial-a-Ride	Current Plan Date	Actual / F'cast Date	RAG
Complete migration of depots to new system	30-04-06	30-11-07	■
Introduce Mobile Data Terminals in all vehicles to transmit trip information	30-09-06	30-09-07	■

The implementation of a scheduling and booking system will make more efficient use of vehicles and drivers. This will lead to a reduction in refusal rates, better scheduling leading to increased travel opportunities, improved call answering and same day booking.

Dual system running commenced in October and further testing continued in the following four weeks. To ensure an effective rollout, significant system improvements were then implemented. Depot 3 (Paddington) is on target for completion in January. The remaining depots to be migrated throughout 2007 are Palmers Green, Orpington, and Woodford.

4. PPP/PFI Investment

This section reports on performance and contractual issues relating to Indirectly Managed expenditure.

4.1 London Underground

The PPP requires Metronet and Tube Lines to provide a high level of renewal and upgrade of track, signals and stations in the first half of the 30 year contract. Set out below is the performance for each Infraco.

Tube Lines

- Track – completed 10.9km of the 11.1km planned to Quarter 3.
- Lifts and escalators – 7 escalators have been refurbished as planned to Quarter 3.
- Stations – 11 stations have been modernised or refurbished according to plan this year.

Metronet SSL

- Track – completed 7.3km of the 8.4km planned to Quarter 3.
- Lifts and escalators – one escalator has been replaced and one escalator has been refurbished as planned to Quarter 3.
- Stations – two stations have been modernised and twelve have been refurbished since transfer but none of the stations due this year have been delivered.

Metronet BCV

- Track – 12.2km of the 13.3km planned to Quarter 3 have been completed.
- Lifts and escalators – two lifts have been replaced, one escalator has been installed and four escalators have been refurbished as planned to Quarter 3.
- Stations – two stations have been modernised this year, the only ones since transfer and four stations have been refurbished since transfer.

Metronet's station programme is severely delayed with all 21 SSL and 19 out of 20 BCV stations not completed on schedule to date, with some more than 13 periods late. A revised programme is under discussion with Metronet.

4.2 Connect Works (*)

Connect	Current Plan Date	Actual / F'cast Date	RAG
District Line go live	23-10-2006	11-10-2006	completed
Circle, Hammersmith & City line go live	31-12-2006	08-11-2006	completed
Metropolitan Line go live	31-12-2006	11-12-2006	completed

Connect is a 20-year PFI contract to upgrade and maintain the radio and transmission system used through the network.

The Fluor (cabling and associated works) enabling works for both the LU and Network Rail stations are now largely complete. The radio system went live on the District Line on 11 October followed by Circle and Hammersmith & City on 8 November 2006 and Metropolitan on 11 December 2006. The Victoria and Bakerloo lines are to follow with completion projected by April 2007.

4.3 Power Works

Power	Current Plan Date	Actual / F'cast Date	RAG
VLU Power Upgrade – award construction contract	30-06-2006	31-01-07	■
VLU Power Upgrade – Bulk supply points delivered into service	09-03-2009	09-03-2009	●

The negotiation of the terms of the variation for the Victoria Line Power Upgrade with EDF Energy Powerlink has concluded with detailed drafting finalised. The Letter of Agreement was passed to Powerlink's lenders on 20 December 2006 and approval of the Terms and Conditions is estimated to be received by mid February 2007. The contract for the supply of the new bulk supply point at Manor House was let with EDF Energy Networks in late December 2006. It is currently estimated that the extended period of negotiations with Powerlink will delay the contractual completion date to 2-3 months later than the PPP obligation date of 16 June 2009. To mitigate against further delays, LU issued an advance purchase instruction to Powerlink to proceed with early works ahead of the full Authority Notice signature to secure critical supplier manufacturing slots, to undertake programme critical design works and to complete HV cable installation during November and December.

5. Olympics

Progress on TfL's contribution to the London 2012 Olympic Games is reported each period to the Olympic Delivery Authority (ODA). This report is well received, and is being used by the ODA as a template for the other delivery partner reporting. The latest report is attached in Annex 1.

6. Investment Programme

The 2007/8 TfL Business Plan approved by the TfL Board on 25 October 2006, was published soon after on TfL's website on 01 November 2006. This included an updated 5 year Investment Programme.

7. Investment Programme – Financial Progress

Total Investment Programme Expenditure £ millions	Year to Date		Full Year		
	Actual	Variance to Budget	Forecast	Budget	Variance to Budget
Capital Expenditure					
LUL (after overprogramming) ¹	181	(77)	305	383	(78)
Surface (after overprogramming)	161	2	227	246	(19)
London Rail	114	(17)	(172)	182	(10)
Group Directorates	15	(4)	30	28	2
Overprogramming (group level only)		48		(70)	70
<i>Total Capital Expenditure (after overprogramming)</i>	471	(48)	733	770	(36)
Development & Borough Expenditure	119	(8)	209	210	(1)
<i>Directly Managed Expenditure</i>	590	(56)	942	980	(38)
<i>Indirectly Managed Expenditure</i>	971	2	1,383	1,400	(17)
Total Gross Investment Expenditure	1,561	(54)	2,325	2,380	(55)

Tables may be subject to rounding errors

Total Investment Expenditure²

Total Gross Investment Expenditure YTD for the third quarter 2006/7 after overprogramming totalled £1,561m, £54m below budget with the whole year forecast showing £2,325m, £55m below budget.

Directly Managed (Including Capital Expenditure)

Net Value of Works Done (VOWD) on projects directly managed by TfL (including Development and Borough expenditure) at the end of the third quarter was £48m under budget after overprogramming with the full year forecast anticipated to be £36m under budget after overprogramming.

The CTRL works at King's Cross represents £45m of LU's total forecast under spend of £78m, albeit offset by lower capital receipts. Other projected under spends are mainly from

¹ In a programme as complex as the Investment Programme, TfL recognises that there will be circumstances largely outside of its control which will lead to unforeseen delays and other changes. Overprogramming recognises this fact and enables TfL to mitigate this risk.

² Investment expenditure includes expenditure of a capital nature but which is delivered through PPP, PFI, through the London Boroughs or other contractual arrangements and therefore is treated as operating expenditure in TfL's Statutory Accounts and development work up to Transport Works Act Order.

rephasing of track works for operational flexibility to future years, and delays to station congestion and accessibility projects partially offset by accelerated expenditure on tunnel cooling.

Surface Transport capital expenditure is forecast to be under spent by the end of the year by £19m. This is due to less than anticipated project delivery across the programme rather than to a few specific programmes. London Rail year to date expenditure is £17m below budget and forecast of £10m under spend at year end reflects the rephasing of the East London Line Extension and Olympic railcar expenditure. Group directorate expenditure was £4m below budget for the year to date mainly due to the London Transport Museum upgrade and delays to the real time integration project. It is forecast to be slightly over budget by year end due to unbudgeted accommodation strategy costs.

Further information on Directly Managed expenditure can be found in the Operational and Financial Report.

Indirectly Managed

Expenditure on indirectly managed projects at the end of the third quarter was £2m above budget with the full year forecast showing an under spend of £17m. Refer to section 4 for detailed information.