

**TRANSPORT FOR LONDON****BOARD****SUBJECT: COMMISSIONER'S REPORT****DATE: 30 SEPTEMBER 2008**

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**1 INTRODUCTION**

This report provides an overview of major issues and developments since the Board meeting on 30 July and updates the Board on significant projects and initiatives.

Since the last Board meeting, the Mayor has decided he wishes to continue to chair the TfL Board. On behalf of TfL, I welcome the opportunity to continue to work with the Mayor in this capacity. The Mayor has appointed Christopher Garnett as Deputy Chair of the TfL Board, confirmed unanimously at the London Assembly hearing on 9 September 2008. I would like to congratulate Christopher on his new role. Tim Parker has stepped down from the role of First Deputy Mayor and Chief Executive of the Greater London Authority (GLA) Group and from the position of Chair of TfL which he would otherwise have taken from 1 September 2008. Tim will remain as a Member of the TfL Board and I look forward to continuing to work with him.

I would also like to welcome all the new members and all those that are continuing as members of the Board. Since the most recent appointments, there has been a successful Board Induction Day and a useful all-day session discussing the Business Plan. An opportunity for Board members to see different operational aspects of TfL is planned, as well as detailed induction sessions for members of the new Committees.

**2 MAYORAL POLICY IMPLEMENTATION**

It is anticipated that the Mayor will launch his Direction of Travel for Transport in October 2008. The Direction of Travel will set out the Mayor's initial thoughts on his approach to London's transport in the context of his strategic plans for London's future.

Following the implementation of some early manifesto commitments (alcohol ban on public transport, 440 extra uniformed officers on the bus network (and see 2.3 below)), good progress has been made on future Mayoral policies and priorities over the last month. An overview of some key areas is provided in Table 1 with further details on some specific initiatives provided thereafter. Further updates will be provided in future reports.

**Table 1 – Key Mayoral Policy Areas**

<b>Mayoral focus areas</b>	<b>Examples of TfL Action</b>
Smoothing traffic flow	See separate note below
Re-phase traffic lights	See separate note below
Fair deal for motorists	See separate note below
Scrap Bendy buses	All artic routes coming up for re-tender will be specified for operation using non artic with current contract end dates, 50 per cent of artic will be removed by Summer 2010 and 80 per cent by May 2012.
Routemaster re-introduction	Design competition for new bus has now closed with about 470 entries received. Dialogue has started with bus manufacturers.
Orbital express buses	Trial expansion of route X26 between Croydon and Heathrow starts in October, with doubling of route frequency.
Integration and expansion of river services	A River Concordat Group has been established and is currently focused upon tackling two key barriers: pier provision, and service branding and marketing. TfL is pursuing Oyster PAYG on commuter services.
Western Extension of Congestion Charging	Five week consultation on the future of the Western Extension is under way (see 2.2).
Cycle hire scheme (“Velib”)	Planning is underway to launch a cycle-hire scheme covering Zone One with at least 6,000 bikes in May 2010.
Blackwall tunnel tidal flow	TfL is exploring short and longer term measures to reduce disruption and improve traffic flow, including reinstating tidal flow.
Air-conditioning on tube network	Cooling on sub-surface lines will be provided through the introduction of the new S-stock trains. Cooling on deep lines presents a greater challenge; TfL is planning new ventilation systems, energy efficiency measures and a trial of in-train cooling systems.
TOC Summit and Oyster on National Rail	The Train Operating Companies (TOC) Summit on 21 October will concentrate on security (including 50 extra BTP officers); Oyster on National Rail; and working together for longer-term improvement of the National Rail system in London, including extra carriages.
Taxi mid-year inspections	The legal consultation to scrap mid-year inspections concludes on 24 October 2008, and a decision can be made very shortly thereafter.

This, of course, is only a selection of policy commitments and will be updated in future reports.

## **2.1 Mayoral Policy Implementation: Cab Enforcement**

The Mayor recently announced a package of measures to tackle illegal touting in London, including a 'one strike and you're out' policy. Any licensed private hire driver convicted of touting on or after 1 August 2008 will have their licence revoked and will have to wait at least 12 months before re-applying for a licence. To date, 13 private hire drivers have been referred for touting.

Seizure of vehicles was raised at the last Board meeting. The law currently only allows seizure of vehicles for which there is no valid third party insurance. No provision is made in legislation to remove vehicles that are being used without valid hire and reward insurance as in most cases the vehicle is still covered by basic third party insurance although this does not cover fare paying passengers. TfL and the Metropolitan Police Service are working together to look at options as both agencies are keen to maximise the potential penalties to those who undertake taxi touting. I will report further on this at a future Board meeting.

## **2.2 Mayoral Policy Implementation: Consultation on the Western Extension to the Congestion Charging Scheme**

An initial non-statutory consultation on the future of the Western Extension is underway. The consultation will help inform any subsequent statutory process which would be necessary if the Western Extension was to be removed or significantly altered. The earliest any changes could effectively be introduced would be following the change of Congestion Charge service provider to IBM in November 2009. The consultation started on 1 September and was launched by the Mayor. It includes a number of options:

- No change – keep the Western Extension Scheme as it is
- Remove the Western Extension Scheme
- Change the Western Extension Scheme – three specific options, one of which is to introduce a charge-free period during the middle of the day
- The consultation also invites respondents to give further views.

The consultation will last for five weeks, closing on 5 October and consultation documents are available either online or through a call centre. An advertising campaign is accompanying the consultation, involving local and regional press and radio, to increase awareness and encourage people to respond. As with previous consultations, a representative survey of 2,000 Londoners and of 1,000 businesses is being conducted alongside the consultation. TfL is meeting with stakeholders throughout the consultation process and is preparing to report the results of the consultation to the Mayor in due course.

### **2.3 Mayoral Policy Implementation: 440 Extra Uniform Officers on the Public Transport Network: TfL and Metropolitan Police Service (MPS) Hub teams**

In May 2008, the Mayor launched a pilot of the first three TfL and MPS Hub Teams in Croydon, Canning Town and Wood Green to undertake high visibility bus patrols in the local area. Early indications from the completed pilot phase are that the scheme has been well received by the public and has resulted in a reduction in total crime. Proposals for further Hub Team locations will be finalised shortly for roll out by summer 2009.

### **2.4 Mayoral Policy Implementation: London Sky Sports Freewheel**

On Sunday 21 September more than 50,000 cyclists enjoyed traffic-free cycling through Central London, increasing from 38,000 in 2007. Riders congregated at four cycling hubs across London and cycled along marked and marshalled routes to the route start and stands in the Mall and St James's Park. The central route took in landmarks such as the Tower of London, Tower Bridge, the Houses of Parliament, the London Eye, Trafalgar Square and Buckingham Palace. Participants had the opportunity to visit stands from a number of cycling organisations and the Mayor was joined by Olympic cyclists Chris Hoy, Victoria Pendleton, Ed Clancy, Jamie Staff and Shanaze Reade.

### **2.5 Mayoral Policy Implementation: Cycling Super Highways**

Cycling Super Highways aim to increase cycle commuting into central London by providing a set of simple, high-profile routes to serve latent demand in Zones Two and Three. The scheme will offer a range of measures at home, work and on the route to break down the barriers faced by potential cycle commuters. Routes will use a range of street types, but all will be direct, safe and continuous. They are supported by the London Cycling Campaign and London Councils. TfL is currently assessing the feasibility for roll-out of Cycle Highways as fast as possible, in line with the Mayor's direction.

### **2.6 Mayoral Policy Implementation: smoothing traffic flow, rephasing traffic lights and fairly dealing with motorists.**

The Mayor's commitment to implementing measures which will make a substantial difference to traffic flow in London has produced a series of initiatives to make rapid progress.

All small traffic schemes are now reviewed for coherence and to stop schemes which reduce traffic flow. The major schemes on the North Circular Road at Bounds Green and Henley's Corner, and on other roads, which TfL is pursuing, are primarily designed to smooth traffic flow.

The London Traffic Control Centre and the MPS TOCU Roads Response Team, with a total of 120 officers, both respond to and reduce the duration of unplanned congestion in real time. A review is taking place with a view to improving effectiveness.

The review of traffic signals will be a significant contribution to smoothing traffic flow. Work has already shown the potential to release an average two seconds extra time on each cycle of traffic lights without affecting pedestrians, and a roll out of this additional benefit has already started, and will focus firstly on London's most important signals with all signals in London covered over the next 6 years at 1,000 signals per year.

One-third of all traffic signals in London are computer controlled by SCOOT. Altered timings at the first 150 of these lights has given significant extra capacity progressively since July this year. The budget and business plan provides for increasing the numbers of SCOOT sites by 1,000, in addition to the 200 which will be installed as part of the Olympic legacy, but which will make a contribution well before the Olympics, as well.

Other signal improvements to speed traffic flow will depend on Department for Transport approval. Work is progressing on utilising pedestrian countdown technology in a proposal to the Department, alongside other innovative ideas, all of which are designed to improve capacity. The maximum benefit will be delivered from all these improvements together and TfL is actively working to achieve this.

For powered two wheelers, a launch enabling motor cycles in all TfL controlled bus lanes (on the TLRN) is set for the start of 2009, following stakeholder engagement in the autumn. The initial phase will use 18 month experimental traffic orders and that will provide the opportunity for monitoring and evaluation.

TfL has made a substantial change in its policy towards enforcement of both traffic and congestion charging Penalty Charge Notices (PCNs), through a shift in focus. 20 per cent less traffic enforcement and 15 per cent fewer congestion charging PCNs are being issued compared to last year, and reductions in enforcement income are being followed by reductions in operating costs with headcount reductions being pursued currently (see section 3.1 below). TfL is working with freight operators to better address the requirements of the business community, reviewing locations where most PCNs are issued to understand the problems, suspending enforcement at any location where there is any indication of significant driver confusion and instructing service providers to take a more lenient view in case of a genuine error by the driver.

TfL's vehicle removals policy is being substantially changed to only take place where a vehicle is causing an obstruction to the road network.

These various streams of work will be brought together in a taskforce, both to review their success and to seek to implement fresh proposals (by experimentation if necessary), which will include the Mayor's office representation and regular updates to the Mayor. This taskforce will also seek the views of interested parties – the AA Foundation, the RAC Foundation, the Institute of Advanced Motorists, the Motorist's Forum and representatives of professional drivers so that the widest possible range of initiatives is considered and taken forward.

## **2.7 Mayoral Policy Implementation: London Permit Scheme**

Between 4 and 11 July, TfL and 14 boroughs submitted applications to the DfT to run permit schemes under the Traffic Management Act 2004, from January 2009. DfT undertook to provide an initial assessment within 2-3 weeks but, without prior warning, all 14 boroughs and TfL were advised on 22 September that their applications had been rejected. In particular, DfT require a stand-alone document that does not cross refer to other publications, which runs counter to advice previously offered by the Department. Such a fundamental issue should have been notified to applicants earlier in the process.

Initial reactions from boroughs have secured a meeting with DfT for clarification of the action required. Meanwhile, lessons that can be learnt from a revised submission that Kent County Council (KCC) is preparing will be considered. However, it is believed that KCC have taken an approach to utilities that would be unacceptable in London.

It is anticipated that it will take about three months to re-draft the submission, followed by a detailed analysis prior to issuing the document for consultation. A more detailed cost benefit analysis is also likely to be required and this might extend that timing as the only guidance available so far is the Department's own regulatory impact assessment (which they rejected as insufficient for the purpose of permit applications!). Allowing for consultation and DfT deliberations, Secretary of State approval would not be anticipated before April 2009 and it could take as long as April 2010 to be sure of an approved system.

## **2.8 Mayoral Policy Implementation: Taxpayer Value**

A comprehensive review of costs within TfL has been undertaken and progress continues on implementing wide ranging savings alongside other initiatives for greater efficiency within TfL.

## **2.9 Mayoral Policy Implementation: Planning**

The beginning of this section referred to the forthcoming publication of the Mayor's Direction of Travel for Transport. Discussions have started with the Deputy Mayor for Policy and Planning, Sir Simon Milton, in order that work towards the new Mayor's spatial policy as set out in a future London Plan is carried out in parallel with future transport planning for London. TfL is

determined to pursue transport policies for the future which are consistent with the new Mayor's vision and this will entail co-operative working with the Mayor's office and the LDA.

### **3 MODAL OPERATIONS**

#### **3.1 Surface Transport**

##### **Taxi fires**

TfL was first advised on 31 July that there had been a case of an LTI TX4 taxi catching fire. To date, there have now been 13 incidences nationwide with eight of these occurring in London. There have been no injuries or casualties to date. The cabs are all of the same type and were manufactured during a four month production period and have a 56 registration plate. LTI have a forensic engineer examining vehicles that have suffered fires and are also working with their engine manufacturer, VM Motori. The onus is on LTI to provide owners and drivers with vehicles which are safe and fit for purpose.

On Friday 12 September, LTI issued an immediate product re-call on 600 TX4s operating in London and arranged to undertake engine safety checks on all these vehicles in a two week period. Following a further engine fire on a TX4 on 17 September TfL issued an immediate suspension notice for the 600 "in scope" TX4s which will remain in force until LTI is able to demonstrate that they have identified and rectified the cause of the fires.

##### **Industrial action affecting London bus services**

Industrial action by members of the Unite union affected the operation of First services in the capital on 29 August, 12 and 13 September. Industrial action also took place at Metrobus garages on 12 September. Information on service cancellations was displayed on Countdown signs, publicity at stops and shelters, on the website and was available via Travel Information. Talks have been taking place between the two bus operators and Unite over the 2008 pay settlements. The operators remain willing to negotiate and to go to the Advisory, Conciliation and Arbitration Service.

##### **ZIP scheme for 11-15 year olds**

Since September 2007, 11 to 15 year olds wishing to travel for free on buses and trams have needed to hold and validate an Oyster photocard and around 400,000 such cards have been issued across London. Early indications are that fare evasion on one person operated buses dropped to 1.3 per cent in August 2008 from a previous level of 2.2 per cent. This is considered to be strongly linked to the launch of the Zip scheme. In September, Revenue Protection Inspectors are being deployed to priority areas that have experienced youth-related issues.

### **ASBO against abusive teenager in Kingston**

TfL and Kingston Safer Transport Team have been granted an Anti-Social Behaviour Order (ASBO) against an abusive teenager in Kingston. Ashley Warren, 16, had persistently evaded fares, assaulted a bus driver and committed several racially aggravated public order offences. He now risks up to two years in prison if he is caught using abusive or threatening language while on public transport, or if he is found travelling on any TfL service without a valid ticket.

### **Woolwich Ferry Agency Agreement**

On 12 September, TfL awarded a contract to Serco to operate the Woolwich Ferry to the current timetable on an interim basis for 18 months from 1 October. All Woolwich Ferry staff will transfer from the London Borough of Greenwich to Serco under the Transfer of Undertakings (Protection of Employment) Regulations.

### **BikeJam and the Tour of Britain**

On 7 September, TfL hosted BikeJam, a free, interactive and fun celebration of cycling at the TfL-sponsored London stage of the Tour of Britain. BikeJam featured cycle-stunt performers, bike maintenance, expert advice on cycling in London, an interactive arts and crafts zone and pedal-powered food stalls and was attended by around 10,000 people.

### **London Cycling Campaign/WiZZBiKE Foundation Cycling Centre Launch**

An exhibition of specially adapted bikes for children with special needs was held at Lindon Bennet School in Hounslow on 10 September to launch the WiZZBiKE scheme. Under the scheme, bikes are modified to make it easier for people with special needs to enjoy cycling and WiZZBiKE now have a wide range of trikes to try out or on loan for assessment. Funding is provided by TfL through the London Cycling Campaign.

### **Organisational change – Congestion Charging and Traffic Enforcement**

The congestion charging and traffic enforcement teams were brought together in February 2008 in order to ensure that TfL's enforcement activities with regard to motorists were fair, transparent and consistent. There has been a significant change in driver behaviour over the last few years which has resulted in steady improvements in compliance with traffic and congestion charging regulations. TfL is now integrating its enforcement departments alongside improvements to the effectiveness and efficiency of the enforcement process. The resulting restructuring process started on 8 September and is being undertaken in line with TfL's Organisational Policy which includes regular dialogue with the recognised Trade Unions. TfL will have the new structure fully in place by 1 January 2009.



### **A406 Bounds Green Traffic Flow Improvement Scheme**

Following a public inquiry, the Secretary of State for Transport has given the go-ahead for a scheme to improve a vital section of the A406. The A406 Bounds Green Safety and Environmental Improvement Scheme will widen the A406 to create a predominantly two-lane dual carriageway and will include junction improvements to improve traffic flow. Better pedestrian crossings and cycling facilities will bring about much needed safety and environmental improvements. The scheme is expected to reduce road collisions by up to a third and to reduce the level of rat-running on residential roads. Subject to having all necessary statutory consents, work on the A406 Bounds Green scheme is scheduled to begin in 2009, for completion in 2011.

### **Improving Traffic Flow - Olympic Handover Event and Notting Hill Carnival**

The Olympic Handover event took place on 24 August, following several months of joint agency planning. A number of road closures in the St James' Park area were implemented without incident in the week prior to the event to facilitate construction of infrastructure. The event was highly successful, with no serious congestion resulting.

Advanced planning and targeted traffic enforcement and implementation of traffic signals contingency plans also kept disruption to a minimum during the Notting Hill Carnival on 24 and 25 August.

### **A127 Gallows Corner Flyover closure**

TfL have discovered extensive internal corrosion to the parapets (safety railings) on the A127 Gallows Corner Flyover, necessitating the continued closure to eastbound traffic. TfL has commenced design works to replace the corroded parapets and anticipate being in a position to reopen the flyover in both directions by summer 2009, with the quickest possible works programme commensurate with giving environmental consideration for local people.

### **Removal of Obstructions**

Following collaborative work between TfL, MPS and the London Borough of Lewisham, furniture company Eden Suite were successfully prosecuted and fined £3,300 on 22 July for two counts of footway obstruction on the TLRN.

### **Improving Traffic Flow - Works and Coordination**

Collaborative working and detailed planning between TfL, MPS, London Borough of Camden and Thames Water enabled concurrent working and shared use of road space during road closures in the Oxford Street area to facilitate utilities works and the Thames Water's Victorian Mains Replacement programme. This reduced the duration of the works from an initial estimate of seven weeks to four. Disruption was also minimised on the A10 Bishopsgate when 50 separate works activities of a number of different statutory authorities were undertaken during one weekend closure on 12 and 13 July.

### **New Dial-a-Ride vehicles unveiled**

On 4 September, 61 custom-built Dial-a-Ride minibuses were unveiled. The minibuses will be introduced across London this year, improving door-to-door transport services for tens of thousands of older or disabled London residents who find it difficult to use public transport.

## **3.2 London Underground**

### **Periodic Review**

Under the PPP contract, London Underground must issue Restated Terms for the Second Period, 2010 – 2017, to Tube Lines by 31 December 2008.

A major impediment for LU to framing Restated Terms is the lack of visibility of Tube Lines' costs. LU lacks the tools to uncover sufficient cost information, and the Arbiter has to date been unwilling to use his powers to investigate their costs. In response, LU instigated a request for guidance on the expected costs for Second Period scheduled works.

On 9 September the Arbiter issued his guidance, which suggests a potential shortfall in excess of £1 billion in funding from that budgeted by TfL. The guidance fails to provide transparency in Tube Lines' costs in areas such as "central costs" and "risk". LU will use the guidance to help finalise its Restated Terms and continue to press the Arbiter and Tube Lines for more detail in cost categories that remain vague.

TfL considers that this amounts to an exceptional pressure pursuant to settlement agreed with Government in the 2007 Spending Review and is looking to the Government to fund any shortfall. A letter was sent to this effect on 9 September.

### **London Underground and Metronet Cost Review**

In parallel with the Operating Cost Review, LU and Metronet are undertaking a review to identify opportunities for efficient and effective joint working pending any decision about the long term future.

The review will address the challenge of delivering the major line upgrades; consider the need for clear delineation between client and delivery roles; and establish integrated and effective governance. Front line service delivery, including LU operations and Metronet maintenance, is not the focus. The PPP performance regime, and the measures that underpin it, will be maintained.

## **Blackfriars Station**

On 5 August LU and Network Rail announced that Blackfriars Underground station will close from 2 March 2009 until late 2011, for redevelopment as part of the Thameslink upgrade programme.

Customers will benefit from an upgraded station with step-free access, increased capacity and better interchange facilities between the Underground and National Rail. During the closure, District and Circle line services will not stop at the station and customers will be advised to walk to or from the nearby Temple and Mansion House stations. Alternatively, Underground tickets will be accepted on bus route 388 which has recently been extended from Mansion House to Temple.

## **Green Park Station**

LU has applied for planning permission to undertake major improvements to Green Park station in time for the London 2012 Olympic and Paralympic Games. Planned improvements include full step-free access from street to platform level; a larger station entrance on Piccadilly south side with direct access from the park; and a canopied and paved area on Piccadilly providing cover for passengers waiting for buses and those using the lift. If the application is successful, work will be completed in 2011.

Modernisation of the station has started and includes installation of new CCTV cameras, help points and a new public address system. Partially sighted customers will benefit from contrasting handrails and access will be improved for mobility impaired passengers through tactile strips on platforms and stairs.

## **Accessibility**

Some £12 million is being invested by LU to install 140 wide aisle automatic gates across the network by the end of 2008. In addition, wide aisle gates will be routinely installed at all new station developments and major capacity enhancement schemes. The gates enable customers who use wheelchairs or travel with a guide dog, buggy or large luggage to pass through the gateline without staff assistance. Around half of the new gates were in service by the beginning of September. Priority is being given to step-free stations, heavily used stations and those where a large proportion of passengers are carrying luggage and/or using buggies. Where only one wide aisle gate is installed at a station this can be made to operate in both directions on a 'first come first served' basis.

LU is installing platform humps at Tottenham Hale and Brixton stations during planned weekend closures of the Victoria line in September and October. The humps will provide level access between the centre of each platform and the train, complementing the stations' existing step-free lift services. Once installation is complete, improved station signage will be provided to direct mobility impaired customers towards the platform humps. An installation

programme is being developed ready for implementation at other Victoria line stations.

### **Beijing Olympics**

The Beijing Games were attended by eleven TfL staff in an official capacity, with ten attending the Olympics and one the Paralympics. LU's Accessibility and Inclusion Manager spent two weeks in Beijing to see how the transport system coped with the increased demand and system accessibility issues presented by the Paralympic Games. Much useful knowledge was obtained by the team as a whole, which is being fed back to other parts of TfL, the Olympic Delivery Authority, and the London Organising Committee of the Olympic Games to inform transport plans for 2012. But, perhaps most importantly, the visit revealed the immense scale of the event and the need for an appropriate Olympic Route Network.

## **3.3 London Rail**

### **North London Rail Upgrade**

From 1 September, much of the North London and Gospel Oak to Barking lines were closed while Network Rail upgrades the route for freight. This is part of a programme to improve the efficiency of freight transport on the National Rail network. This work is a necessary precursor to the passenger upgrade which takes place in 2009/10. TfL is running an alternative train service between Watford Junction and Stratford (not calling at Euston station Monday to Saturday) and operating bus replacement services.

TfL and the London Overground operator – London Overground Rail Operations Limited (LOROL) – continue to carefully monitor the progress of Network Rail's engineering works and will ensure that stakeholders and passengers are kept informed of the latest developments; positive feedback on this process has been received to date. Network Rail is providing daily updates to LOROL, and site visits are being arranged to review progress during the closures.

### **London Overground Stations**

A new, fully accessible London Overground station opens at Shepherd's Bush on 28 September. This station joins the Clapham Junction to Willesden Junction line on the Overground network and provides links to Shepherd's Bush Central line station, buses and taxis and the new Westfield shopping centre.

Construction works are also underway at the next new London Overground station at Imperial Wharf in Hammersmith and Fulham, scheduled to open in 2010.

### **London Overground trains**

Work is progressing on the new 'Class 378' electric trains for London Overground. The first unit is now undergoing tests at Derby and will shortly be

moved for testing on the national network at Clacton. The first trains should be delivered in December 2008, to be completed in North London by May 2009.

### **Woolwich Arsenal extension**

Excellent progress continues to be made, with the extension set to open on schedule in February 2009. Testing is underway and assimilation testing, where the systems will be integrated into the existing railway, is programmed for 24 to 27 October.

### **3-Car Capacity Enhancement Project**

Extensive platform extension works between Crossharbour and Lewisham were recently completed successfully and on time, following an eight-week 'blockade'. This is an important milestone for the project, scheduled for completion in April 2010.

### **Croydon Tram Services Infrastructure**

The proposed track replacement works at Reeves Corner, West Croydon and Sandilands are currently being scheduled. Further work will be required over the next 24 months at East Croydon, George Street and other areas in central Croydon.

The programme for the refurbishment of the tram fleet is scheduled to commence on the weekend of 4 and 5 October, to be completed by mid 2009. Further, refurbishment of all trams stops is underway, to include deep cleaning and repainting and the installation of new signage and information. The first stops under refurbishment are Therapia Lane and Beckenham Junction and the programme is scheduled for completion in early 2009.

### **Bus / Tram Fatal Incident on 7 September**

At approximately 10am on Sunday 7 September, a 468 bus operated by London Central collided with a tram in the centre of Croydon. A passenger on the bus was killed and six other passengers received minor injuries and were treated in hospital, along with both the drivers. TfL is currently undertaking a full investigation into the incident, along with the Metropolitan Police Collision Investigation Unit.

### **South Central Franchise**

The DfT-led consultation for the new South Central franchise, which commences in September 2009, has now ended and it is anticipated that an Invitation to Tender will be issued later this year. The outline specification in the consultation document incorporated several enhancements recommended by TfL. Discussions are ongoing between TfL, the DfT and other stakeholders as to what additional improvements for passengers would be required to achieve services of equivalent quality as those to be delivered by London Overground.

## **Docklands Light Railway regeneration benefits**

A report into the impact of the DLR London City Extension was published on 2 September, revealing that nearly nine in ten local residents believe it has improved access to jobs, shops and to central London, and that it has also attracted new people to the area.

## **4 MAJOR PROJECTS AND INITIATIVES**

### **4.1 Crossrail**

#### **Agreements**

Work continues on the Core Agreements for the Crossrail Project. Once the Agreements are signed, Cross London Rail Links Limited (CLRL) will transfer to TfL ownership.

#### **Delivery Strategy**

Progress continues on the preparation and approval of the Crossrail Delivery Strategy. The programme of Advance Works is underway with 109 works packages proceeding through the Gate 1 (scoping) process. The approvals process has started for the detailed design of advance works on Westbourne Park and the Paddington Approaches. A tender process is underway for the Advance Works Logistics, Demolition and Civils (Utilities).

#### **Property**

Compulsory Purchase Orders have been drafted for the first tranche of acquisitions and it is anticipated that these Orders will be served in early October, for possession in January 2009. The second tranche of Orders will be issued in January 2009.

Requests for planning approval under Schedule 7 to the Crossrail Act were made on 4 August for the station at Isle of Dogs, and under the Town and Country Planning Act for those parts of the station that lie outside the Act limits. In addition, Canary Wharf Group has applied under the Town and Country Planning Act for an over-site development to be constructed on top of the station.

#### **Stakeholder Management and Community Relations**

A programme of Public Information Centres is underway to keep communities informed about Crossrail. These public exhibitions are being held at key locations along the route in public areas such as shopping centres, station concourses and town halls. Display material is available for reference and to take away, and Crossrail staff from a range of departments are on hand to answer questions. The programme will finish on 2 October and thereafter communication with communities will be undertaken on a site-by-site basis as appropriate.

## **Crossrail within TfL**

A joint sponsorship team structure has been developed. TfL and DfT will fill seven posts each with the Head of the Joint Sponsorship Team position being a TfL appointment reporting to Ian Brown, Managing Director of London Rail.

Agreement has been reached with the DfT that the seven year Crossrail Train Operating Company (TOC) Concession will be let by November 2013 in parallel with the award of the new East Anglia Franchise. From 1 April 2014, Crossrail TOC will operate the existing Liverpool Street to Shenfield services and take on the Paddington-Heathrow/Maidenhead services when the new Great Western Franchise is awarded in November 2015 to begin operations on 1 April 2016. Operations on the new central tunnel section and connection to the east and west sections will be phased. TfL and Network Rail have agreed that Crossrail Route Control will be based at Liverpool Street in the first instance and later at a new centre at Romford.

## **Crossrail Section 106 Funding and Planning Applications**

Following publication in July of the Mayor's "Planning for a better London" document and on request from the Deputy Mayor Sir Simon Milton, TfL Planning is working with TfL's Corporate Finance team to develop proposals for Section 106 charges in aid of Crossrail. TfL Planning is working with the GLA to support planned engagement with the boroughs to address their concerns, while remaining mindful of formal constraints imposed by legislation. TfL's Land Use Planning team continues to deal with planning applications that include those within Crossrail's catchment areas. The reported reduction in general property market activity has at the time of writing not yet been reflected in any downturn in the Crossrail corridor. Substantial activity is evident in the Isle of Dogs as one example, with very large applications near Canary Wharf.

### **4.2 East London Line Extension Phase One**

Four key implementation milestones were recently completed on schedule – the Dalston Station Podium Slab (which forms the base for the over station development); the concourse foundations for the new Haggerston station; the electrical bulk supply point at Hoxton, which will enable delivery of one of two main power supplies for the railway; and the installation of points to allow access into the carriage servicing depot from the main lines at New Cross Gate. Physical work has now progressed to the point where there is virtually continuous alignment from New Cross Gate to Dalston and track laying is underway in the central tunnels and on the Kingsland Viaduct.

A final report was published on 15 August regarding the investigation into the Bridge GE19 incident in May 2008. The investigation found that the failure of sub contractors to follow procedures together with the unusual geometry of the bridge led to what is believed to be a unique event. Steps are being taken by TfL and Balfour Beatty - Carillion Joint Venture to alert others involved in bridge construction and maintenance and share the lessons learned. The bridge is now secured on four new permanent bearings and work is continuing. The

incident is not expected to affect delivery of the Extended East London Line in June 2010.

### **4.3 Cross River Tram**

The London Assembly Transport Committee held a seminar on 9 September to discuss the Cross River Tram project and a number of external speakers were invited to give their view on the case for the scheme and potential benefits and alternative sources of finance and funding. Approximately 250 members of the public attended the seminar and the media were also present. TfL gave a presentation on the background of the project including the issues and challenges regarding funding of the scheme and possible alternatives to the original proposal.

## **5 CORPORATE ACTIVITIES**

### **5.1 Planning**

#### **Mayor's Transport Strategy**

As stated in Section 1, the Mayor is preparing a 'Direction of Travel' document, for a launch in October. It is anticipated that this document, and the stakeholder responses to it, will help guide the development of the new Mayor's Transport Strategy (MTS). Consultation on MTS is currently scheduled for mid January 2009 with the London Assembly and GLA Functional Bodies, followed by a public consultation in late spring, with final publication planned for autumn 2009.

#### **London Regional Studies and Model Development**

As part of a programme to develop more detailed spatial strategies at a London regional level, TfL Planning is establishing a series of regional studies and working groups. Letters have been sent to London Councils and all Borough Chief Executives outlining the regional approach, and contact is being made with existing sub regional partnerships, acknowledging that these may be subject to review in line with the review of the London Plan. This approach will form part of ongoing meetings with boroughs and has been agreed with the GLA and the London Development Agency (LDA) and welcomed by a number of boroughs. TfL Planning is also developing a new set of regional transport models to inform scheme and strategic development. Presentations to the sub-regions and London Councils on the key priorities for modelling will be made in the coming months.

#### **Working with the Boroughs**

TfL is working with the boroughs to develop a more flexible and less bureaucratic approach to the way that TfL administers the allocation, spending and monitoring of funds allocated to the boroughs to deliver their Local Implementation Plans (LIPs). Arising from this work, some changes are likely to be developed in time for inclusion in the 2009/10 funding allocation and further changes will be developed next year in the context of TfL's 10-year business plan and revision of the MTS.



## **Congestion Charging Sixth Annual Report and London Low Emission Zone Baseline Report**

The Congestion Charging Sixth Annual Monitoring Report and London Low Emission Zone Baseline Reports were completed on target in July and published on TfL's website in August. Publication of the reports was supported by a full press release and media interviews.

### **5.2 Smarter Travel Unit**

#### **School Travel Planning**

Following assessment of all school travel plans submitted for 2007/08, 373 were accredited as achieving the Sustainable School (Bronze) level, 34 achieved the Higher Standard School (Silver) level and six achieved the Outstanding School (Gold) level. All accredited Sustainable Schools attended a sub-regional celebration event and those receiving a Gold or Silver award were invited to attend a separate event on 9 July at the Natural History Museum, where Kenmont Primary School in Hammersmith and Fulham were awarded the 'School of the Year 2008'.

#### **Workplace Travel Planning**

Workplaces with a total of in excess of 485,000 employees have now signed up to the TfL Corporate Workplace Travel Planning Package. This is designed for companies with in excess of 250 employees. To date, the programme has delivered a 13 per cent reduction in single occupancy car trips to sites with an approved Travel Plan. On 28 and 29 August, Mobius (the Netherlands Workplace Travel Planning Programme) visited TfL to share best practice.

#### **Workplace Cycle Challenge**

The 2008 Workplace Cycle Challenge has now drawn to a close. 411 organisations took part, an increase of 50 per cent from 2007. Workplace awards went to ARUP (Highest Mileage and Best Performing Large Corporate Organisation); London Centre for Nanotechnology (Most New Cyclists); and Sky, Kizoom and Base Creative, Skelly and Couch (Best Performing Organisations, Corporate, Enterprise and Small).

#### **GreenFleet Capital Arrive 'n' Drive and Fuel Challenge**

More than 300 fleet managers attended the GreenFleet Capital Arrive 'n' Drive and Fuel Challenge held at Horse Guards Parade on 31 July. The event was opened by Deputy Mayor Richard Barnes. About 20 private and public organisations took part in the Fuel Challenge, including representatives from TfL. A new Eco-driver Challenge enabled TfL to highlight how 'driver style' influences the performance of a vehicle.

## **Smarter Travel Sutton**

The Mayor of Sutton launched 'ActiveSteps' on 10 September. This is a joint TfL, NHS and London Borough of Sutton initiative to improve the health of Sutton residents by helping them to change their travel habits and also reduce traffic congestion at the same time.

## **Smarter Travel value for money pilot projects**

Following a series of meetings with internal and external stakeholders, the Smarter Travel Unit is considering a potential travel awareness initiative to promote bus services to the Princess Royal University Hospital in Bromley and a school travel initiative in Wimbledon aimed at reducing crowding on buses.

## **5.3 Group Services**

### **Chartered Institute of Purchasing and Supply (CIPS) Accreditation**

TfL has achieved CIPS Accreditation, recognising excellence in purchasing policy and procedure, incorporating corporate governance, risk management and professional practices. Results of a rigorous audit of procurement practice across Group, Surface Transport, London Streets, LU and Crossrail were considered by the CIPS board. TfL procurement will further improve processes over the next three years to ensure that renewal can be achieved and with the aim of achieving Gold accreditation.

### **Breakthrough**

Group Services is leading Breakthrough, an initiative designed to increase the number of BAME employees and other minority groups within TfL and, in particular, increase their representation at senior levels. A final report will be delivered by end October.

### **Local Government Equality Standard**

TfL's commitment to equality was recognised when it was awarded Level Five of the Local Government Equality Standard. To achieve level five, an authority must demonstrate that it has made considerable progress in achieving equal employment and service provision. TfL is the first transport authority in the country to achieve this level, which is the highest in the framework.

## **5.4 Finance**

### **Business Planning**

The detailed phase of the Business Planning process has commenced, with all modes having submitted their activity proposals, commentary and headcount on time on 14 August. This is the first time that this has happened, and given the size of the plan and the timeframe, represents an enormous effort by many people. A draft Business Plan will be submitted to the Board meeting on 5 November.

### **Oyster system failures, 25 July and 24/25 August**

Since the previously reported Oyster system failure of 12 July, there have been two more failures. On 25 July, from the start of traffic, all pay as you go cards presented at Underground/Rail stations were rejected by the system. As a consequence, staff were instructed to open gates and prevent customers touching in/out. The system was up and running again by 11.30am. A further system failure on 24 August meant that pay as you go cards could not be used on 24 and 25 August on the Croydon Tramlink. All cards remained valid elsewhere on the system.

Investigations to date show that the problems have all broadly resulted from incorrect data tables being loaded by EDS, a sub contractor of Transys. These incidents point to a lack of skills, training and business operations processes within EDS. Despite the failings on 12 July there was inadequate monitoring in place when the subsequent outages happened.

An interim payment of £1 million was made by Transys on 13 August for the lost revenue resulting from the incidents of 12 and 25 July, pending a final settlement to include recompense for all outages to date.

### **Oyster on mobile**

TfL has been investigating the possibility of integrating Oyster with mobile phones for two years as part of the Future Ticketing Project. The second stage of trials, conducted jointly with O2, Visa, Barclaycard and Nokia and involving 100 students and staff at Imperial College, has been successfully completed. The first stage of trials, involving 500 customers, was successfully completed last year. The extremely positive customer feedback demonstrates that there is real appetite for a commercial rollout of Oyster on mobile phones. TfL will monitor industry developments: the key constraint in a commercial rollout is the availability of near-field communication compatible handsets, which are not likely to be on the market at sufficient scale until 2010.

### **Prestige ticketing contract**

Following the decision taken by the Board on 30 July, the break clause in the Prestige contract was exercised on 8 August. The contract will come to an end in August 2010. Meanwhile, negotiations continue to bring contractual matters to a resolution.

### **Extension of Oyster to National Rail**

The Secretary of State has approved, in principle, the required fares alterations proposed by the Association of Train Operating Companies (ATOC). The Mayor has confirmed to the Secretary of State his support for the fares changes required to implement Oyster pay as you go. Discussions continue with the Train Operating Companies and it is anticipated that final agreement with the remaining companies will be reached shortly. First Great Western services accepted Oyster pay as you go for travel between all their stations in London from 21 September. Work to install validators on First Capital Connect stations

started on 1 September.

### **Fare package for 2009**

The Mayor announced on 4 September that fares will rise from 2 January 2009 based on the Retail Price Index plus one per cent, an overall increase of 6 per cent. From January 2009, a new off-peak reduced fare will apply to those travelling on the Underground from 9.30 to 16.00 on weekdays, meaning journeys from zone 6 to central London will be up to £1.60 cheaper.

Further, the Mayor announced that from January 2009 the Freedom Pass, provided to disabled people and over 60s, will be valid throughout the day on all TfL services other than river services. The Mayor has directed TfL to open negotiations with ATOC to lobby for a similar extension to be applied on National Rail services. Finally, the Mayor announced a new travel scheme for those on lower incomes, also to be introduced in January 2009, enabling London residents on Income Support to travel half price on buses and trams.

Under Section 155 of the GLA Act, the Mayor has directed TfL to implement these proposals.

## **5.5 General Counsel**

### **Land Compensation Act Claims**

TfL secured a favourable judgment in the Lands Tribunal on 6 August in respect of the M11 Link Road and numerous claims under Part 1 of the Land Compensation Act 1973. The claims were for increased compensation due to the adverse effect on property values of the M11 Link Road which opened in August 1999. The total amount claimed by the 16 Claimants was £385,000, against which TfL had made offers totalling £45,100. The Lands Tribunal held that 13 of the 16 offers made by TfL were appropriate and no increases were awarded. In the remaining three cases, individual increases of £600, £900, and £1,650 were awarded. Significantly for future schemes, the Lands Tribunal accepted TfL's methodology of assessing compensation.

## **5.6 Marketing and Communications**

### **Visitor Ticketing**

From 17 August, the commission paid on Oyster sales to overseas agents was standardised at 13 per cent. This will save TfL an estimated £500,000 in 2008/09 alone.

### **Google Advertising Campaign**

During July 2008, Google launched an advertising campaign to promote their iGoogle London gadgets, which strongly featured the TfL brand and services. This brand association and exposure has been gained at no cost to TfL, promoting the Tube map, live travel news and Journey Planner.

## **Promotion of Cycling in the BAME Media**

Eight BAME newspapers have participated in the summer cycling campaign by running articles with competition give-aways. This is an area which has received little interest amongst BAME media in the past. By offering cycles as prizes, TfL has been able to offer newspapers an opportunity to engage with their readers, while promoting messages around the benefits of cycling.

## **Tottenham Court Road Exhibition**

More than 1,500 people visited the Tottenham Court Road exhibition, a joined-up initiative from Crossrail, LU and Surface Transport to provide multi-modal information on planned transport improvements in the local area. Further engagement is planned and a dedicated website and newsletter are being developed. The area-based approach for communications and stakeholder engagement is now being applied to other multi-modal programmes.

## **Customer Service**

London Travel Watch (LTW) recently reviewed the quality of complaints handling in the Oyster Customer Service Centre. The feedback was very positive in respect of quality, empathy with customers and speed of response. LTW's key findings were as follows:

*"Staff appear to be well trained with a very good understanding of how the Oyster system works. This is crucial as passengers can often be confused about how and where they can use various Oyster products such as Pay as You Go. Standards of literacy (both written skills and computer literacy), indicated by the cases we reviewed, appear to be high which enable the Customer Service Agents to communicate well and clearly with complainants and customers seeking information.*

*We were very pleasantly surprised by the good quality of much of the correspondence being produced. Of the thirty-nine cases that we reviewed eight were graded as 'excellent', twenty two were graded as 'good', five were graded as 'standard' while four were graded as 'poor'."*

LTW raised a concern over what they believe to be the overly complex steps we take to confirm a caller's identity. TfL will be exploring whether there are things that ought to be done differently in this area.

## **6 OTHER**

### **6.1 Impact of fuel price increases on TfL**

#### **Impact of fuel price increases on London Buses**

Fuel prices have risen steeply in recent months as the cost of oil has escalated. TfL's exposure to fuel price increases is limited by the inclusion in the contractual agreements with bus operators of an annual Contract Price Adjustment (CPA), of which the fuel component is seven per cent. That is,

seven per cent of the contract price is inflated annually by the increase in the fuel cost index. Beyond this, any increases in costs that take place during a contract are borne by the bus operator. As contracts are renewed, bus operators will assess the risk of price increases and this will be reflected in future tender prices. This is taken into account in TfL's business planning process.

The London Bus network currently uses approximately 280 million litres of fuel per annum, so an increase of one pence in the price of fuel to operators would nominally add approximately £3 million per year to the cost of the London bus network operation. However, the actual impact of fuel price increases on bus operators will depend in part on how they have purchased their fuel; many have 'hedging contracts' in place which minimise their exposure to price fluctuations.

Operators benefit from the Bus Service Operators Grant, which effectively provides recompense for the taxation on fuel. However, this is fixed by Government and hence if the fuel price rises above that assumed in the calculation of the Grant, operators may face cost increases greater than those arising from the general price for fuel.

### **Impact of Fuel Price Increases on Traffic and Congestion**

Petrol and diesel prices 'at the pump' increased in the first half of 2008 by up to 20 per cent. The media has suggested that the combination of fuel price increases and the credit crunch is, nationally, causing a significant switch from car to public transport. Within Greater London, it is considered that a sustained increase in the real price of fuel of 20 per cent would result in a reduction in overall road traffic of around two to three per cent. However, there are already some indications that the recent increases in crude oil prices and the consequential impact on the price at the pump is being reversed.

The strength of the economy also affects road traffic and if the national economy stopped growing for a year, a severe slow-down, road traffic levels might be expected to decline by one to two per cent. Therefore, sustained increases in fuel prices and a severe economic slow-down might, in combination, be expected to produce reductions in traffic of between three and five per cent.

It is too early to get any reliable analysis of London-wide traffic trends over the last few months. However, provisional data from the Department for Transport shows that, nationally, traffic fell by 0.5 per cent from the second quarter in 2007 to the second quarter in 2008, compared to a 1.1 per cent increase nationally the previous year.

### **Impact of energy price increases on London Underground**

From September 2006, LU has purchased bulk electricity using a Flexible Energy Risk Strategy and is supported in this by a specialist Energy Risk Manager (ERM). Under this strategy, LU is required to buy volumes of electricity within a two year window ahead of delivery and the ERM advises LU on the timing and quantity of purchases within this window. This strategy has, to-date, insulated LU from the recent market volatility.

Peter Hendy  
Commissioner  
Transport for London  
September 2008