

# **MAYOR OF LONDON**

## **The Mayor of London's Capital Spending Plan for 2011-12**

February 2011

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## Section 1: Statutory capital spending plan

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### Background

- 1.1 The Mayor is required, under section 122 of the Greater London Authority (GLA) Act 1999, as amended by the Local Government Act 2003, each financial year to prepare a capital spending plan for the GLA's four functional bodies: the Metropolitan Police Authority (MPA), the London Fire and Emergency Planning Authority (LFEPA), Transport for London (TfL) and the London Development Agency (LDA).
- 1.2 The statutory procedure requires the Mayor to send a copy of the Final plan to the London Assembly and each of the functional bodies before 15 January each year, inviting them to submit written comments to him within 21 days. Before finally determining the plan, the Mayor considers any comments submitted and makes such revisions as he sees fit, having had regard to the responses made.
- 1.3 The plan has to be sent to the Secretary of State (CLG) before 28 February and copies sent to the Assembly and the functional bodies.

### Capital spending plan

- 1.4 The format of the capital spending plan and its contents are set out in section 122 of the GLA Act 1999, as amended by the Local Government Act 2003. The plan is to be in four sections, which the Act describes in some detail. They can be categorised as follows:

**Section A** – a statement of the resources each functional body will have for capital expenditure by virtue of capital grants and capital receipts.

**Section B** – a statement of the resources each functional body will have for capital expenditure by virtue of borrowing.

**Section C** – a statement for each functional body of total expenditure for capital purposes that the Mayor expects the body to incur and the total amounts which the Mayor expects to be treated as borrowing in the year.

**Section D** – a breakdown of this total capital spending showing how much the Mayor expects the body to meet out of capital grants; its capital receipts; amounts to be met from borrowing; and how much out of revenue.

## Section 1: Statutory capital spending plan

1.5 The table below sets out the Mayor's statutory capital spending plan for 2011-12.

**Table 1 – Final Statutory Capital Spending Plan 2011-12**

Section		MPA £m	LFEPA £m	TfL £m	LDA £m
<b>A</b>	Total external capital grants	47.1	0.4	941.0	98.8
	Opening balance of capital receipts	7.3	0.0	0.0	68.0
	Total capital receipts during the year	40.0	3.1	141.0	144.0
	<b>Total external capital grants/receipts</b>	<b>94.4</b>	<b>3.5</b>	<b>1,082.0</b>	<b>310.8</b>
<b>B</b>	Minimum s.120(1) grant	0.0	0.0	0.0	0.0
	Total borrowings during the year	68.0	7.1	425.0	0.0
	Total borrowings in the form of credit arrangements entered into or varied	0.0	0.0	0.0	0.0
	<b>Total borrowings and credit arrangements</b>	<b>68.0</b>	<b>7.1</b>	<b>425.0</b>	<b>0.0</b>
<b>C</b>	Total capital expenditure anticipated during the year	177.2	12.7	2,822.0	317.3
	Total credit arrangements anticipated during the year	0.0	0.0	0.0	0.0
	<b>Total capital spending for the year</b>	<b>177.2</b>	<b>12.7</b>	<b>2,822.0</b>	<b>317.3</b>
<b>D</b>	Funding: capital grants	47.1	0.4	941.0	92.1
	Funding: capital receipts/reserves	43.1	3.1	141.0	212.0
	Funding: borrowings and credit arrangements	68.0	7.1	425.0	13.2
	Funding: revenue contributions (including Crossrail) and overprogramming	19.0	2.1	1,315.0	0.0
	<b>Total funding</b>	<b>177.2</b>	<b>12.7</b>	<b>2,822.0</b>	<b>317.3</b>

1.6 Although the statutory capital spending plan has to be approved by the Mayor, each functional body is responsible for preparing and approving its own detailed capital spending programme. The following sections provide a breakdown of the functional bodies' current programmes.

1.7 The GLA's strategy is to coordinate treasury management activities within the Group and in particular to identify opportunities for efficient or risk-reducing use of cash from the whole Group perspective. As such, the GLA may either make loans to, or broker loans between, other members of the GLA Group and/or facilitate on lending of external borrowing to fund capital activities. Where such transactions occur, the lending organisation will incur additional capital spend equal to the principal loaned and on repayment, additional capital receipts. Such loans would be structured in a manner to be neutral to the lenders' budget and are excluded from this presentation since they do not reflect genuine additional capital expenditure or receipts from a Group perspective.

1.8 Please note that some of the tables in this capital spending plan may not sum exactly due to rounding.

## Section 2: Metropolitan Police Authority

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- 2.1 The Metropolitan Police Service's capital spending plan reflects the approved MPA Capital Strategy which focuses on the:
- Need to meet statutory requirements, or those resulting from a public enquiry
  - Compliance with health and safety enforcement notices
  - Essential replacement or upgrade of core infrastructure upon which other elements of the investment programme depend
  - Impact on delivery of Metropolitan Police Service (MPS) strategic objectives
  - Continuation or completion of projects where significant investment is already committed or where the MPA is already contractually committed
  - Delivery of significant capital or revenue savings
  - Delivery of business benefits with particular emphasis on performance improvement
- 2.2 The Strategy is supported by individual property, information technology and transport strategic plans, as well as asset management programmes. It is underpinned by the MPA's Property Strategic Plan, the Information Technology Strategic Plan and the Transport Strategic Plan/Asset Management Plan. The strategy will be reviewed to reflect the revised operational direction proposed in the Policing London Business Plan 2010-13 as well as the funding changes necessary following the Comprehensive Spending Review.
- 2.3 Funding sources for the capital spending plan comprise Government grants, third party contributions, reserves, capital receipts, revenue contributions, other third party income and borrowing.
- 2.4 For 2011-12 the draft capital spending plan totals £222.3m, with an over-programming limit of £45.1m – equivalent to 25 per cent of funding. For 2012-13 the proposed programme is £179.0m with an over-programming limit of £44.4m and for 2013-14 the proposed programme is £163.7m with an over-programming limit of £35.3m.
- 2.5 The capital programme has in part been funded each financial year by the generation of capital receipts from the disposal of redundant or obsolete property and other tangible capital assets. The downturn in the property market has resulted in a reduction in the level of capital receipts that become available. This coupled with the reduction in Home Office police capital grant and lower levels of revenue funds to bolster capital investment will adversely affect the size of the capital programme moving forward. However, specific funds will continue to be made available to support counter-terrorism initiatives, and up to 2012-13 monies will be provided to purchase assets to support the policing of the 2012 Games. It is also expected that third party contributions will continue to be received for certain named projects.

## Section 2: Metropolitan Police Authority

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- 2.6 The capital programme has been built upon the MPA being able to afford £68m of borrowing in 2011-12 and £58m in both 2012-13 and 2013-14 to support capital investment. This level of borrowing has been determined in accordance with the indicators set down within the Prudential (Code) borrowing framework.
- 2.7 Borrowing is presently constrained by the Mayor's borrowing limits for the GLA Group as a whole, and the resultant capital financing charges and their impact on the revenue budget.
- 2.8 It has also been agreed that capital reserves will be used in 2011-12 to enable core infrastructure projects to be delivered. This results, with the forecast borrowing, in the planned expenditure level being £177.2m (net of £45.1m of overprogramming).
- 2.9 The MPA has recognised that given the uncertainties associated with resources, capacity issues, and the time required to plan major schemes, that managing the capital programme represents a significant challenge. Tight management of the capital programme is required to ensure spend in any particular year does not exceed the resources available. It is also essential to limit 'slippage' in order that unused resources taken forward for completion of schemes will not raise concerns on the ability/capacity to deliver future projects.
- 2.10 Work continues on achieving the best match between investment needs and strategic objectives, with proposals for increasing capacity being assessed. However, concern over capital receipts and borrowing levels has meant that affordability of the programme in general terms, as well as its impact on the medium term budget has been a critical consideration. Review of the Authority's asset disposal and borrowing policies are underway to ascertain the opportunities for expanding the capital programme to meet the underlying demand for investment. The scope for securing other external funding is also being explored.
- 2.11 An element of over-programming amounting to £45.1m in 2011-12, £44.4m in 2012/13 and £35.3m in 2013-14 has been incorporated into the plan to enable dynamic management of the capital programme. Processes are being strengthened to enable projects to be fast tracked when others are delayed, thereby making best use of available finances while ensuring expenditure is contained within the approved budget. Steps will be taken to ensure that delivery and timing issues are addressed with the objective of improving the capacity levels of the provisioning departments.

## Section 2: Metropolitan Police Authority

- 2.12 Table 2 summarises the current implications of the proposed capital programme and spending plans against likely funding sources including affordable borrowing levels.

**Table 2 – MPA Capital Plan**

<b>MPA draft capital plan Provisioning Department</b>	<b>Proposed Budget 2011-12 £m</b>	<b>Proposed Budget 2012-13 £m</b>	<b>Proposed Budget 2013-14 £m</b>
Directorate of Information	97.7	69.3	68.5
Property Services	108.3	89.6	80.5
Transport Services	16.0	19.3	14.4
Miscellaneous Equipment from Ad Hoc Providers	0.3	0.8	0.3
<b>Grand Total</b>	<b>222.3</b>	<b>179.0</b>	<b>163.7</b>
Less overprogramming	-45.1	-44.4	-35.3
<b>Revised Total</b>	<b>177.2</b>	<b>134.6</b>	<b>128.4</b>
<b>Funding:</b>			
Capital receipts	40.0	40.0	40.0
Prudential Borrowing	68.0	58.0	58.0
Capital reserves	3.1	-	-
Capital grants & other contributions	47.1	35.2	30.4
Revenue contributions	19.0	1.4	-
<b>Total funding</b>	<b>177.2</b>	<b>134.6</b>	<b>128.4</b>

- 2.13 The impact of changes to 2011-12 and 2012-13 from last year's plan are:

**Table 3 – Year on Year Changes to MPA Spending Plans Previously Agreed by Mayor in the 2010-11 Capital Spending Plan**

<b>Changes in Capital Spending Plan</b>	<b>2011-12 £m</b>	<b>2012-13 £m</b>
Net changes to capital spending plan	20.9	-19.3
<b>Total</b>	<b>20.9</b>	<b>-19.3</b>

## Section 2: Metropolitan Police Authority

**Table 4 – Capital expenditure by operational business group**

Beneficiary Business Group	Proposed Budget 2011-12 £m	Proposed Budget 2012-13 £m	Proposed Budget 2013-14 £m
Territorial Policing	46.8	73.8	61.0
Specialist Crime Directorate	0.9	0.7	-
Specialist Operations - Counter Terrorism	7.6	3.0	3.0
Specialist Operations - General	5.9	1.0	1.0
Central Operations - Olympics	14.0	0.2	-
Central Operations - General	3.9	0.8	0.2
Directorate of Resources - Property Services	65.2	50.1	57.5
Directorate of Resources - Other	3.8	1.5	1.5
Directorate of Information - Infrastructure	40.2	24.1	22.0
Directorate of Information - Shared Services	7.2	3.6	2.0
Directorate of Information - General	7.6	2.0	2.0
Human Resources	5.7	0.1	0.1
All Business Groups - Corporate	13.5	18.1	13.4
<b>Grand Total</b>	<b>222.3</b>	<b>179.0</b>	<b>163.7</b>
Overprogramming / Headroom	-45.1	-44.4	-35.3
<b>Revised Total</b>	<b>177.2</b>	<b>134.6</b>	<b>128.4</b>

- 2.14 The financing costs in the revenue budget relate to Minimum Revenue Provision and external interest payments as shown in the table below.

**Table 5 – MPA Capital financing costs**

	2011-12 £m	2012-13 £m	2013-14 £m
Minimum revenue provision & external interest	38.6	48.7	55.9
<b>Total financing costs</b>	<b>38.6</b>	<b>48.7</b>	<b>55.9</b>

- 2.15 The estimated incremental impact of the capital investment decisions on the council tax for MPA are set out below:

**Table 6 – Incremental impact on council tax of capital investment decisions (£ per band D)**

MPA Council tax impact	Proposed 2011-12	Proposed 2012-13	Proposed 2013-14
Incremental impact	0.78	0.52	1.65



### Section 3: London Fire and Emergency Planning Authority

- 3.1 The Authority's capital programme has been developed to support achievement of its overall objective of making London a safer city. Overall, the projected capital expenditure at this stage for the Authority in 2011-12 amounts to £12.7m.
- 3.2 The current planned programme is dependent upon the available funding which in turn will depend to a large extent upon the value and timing of capital receipts and the availability of revenue and external grant funding. Prudential borrowing levels for 2011-12 are being reviewed having regard to the other sources of funding available to LFEPA (including its capital grant from the Department for Communities and Local Government).
- 3.3 LFEPA's final capital plan for 2011-12 is summarised below and set against likely funding sources.

**Table 7 - LFEPA Final Capital Plan**

	2011-12	2012-13	2013-14
	£m	£m	£m
IT projects	1.8		
Community fire safety	0.1		
New Respiratory Protection Equipment	0.4	-	-
Resilience projects	0.7	-	-
Refurbishment of fire stations	3.7	5.5	4.3
Extensions of fire stations	1.1	0.1	1.1
New/Replacement fire stations			
London Safety Plan	4.1	0.2	-
Other property projects	1.0	1.1	1.7
Sustainability projects	1.6	1.6	0.6
Minor improvements programme	1.0	1.0	1.0
Others	0.4	0.4	0.4
<b>Total projects</b>	<b>15.8</b>	<b>9.9</b>	<b>9.1</b>
<b>Less Overprogramming</b>	<b>-0.9</b>	<b>-2.2</b>	<b>-2.0</b>
<b>Capital spending plan</b>	<b>14.9</b>	<b>7.7</b>	<b>7.1</b>
<b>Funding:</b>			
Capital receipts	3.1	-	-
Borrowing	11.4	7.7	7.1
Capital grants	0.4	-	-
<b>Total funding</b>	<b>14.9</b>	<b>7.7</b>	<b>7.1</b>

- 3.4 The detailed programme is set out below broken down between new projects, ongoing projects and those nearing completion.

## Section 3: London Fire and Emergency Planning Authority

**Table 8 – Capital Programme by Project**

<b>LFEPA Programme by Project EXPENDITURE</b>	<b>Proposed 2011-12 £m</b>	<b>Proposed 2012-13 £m</b>	<b>Proposed 2013-14 £m</b>
<b>NEW PROJECTS</b>			
Refurbishment of Rear yard/Forecourts at Fire Stations	-	-	0.3
Plumstead Fire Station - Refurbishment	-	0.2	0.5
East Ham Fire Station – - Refurbishment	-	-	0.4
<b>Fire Station Refurbishments Sub total</b>	<b>-</b>	<b>0.2</b>	<b>1.2</b>
Feltham Fire Station - Extension	-	0.1	0.8
Beckenham Fire Station - Extension	0.1	-	0.3
<b>Extensions of Fire Stations Sub total</b>	<b>0.1</b>	<b>0.1</b>	<b>1.1</b>
Regulatory/Policy	0.5	0.5	0.8
Business continuity for PFI Projects – Purchase of mobilising equipment	-	0.1	0.1
Business continuity for PFI Projects – Installation of ICT Hardware	-	0.1	0.2
<b>Other Property Projects Sub total</b>	<b>0.5</b>	<b>0.6</b>	<b>1.1</b>
<b>NEW PROJECTS - Total</b>	<b>0.6</b>	<b>0.9</b>	<b>3.4</b>
<b>ON GOING PROJECTS</b>			
Command Support System - IT	0.1	-	-
Telephone System (2+8) replacement Fire Stations	0.6	-	-
Changes to Authority's Core Computer Network	0.2	-	-
Upgrade Operating System	0.5	-	-
Software Redevelopment (using Net Architecture)	0.1	-	-
Data centre relocation	0.3	-	-
<b>Information Technology Projects Sub total</b>	<b>1.8</b>	<b>-</b>	<b>-</b>
<b>Home Fire Safety Check Sub Total</b>	<b>0.1</b>	<b>-</b>	<b>-</b>
Respiratory Protective Equipment Replacement Project	0.4	-	-
<b>Respiratory Protective Equipment Sub total</b>	<b>0.4</b>	<b>-</b>	<b>-</b>
London Resilience Vehicles - Property Implications (Yards/Forecourts)	0.7	-	-
<b>London Resilience Projects Sub total</b>	<b>0.7</b>	<b>-</b>	<b>-</b>

### Section 3: London Fire and Emergency Planning Authority

LFEPA Programme by Project (continued) EXPENDITURE	Proposed	Proposed	Proposed
	2011-12 £m	2012-13 £m	2013-14 £m
West Norwood Fire Station - Rebuild or Refurbishment (incl. site purchase)	0.7	4.0	1.7
Business continuity for PFI projects	1.1	0.0	-
Business continuity for PFI projects – phase 2	0.3	0.0	-
Knightsbridge Fire Station - Alterations to communal areas/facilities	0.3	0.4	-
Lewisham Fire Station - Refurbishment	0.3	-	-
Heating at various stations	0.9	0.9	1.0
Window replacements various stations	0.0	-	0.4
<b>Fire Station Refurbishments Sub total</b>	<b>3.7</b>	<b>5.4</b>	<b>3.1</b>
Holloway Fire Station - Extensions/Internal alterations	1.1	0.0	-
<b>Extensions of Fire Stations Sub total</b>	<b>1.1</b>	<b>0.0</b>	<b>-</b>
Walthamstow Fire Station - Alterations/Works	4.1	0.2	-
<b>London Safety Plan (2) Sub total</b>	<b>4.1</b>	<b>0.2</b>	<b>-</b>
Corporate Property Project (CPP)	0.1	0.1	0.1
Appliance Bay Door Replacement Programme Phase 3	0.2	0.2	0.2
Appliance Bay Floors Resurfacing Programme Phase 3	0.2	0.2	0.4
<b>Other Property Projects Sub total</b>	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>
Energy Conservation Projects/Invest to Save	0.8	0.8	0.6
Building Energy Efficiency Programme (BEEP 2)	0.8	0.8	-
<b>Sustainability Projects Sub total</b>	<b>1.6</b>	<b>1.6</b>	<b>0.6</b>
<b>Minor Improvement Programme Sub total</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
Brigade wide Survey for Asbestos & Removal	0.4	0.4	0.4
<b>Other Projects Sub total</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
<b>ONGOING PROJECTS - Total</b>	<b>15.2</b>	<b>9.0</b>	<b>5.8</b>
<b>TOTAL PROJECTS</b>	<b>15.8</b>	<b>9.9</b>	<b>9.1</b>
Overprogramming	-0.9	-2.1	-2.0
<b>PLANNED CAPITAL PROGRAMME</b>	<b>14.9</b>	<b>7.7</b>	<b>2.0</b>

Note: The figures in the above table may not sum due to rounding. A '-' indicates that the capital budget for that category is zero whereas '0.0' indicates that the capital budget is below £50,000.

## Section 3: London Fire and Emergency Planning Authority

LFEPA Programme by Project FUNDING	Proposed	Proposed	Proposed
	2011-12 £m	2012-13 £m	2013-14 £m
<b>Funded By:</b>			
Capital grant - Smoke alarm fitting	0.1	-	-
Invest to save (Low carbon grant)	0.4	-	-
Capital receipts	3.1	-	-
Borrowing	11.3	7.7	7.1
Unsupported Borrowing	-	-	-
<b>Total Funding</b>	<b>14.9</b>	<b>7.1</b>	<b>7.7</b>

Note: The figures in the above tables may not sum due to rounding. If a figure is reported as £0.0m it means that the budget is less than £50,000. A dash means that there is no budget (i.e. zero) for this element or project in that year.

- 3.5 The financing costs in the revenue budget relate to Minimum Revenue Provision and payments on capital expenditure as shown in the table below.

**Table 9 – Capital financing costs**

Capital financing costs	2011-12 £m	2012-13 £m	2013-14 £m
Minimum revenue provision and external interest	11.8	12.0	12.3
<b>Total financing costs</b>	<b>11.8</b>	<b>12.0</b>	<b>12.3</b>

- 3.6 The estimated incremental impact of capital investment decisions on the council tax is:

**Table 10 – Incremental impact on council tax of capital investment decisions (£ per band D)**

LFEPA Council tax impact	Proposed 2011-12 £	Proposed 2012-13 £	Proposed 2013-14 £
<b>Incremental impact</b>	<b>0.34</b>	<b>0.23</b>	<b>0.21</b>

## Section 4: Transport for London

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- 4.1 Transport for London's Capital Spending Plan is based on its current approved business plan. This is financed from six main sources:
- Fares and ticket income;
  - Charges under the Congestion Charging Scheme;
  - Secondary revenue (such as advertising and property rentals);
  - Third party funding for specific projects, such as ODA funding for the North London Railway Improvement Project;
  - Department for Transport grant, for which Transport for London (TfL) has a settlement for the period to 2014-15 with the Department for Transport (DfT) which includes an element for Crossrail; and
  - Prudential borrowing and other financing.
- 4.2 The Plan is balanced as income from fares and charges, together with government grant, secondary income, available reserves and borrowing fully meet the costs of operations and the Investment Programme including funding for Crossrail.
- 4.3 TfL expects to spend £2.8bn on capital projects in 2011-12 (including Crossrail). These will be funded from a variety of sources including Government grants, revenue contributions, borrowing, third party contributions and transfers from earmarked reserves. The planned borrowing is both affordable and sustainable. Overall levels of borrowing planned are well within the levels found in the rest of Europe, and debt service ratios would be within the average level for similar rated transport entities.
- 4.4 TfL is undertaking a comprehensive review of its business plan, with the objective of issuing a revised business plan in Spring 2011, which will take into account the impact of its funding settlement over the four years covered by the Spending Review. Accordingly, the years beyond 2011-12 are not being considered as part of this process. The borrowing limits and prudential indicators for TfL will be approved by the Mayor by the statutory deadline 31 March 2011 and will take into account the final capital spending plan agreed as part of the Business Plan process. The revised capital spending plan figures for 2011-12 and the proposed figures for 2012-13 and 2013-14 will be reported to the London Assembly as part of the 2011-12 in year monitoring process.

## Section 4: Transport for London

**Table 11 - TfL Final Capital Spending Plan**

	2011-
	£m
London Underground	1,176
Tube Lines	300
Surface Transport	221
London Rail	90
Corporate	49
<b>Gross capital expenditure</b>	<b>1,836</b>
Less over-programming	71
<b>Total capital expenditure in Business Plan</b>	<b>1,765</b>
Crossrail	1,057
<b>Total capital expenditure including Crossrail</b>	<b>2,822</b>
<b>Funding:</b>	
Capital receipts	141
Capital grant	941
Borrowing	425
Crossrail funding sources	1,057
Revenue contribution (including reserves)	258
<b>Total funding</b>	<b>2,822</b>

Note: The figures in this table may not reconcile to the details in the following tables due to overprogramming.

- 4.5 TfL's external borrowing will rise to £5.3bn in 2011-12 from £4.1bn at the end of 2009-10. This contributes to debt servicing costs increasing from £292m in 2010 -11 to £314m by 2011-12.

**Table 12 Capital Financing Costs**

Capital financing	2011-12 £m
<b>Debt Servicing costs</b>	
Interest	314
<b>Total financing costs</b>	<b>314</b>

## Section 4: Transport for London

### London Underground

4.6 Capital projects directly managed by London Underground are shown in the table below:

**Table 13**

<b>Final Capital Spending Plan– London Underground</b>	<b>2011-12 £m</b>
Stations	220
Track	121
Civils	27
Victoria line upgrade	87
Sub-surface railway upgrade <sup>1</sup>	496
Cooling and power programme	119
Crossrail	28
Information Management	4
Other (including over-programming)	7
<b>Total capital expenditure</b>	<b>1,110</b>

<sup>1</sup>These are the directly attributable costs which exclude power, enabling works and risk.

### Tube Lines

4.7 Tube Lines was acquired by TfL on 27 June 2010. Capital projects directly managed by Tube Lines from that date are shown in the table below:

**Table 14**

<b>Final Capital Spending Plan – Tube Lines</b>	<b>2011-12 £m</b>
Stations	23
Power	4
Rolling stock	22
Track renewals	61
Signals	106
Other	84
<b>Total capital expenditure</b>	<b>300</b>

## Section 4: Transport for London

### Surface Transport

4.8 Capital projects directly managed by Surface Transport are shown in the table below:

**Table 15**

<b>Final Capital Spending Plan – Surface Transport</b>	<b>2011-12 £m</b>
Better Routes and Places	12
Countdown and iBus	14
Bus infrastructure	9
Cycle hire and superhighways	39
Road network performance	6
Traffic signals	26
Major route improvements	19
Major safety enhancements	18
Highways asset management	55
Other (including over-programming)	18
<b>Total capital expenditure</b>	<b>216</b>

### London Rail

4.9 Capital projects directly managed by London Rail are shown in the table below:

**Table 16**

<b>Final Capital Spending Plan – London Rail</b>	<b>2011-12 £m</b>
DLR safety/security	11
Infrastructure	11
3-car upgrade	2
Stratford International extension	5
DLR stations	5
East London line extension	44
NLR infrastructure projects	9
Other	2
<b>Total capital expenditure</b>	<b>90</b>



## Section 4: Transport for London

### Corporate Directorates

- 4.10 Capital projects directly managed Corporate Directorates within TfL are shown in the table below.

**Table 17**

<b>Final Capital Spending Plan – Corporate Directorates</b>	<b>2011-12</b>
	<b>£m</b>
Group Customer Services	1
Integrated transport smartcard	10
Oyster	4
Group IM	8
Other	27
<b>Total capital expenditure</b>	<b>49</b>

### TfL Borrowing

- 4.11 The above capital programmes would require new borrowing of £425m for 2011- 12.:

**Table 18**

<b>TfL Borrowing</b>	<b>2011-12</b>
	<b>£m</b>
TfL	425
<b>Total borrowing</b>	<b>425</b>

## Section 4: Transport for London

### Delivery Highlights

4.12 The table below sets out the key deliverables over the period to 2012.

**Table 19 – Key Deliverables**

Initiative	Commentary	Delivery
<b>London Underground</b>		
Cannon Street station	Station capacity improvements completed	2011
Blackfriars station	Re-opening of Blackfriars station after Thameslink works to deliver congestion relief, step-free access and ambience improvements	2011
Sub-surface line upgrade – signalling	Completion of new service control building	2011
Victoria station upgrade	Completion of design phase	2011
Escalator refurbishment	Piccadilly Circus escalators E1-11 refurbished and returned to service	2011
Step-free access at stations	2012 Games commitments at Green Park	2012
Cooling the Tube	Completion of all mid-tunnel ventilation shafts on the Victoria line	2012
Bank station – Walbrook Square	Developer to finish construction of station box for LU	2012
Escalator replacement	Bank station escalator replacement programme (E6-15) complete	2012
Bond Street congestion relief	Demolition works complete	2012
Victoria line upgrade	Twenty-one per cent capacity increase on the Victoria line (rise in peak capacity into central London)	2012
<b>London Rail</b>		
East London line extension – New South London Line	Extension from Surrey Quays to Clapham Junction	2012
North London Railway	Completion of the NLR infrastructure project, including link to the East London line	2011
Overground stations	Refurbished stations for all Overground routes	2011
Stratford International	The extension of DLR to Stratford International station	2011
<b>Surface Transport</b>		
New Bus for London	Operational prototype starts route testing	2011
Countdown project	Bus real-time information delivered through mobile phones, the internet and 2,500 signs at bus stops	2011
Accessible bus stops	Accessibility improvements to London's bus stops, which may involve adjustments to kerb height, footway depth, length of bus stop clearway, installation of enforceable clearway signage plus de-cluttering of the footway	Annual
TLRN capitals renewal programme	Programme of TLRN capital renewal	Annual
Signals modernisation	Programme to replace London's traffic signals equipment as it becomes life-expired or uneconomical to maintain	Annual
Systems relocation	CCTV in-station migration to digital complete and the new IP network ready for service	2012
	Legacy CCTV systems decommissioned from Kings Building	2012
Tunnels safety enhancement programme	Annualised programme to implement prioritised safety enhancements to TfL's 13 road tunnels	Annual

## Section 4: Transport for London

Initiative	Commentary	Delivery
Blackwall Tunnel	Refurbishment of the northbound tunnel	2012
SCOOT deployment	Signal technology upgrades installed	Annual
TLRN cycling schemes	Measures to create and sustain an environment and culture that will make cycling an attractive transport option, extending the range of people who choose to cycle in London	Annual
Barclays Cycle Superhighways	Detailed design of further routes complete	2011
TLRN walking schemes	Measures to create a connected, safe, convenient and attractive environment for pedestrians	Annual
Accident reduction road safety	Annualised programme to design and implement road safety schemes on the TLRN	Annual
Greater London Low Emission Zone	Phase 3 and 4 introduced	2012
Olympic cycling and walking	Enhancements to greenway routes, for pedestrians and cyclists, linking the Olympic Park and River Zone venues	2012
Olympic Junctions and Carriageways	Range of legacy and temporary traffic interventions delivered that will contribute to meeting the required journey time targets	2012
Transport Co-ordination Centre	The Centre goes live.	2012

- 4.13 TfL's borrowing, under the Prudential Code, will increase to £6.3 bn by 2012-13 from £4.4bn in 2009-10. As a result of increased borrowing, the debt servicing costs are increasing.

**Table 20 – Capital Financing (Debt Financing) Costs**

TfL Capital financing	2011-12 £m
<b>Debt Servicing costs</b>	
Interest	254
<b>Total financing costs</b>	<b>254</b>

## Section 5: London Development Agency

- 5.1 The LDA's capital expenditure programme continues to be dominated by the Olympic programme for the Olympic Park and Lower Lea Valley, which accounts for 92 per cent of the capital spending in 2011-12.
- 5.2 The table below details capital expenditure and the known capital funding plan for 2011-12, principally in relation to the Olympic land programme.

**Table 21 LDA Final Capital Spending Plan**

<b>LDA final capital plan</b>	<b>2011-12 £m</b>
<b>Thematic Programme Expenditure</b>	
Regeneration	10.8
Climate Change	11.5
Sustained employment	-
Business Support	-
Olympics	3.0
<b>Total Thematic programme expenditure</b>	<b>25.3</b>
<b>Olympic Park Expenditure</b>	
Olympic Park	292.0
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>317.3</b>

Note: The financing of the LDA capital programme will be determined once its final settlement for 2011-12 is confirmed.

- 5.3 The capital financing costs estimated to be incurred by the LDA in 2011-12 are summarised in the table below.

**Table 22 – Capital financing costs**

<b>Capital financing</b>	<b>2011-12 £m</b>
Debt repayment	251.0
Capital financing and interest costs	18.0
<b>Total capital financing</b>	<b>269.0</b>