

TRANSPORT FOR LONDON
RAIL TRANSPORT ADVISORY PANEL

SUBJECT: MANAGING DIRECTOR'S REPORT

MEETING DATE: 13 FEBRUARY 2008

1. MANAGING DIRECTOR'S OVERVIEW

- The Mayor opened the new DLR station at Langdon Park on 10 December 2007.
- The second platform and footbridge at the Stratford DLR station also opened on 10 December 2007.
- DLR issued a notice to proceed on the final two packages of the Three Car project to Taylor Woodrow on 31 October 2007.
- The East London Line Project (ELLP) successfully completed the demolition of Bridge GE19 at Liverpool Street over the Christmas period, 36 hours ahead of schedule.
- The North London Railway Oyster and Gating projects were successfully completed during the quarter in time for the start of the London Rail Concession.

2. OPERATIONAL PERFORMANCE

2.1 DLR

2.1.1 Ridership

Total network passenger journeys for the quarter was 16.1m, which was 0.2m below budget but an increase of 1.2m over the same period last year.

2.1.2 DLR Reliability and Service Quality

Standard	Performance	Target
	Quarter 3	
Departures	99.5%	98.0%
Service Reliability	97.7%	96.0%
TVM Reliability	99.8%	98.0%
Lift Reliability	99.4%	97.0%
Escalator Reliability	99.5%	98.0%
PID Availability	100.0%	98.0%
Customer Service Satisfaction Survey	Performance	Target
	Quarter 2	
Overall Service Performance	97.9 %	90.0%
Train and Stations Cleanliness	96.8 %	90.0%
Service Information	97.5 %	90.0%
Safety and Security	97.9 %	90.0%
Staff Performance	95.9 %	90.0%

All the reliability KPIs were ahead of target for the quarter.

Customer satisfaction performance measures for the second quarter were all above target. Quarter three results are not available currently.

2.2 LONDON OVERGROUND OPERATIONS

London Overground Rail Operations Ltd (LOROL), a joint venture between MTR and Laing Rail, successfully began operations at 2am 11 November 2007. Two launch events were held on Monday 12 November 2007; the first at Hampstead Heath where the Mayor of London unveiled London Overground to the press and the second at Willesden Junction for key stakeholders.

LOROL's first day of operation brought immediate benefits to passengers including:

- The presence of station staff at all stations. For the first time in many years, staff were on hand at stations along the Gospel Oak-Barking Line.
- The ability to use Oyster Pay-As-You-Go on all Overground lines.

3. DLR EXTENSION AND UPGRADE PROJECTS

3.1 Woolwich Arsenal Extension

Good progress continued on the Woolwich Arsenal Extension with the track work complete in the up and down tunnels. The track has now been laid and now needs to be concreted in. All other civils work continued to plan and the fit out has commenced in the plant rooms.

3.2 Stratford International Extension

Stratford International work continued with design submissions and necessary design approvals.

On Package 8 (Network Rail platforms at Stratford Station), the focus in the quarter in addition to the design work has been the works to be done in the Christmas blockade. This was undertaken successfully and the possession was handed back on time. Civils work on the Stratford International Station box and Western Subway also continued to progress well.

3.3 Three Car Bank Lewisham

On all the 3 Car packages, work on the design submissions continued with the main focus directed towards gaining the necessary design approvals.

On Packages 1 and 2 (Bank Lewisham), enabling work also continued to progress well and borehole samples have been taken to confirm the design submissions for Royal Mint Street and Crossharbour.

The main focus on Package 5 (Delta Junction) has been on gaining the necessary design approvals to start construction work in February 2008. Work is also being undertaken to ensure that the booked possessions are fully utilised.

The second major three car possession took place on Package 7 (Canning Town Grade Separation) on the weekend of 8-9 December 2007 during which track isolators were repositioned and the track protection hoarding was built. The possession was successfully handed back to Serco Docklands and service resumed as planned.

Work continued on the final commissioning of the first stage of the Beckton Depot expansion. On the phase 2 works, good progress was made on site and the project is on schedule to complete in February 2008.

3.4 Woolwich / Three Car / Olympic Railcars

The first vehicle arrived from Bautzen on Saturday 22 December 2007. The build and testing of the vehicles continued to progress well in the factory in Germany, with construction of the first twenty vehicles now underway.

3.5 Langdon Park Station

The Mayor opened Langdon Park station on 10 December with extensive media coverage. A well attended stakeholder event at the station demonstrated the high level of buy in to DLR's thirty ninth station.

3.6 Stratford Regional

The station officially opened on 10 December 2007 and both platforms are now in revenue service. A successful stakeholder event took place on 13 December which was attended by TfL Board members.

4. LONDON OVERGROUND INFRASTRUCTURE PROJECTS

The East London Line was closed on 22 December 2007, on programme, and the site handed over to the main works contractor on 22 January 2008.

Bridge GE19 was successfully demolished over the Christmas period during the Liverpool Street Station to Ingatestone blockade. Although Network Rail possession works overran, the project works were completed 36 hours early.

Ten new short term critical milestones have now been developed with the main works contractor, Balfour Beatty Carillion (BBC JV), to take the project through to the end of May 2008.

On North London Rail Infrastructure Project (NLRIP), the procurement strategy was agreed in principle between the project team and Network Rail (NR) and a procurement programme is under preparation. Work continued on agreeing arrangements for the integrated team and preparation of the track access option application.

5. LONDON RAIL OYSTER PROGRAMME

North London Railway (NLR) Oyster Implementation

The NLR Oyster Project was successfully implemented for the start of the concession on 11 November 2007. Passengers on the NLR are now able to travel using Pay-As-You-Go (PAYG) as well as purchase Oyster tickets at all London Overground stations. This represents the first major introduction of Oyster PAYG on London's National Rail network.

Wider London Oyster Rollout

The project to rollout Oyster PAYG ticketing to all of London's National Rail services is being taken forward in two phases. Phase one involves three TOCs and completed in January 2008. Intrusive surveys are being carried out for Phase two TOC rollout in January 2009.

6. FINANCIAL PERFORMANCE HIGHLIGHTS

Key financial information and variances are detailed below.

Expenditure £m	Year To Date			Full Year		
	Actual	Budget	Var	Forecast	Budget	Var
Income	(47.3)	(46.9)	(0.4)	(76.8)	(73.0)	(3.8)
Operating Expenditure	90.1	95.4	(5.3)	160.7	156.1	4.6
Overheads	14.2	11.8	2.4	20.5	17.1	3.4
Net Revenue Expenditure	57.0	60.3	(3.3)	104.4	100.2	4.2
Net Capital Spend	213.8	247.5	(33.7)	366.8	407.0	(40.2)
London Rail Mode	270.8	307.8	(37.0)	471.2	507.2	(36.0)

Year to date net expenditure of £270.8m was £37.0m less than budget with under spends on capital projects and net revenue expenditure of £33.7m and £3.3m respectively.

The year end total net expenditure forecast of £471.2m is £36.0m below budget. The variance consists of a £40.2m under spend on capital projects, which is partly offset by a £4.2m net revenue expenditure over spend.

6.1 Year to date performance against budget

Key year to date capital expenditure variances were as follows:

East London Line – £5.5m under spend which was largely due to changes in programme timings since the budget was formulated in 2006/07, although this was partly offset by an accounting adjustment to recognise property compensation payments on an accruals, rather than a cash basis (£10.5m).

DLR - £4.3m under spend due to phasing differences across a number of projects.

ELLP and NLR railcars - £25m under spend reflecting the minor delay in payment of the second milestone payment on the base order, which was budgeted in period 9 but actually made in period 10.

Key year to date net revenue expenditure variances were as follows:

Operating Expenditure – £5.3m under spend due mainly to the following :

- Delays in NLRIP programme development.
- Rephasing of NLR stations upgrade costs into future years to reflect the fact that the works will now be carried out by LOROL, rather than by a third party in advance of the concession being let.
- Higher DLR performance payments.

Overheads - £2.4m over spend due mainly to additional insurance and project delivery related staff costs.

6.2 Year end forecast

The quarter three full year net expenditure forecast of £471.2m is £36.0m lower than budget, with decreases in net capital expenditure of £40.2m partially offset by an overspend in net revenue expenditure of £4.2m.

The net capital expenditure variances were for the following reasons :

- Capital Expenditure - £25.2m less than budget, largely as a result of phasing changes. The budget was formulated in December 2006 before detailed programmes were available from the contractors for a number of projects.
- Capital Contributions - £15.0m more than budget due to contributions being forecast for receipt earlier than originally anticipated.

Key forecast net revenue expenditure variances are as follows:

Income - £3.8m more than budget due mainly to an improvement in the projections for London Overground as more information became available.

Operating Expenditure – £4.5m more than budget due mainly to :

- Additional London Overground concession costs. The forecast reflects the final agreement reached with LOROL which included a number of enhancements to the service specification.
- Higher DLR performance payments.
- Rephasing of project costs for NLRIP and NLR stations into later years as described above.

Overheads - £3.3m over spend due mainly to additional insurance and project delivery related staff costs.

All changes have been contained within the Investment Programme funding allocation.

7. PEOPLE

Number of FTEs	Year to Date			Full Year	
	Actual	Budget	Var	Forecast	Var
DLR	56.3	48.0	8.3	56.3	8.3
Overground Operations	12.0	0.0	12.0	16.0	16.0
Overground Infrastructure	70.4	89.0	(18.6)	73.0	(22.0)
London Rail	67.4	57.0	10.4	73.4	17.4
Total London Rail Staff	194.1	194.0	0.1	202.7	3.7
Crossrail secondees	17.0	24.8	(7.8)	17.0	(7.8)
Total	211.1	206.8	(7.7)	219.7	(4.1)

Effective FTE of 194 (excluding Crossrail) was on budget at the end of period 9.

Equality and Inclusion - % of BAME staff

The percentage of BAME staff was slightly above target for period 9 at 20.1%. London Rail is working with Group Equality and Inclusion to encourage applicants from diverse backgrounds into engineering and other specialist job roles.

8 NATIONAL RAIL

8.1 Office of Rail Regulation (ORR) Periodic Review, DfT High Level Output Statement and Network Rail Strategic Business Plan

The ORR is currently finalising its response to Network Rail's Strategic Business Plan, which sets out Network Rail's plan for delivering the capacity enhancements required by DfT, in addition to its ongoing operational, maintenance and renewal activities. Initial indications are that the ORR believes that the DfT's funding for railways is adequate, but will force Network Rail to find greater efficiency savings. The ORR's final determinations and the agreed levels of access charges for users of the railway are expected to be published towards the end of 2008. The next control period commences in April 2009.

8.2 Network Rail matters

8.2.1 Route Utilisation Strategies (RUS)

Network Rail published the final Greater Anglia RUS, which is expected to be adopted formally by the ORR by the end of February 2008. The East Coast Main Line and South London RUSs are both expected to be published in their final form by the end of March. Both have had full input from TfL and are consistent with the contents of the DfT's high level output statement. New RUSs, for Kent, Sussex, the Great Western, the East Midlands and the South Midlands (all with an impact on London) are to begin shortly.

8.2.2 National Station Improvement Programme (NSIP)

This DfT programme, announced in the White Paper of July 2007, is intended to provide £150m over Control Period 4 (CP4), which covers the period 2009 to 2014, to enhance facilities at 150 mainly “medium sized” stations with low customer satisfaction ratings. The Network Rail plan for delivering this was included in its Strategic Business Plan in October 2007, which listed 196 stations, approximately 45 of which are in London. The ORR has since confirmed to DfT that the plans meet its value for money criteria.

Network Rail have given approval to relevant local managers to work with train operators to develop all 196 schemes. London Rail is liaising closely on both the station list itself and the scope of works for each. NSIP funding has been identified for a number of TfL schemes including West Hampstead interchange and Crystal Palace.

8.3 Office of Rail Regulation matters

8.3.1 ORR Consultations

The most important ORR consultations issued since the last panel include:

- Possession compensation regime
- Network Rail strategic business plan
- ORR business plan

TfL London Rail has responded to these consultations.

8.4 DfT matters

8.4.1 DfT consultations and announcements

There have been no announcements by the DfT with a direct impact on national rail activities in London since the last report.

8.4.2 Franchise replacements and extensions – progress

The new London Midland (GoVia), Cross Country (Arriva) and East Midlands (Stagecoach) franchises began operation in November and the East Coast (National Express) franchise began in December.

TfL and DfT are also working together on the new South Central franchise, which is expected to start in September 2009. TfL will be making the case for enhancements up to Overground standard in the suburban area.

8.4.3 Accessibility and the ‘Access for All’ programme

Following earlier phases, DfT is expected to announce shortly a list of forty stations across England and Wales for further feasibility work prior to inclusion in the third phase of *Access for All* projects for implementation between 2012 and 2015. This £370m ten year programme will provide step free access to station platforms. Thirteen London stations are included so far, nine recommended by TfL, which with projects such as the extended East London line and new stations would increase the proportion of step-free stations from 30% to 41% by 2012 (or from 66% to 80% by footfall). The nine stations are Brockley, Bromley South, New Eltham, Tottenham Hale, New Malden, West Hampstead Thameslink, Camden Road, Gospel Oak and Honor Oak Park (Edmonton Green has also been included on a reserve priority list).

DfT acknowledges that some priorities have emerged since the earlier phases of the programme were announced e.g. to improve Olympics and Paralympics transport provision they are willing to discuss opportunities for earlier implementation.

8.5 Performance of the passenger network

The current London and South East Quarter 2 2007-2008 figures (percentage of trains arriving within five minutes of time) are shown below.

Year	Quarter	London and South East (all day)	London and South East (peak services)
2006-2007	1	91.4%	90.2%
	2	89.6%	88.7%
	3	85.2%	80.6%
	4	89.0%	84.9%
2007-2008	1	91.9%	90.9%
	2	91.5%	90.5%
Year on year change for Quarter 2 (see note)		1.9%	1.8%

Source: ORR's National Rail Trends

Note: Year on year changes do not always correlate due to rounding.

Passenger journeys have increased by 11.5% and passenger kilometres by 7.9% compared with Quarter 2 (2006-2007).

8.6 Freight

8.6.1 Howbury Park decision

The London Rail Freight Strategy, which was published in September 2007, promotes the provision of adequate modern rail terminal capacity to serve London's needs and identifies a need for three to four strategic rail freight terminals around London.

Following a Public Inquiry in April 2007, approval has been granted for the Howbury Park distribution park in the London Borough of Bexley, which will be the first such facility in the London area. This represents a breakthrough for London which has suffered severe under provision of such facilities following the failure of a west London project to gain planning permission about five years ago. In the meantime, a number of large schemes have been developed in the Midlands and North. The Mayor's support for Howbury Park was cited in the Inspector's report.

8.6.2 Strategic freight network

The DfT announced £200m in the July 2007 Railways White Paper for the development of an enhanced network for freight. Network Rail's formal response to this was contained in its Strategic Business Plan.

The priorities are optimising the pattern of freight routing to minimise conflicts with passenger services, providing the ability for freight to offer a seven day service, and upgrading trunk routes to provide adequate paths (in terms of quantum and journey time), train length, gauge and axle load.

A prioritised list of schemes is expected by April 2008, with outline costs attached to those in CP4. DfT expects refined costs and timescales to be available by March 2009.

8.6.3 Facilities to support freight on the High Speed line

London Rail is jointly commissioning work with the London Thames Gateway Development Corporation to provide a strategy for the development of logistics facilities in the London Riverside area. The study will provide evidence on the need for facilities to support freight on the new High Speed line, the technical feasibility of possible sites, and an outline evaluation of the costs and benefits. This is expected to be ready by May 2008. It will inform possible improvements to the Renwick Road A13 junction as well as the London Borough of Barking & Dagenham's Local Development Framework.

8.6.4 Rail freight trends

The current Quarter 2 2007-08 figures for Freight Moved (billion net tonne kms) and Freight Lifted (million tonnes) together with the previous five quarters are shown below.

Year	Quarter	Freight Moved (bn net tonne/kms)	Freight Lifted (million tonnes)
2006-2007†	1	5.72	27.81
	2	5.77	29.13
	3	5.25	27.08
	4	5.37	29.48
2007-2008	1	5.48	25.50
	2	5.23	25.34
Year on year change for Quarter 2 (see note)		-9.4%	-3.2%

Source: National Rail Trends produced by the Office of Rail Regulation

Note: Year on year changes do not always correlate due to rounding.

† 2006-2007 data have been updated since the last report.

Quarter 2 shows a decrease of 9.4% in rail freight moved compared with the same quarter last year, while freight lifted decreased by 3.2% over the same period.

The overall picture of a modest decline is not reflected in London because the most important sector – deep sea container traffic – has continued to grow. Construction, which is also an important sector in London, has remained broadly stable. The declining sectors are in bulk markets, notably coal and metals which are not represented in London.

8.7 Environment/sustainability

Following the start of the London Overground concession in November 2007, London Rail is assisting LOROL in their development of a sustainability action plan. This covers all of the environmental, social and economic aspects of sustainability and will set quantifiable targets to ensure that best practice is adopted in all areas. London Rail is developing an emissions model to help with this and inform rail's contribution to the overall reduction for the Mayor's climate change action plan. London Rail is liaising with the DfT to ensure the model is consistent with theirs.

London Rail continues to contribute to the Rail Safety and Standards Board work, including its response to the Government's consultation on the development of carbon budgets and development of a trajectory for reducing the rail industry's carbon emissions from traction energy.

8.8 High speed lines

Since the last report, the high-speed line has opened to St Pancras from the Channel Tunnel. High-speed domestic services to Ebbsfleet and further into Kent are to commence operation in 2009.

TfL has responded to the latest report from Greengauge 21, promoters of a potential high-speed line to the north (HS2), noting our general support, subject to further work on the route and terminal in London.

9. Recommendation

9.1 The Panel is asked to NOTE the report.

**Docklands Light Railway Period Performance Report
Operational Summary Period 9 2007/2008**

	Unit	Reporting Frequency	Current Period			Year to Date			Full Year		
				Budget/	Prior			Prior			Prior
			Actual	Target	Year	Actual	Target	Year	Forecast	Target	Year
Safety											
Total number of staff and passenger RIDDOR incidents	#	4-weekly	0	n/a	1	9	n/a	8	n/a	n/a	9
Customer satisfaction Survey (CSS): Safety and Security	%	Qtr	97.9	90.0	95.0	97.9	90.0	94.6	90.0	90.0	94.9
Ridership											
Usage: Total individual trips	# (k)	4-weekly	5,451	5,479	5,050	45,815	46,221	42,596	65,982	66,564	61,301
Service Volumes: Numbers of kms operated	km (k)	4-weekly	336	349	353	3,104	3,129	3,017	4,527	4,527	4,383
Reliability and Service Quality											
% of Scheduled Service Operated (valid train departures)	%	4-weekly	99.6	98.0	99.2	99.3	98.0	99.1	98.0	98.0	99.1
On time performance (adherence to schedule)	%	4-weekly	97.7	96.0	96.8	97.8	96.0	97.9	96.0	96.0	97.8
TVM availability	%	4-weekly	99.7	98.0	99.6	99.6	98.0	99.5	98.0	98.0	99.5
Lift availability	%	4-weekly	99.7	97.0	99.4	99.4	97.0	99.6	97.0	97.0	99.6
Escalator availability	%	4-weekly	99.6	98.0	98.2	98.7	98.0	95.6	98.0	98.0	96.2
PID availability	%	4-weekly	100.0	98.0	100.0	100.0	98.0	100.0	98.0	98.0	100.0
CSS: Overall Service (note 1)	%	Qtr	97.9	90.0	97.2	97.6	90.0	96.9	90.0	90.0	96.9
CSS: Cleanliness (note 1)	%	Qtr	96.8	90.0	96.5	96.3	90.0	96.5	90.0	90.0	96.6
CSS: Service Information (note 1)	%	Qtr	97.5	90.0	95.5	97.6	90.0	95.7	90.0	90.0	96.0
CSS: Staff Performance (note 1)	%	Qtr	95.9	90.0	95.4	96.0	90.0	96.0	90.0	90.0	96.3
Access											
% of System Accessible	%	Annual	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Key

- KPIs - Actual & Forecast adverse variance >= 5% from Financials - Actual & Forecast variance >= 15% from target
- KPIs - Actual & Forecast adverse variance up to 5% from Financials - Actual & Forecast variance between 5% to 15% from target
- KPIs - Actual & Forecast equal to or favourable Financials - Actual & Forecast variance <= 5%

Note 1 - 'Actual' CSS results shown are for Qtr 2 2007-08

London Rail
Financial Summary Period 9

Activity	Current Period			Year to date			Full Year		
	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m	Forecast £m	Budget £m	Variance £m
DOCKLANDS LIGHT RAILWAY									
Franchise Revenue	(2.9)	(3.2)	0.3	(26.2)	(27.3)	1.0	(38.7)	(38.6)	(0.1)
Lewisham Revenue	(1.4)	(1.5)	0.2	(12.1)	(13.3)	1.2	(17.3)	(18.8)	1.5
London City Airport Revenue	(0.6)	(0.4)	(0.2)	(4.7)	(3.5)	(1.2)	(5.9)	(4.9)	(0.9)
DLR Revenue	(4.8)	(5.1)	0.3	(43.1)	(44.0)	1.0	(61.9)	(62.4)	0.5
Franchise Costs	2.8	2.3	0.5	25.8	23.5	2.3	36.8	33.3	3.5
Lewisham Concession Maintenance Charge	0.4	0.4	(0.0)	3.4	3.4	(0.0)	4.9	4.9	(0.0)
London City Airport Maintenance Charges	0.2	0.2	(0.0)	3.0	3.0	(0.0)	3.0	3.0	(0.0)
DLR Operational Costs	3.4	2.9	0.5	32.2	29.9	2.3	44.6	41.2	3.5
DLR Margin	(1.4)	(2.2)	0.7	(10.9)	(14.1)	3.3	(17.3)	(21.2)	3.9
Lewisham Concession Finance Charge	1.6	1.7	(0.0)	14.8	14.9	(0.1)	21.4	21.5	(0.1)
London City Airport Finance Charges	1.0	1.0	(0.0)	7.9	7.9	(0.0)	12.8	12.8	(0.0)
DLR Finance Charges	2.6	2.6	(0.0)	22.6	22.8	(0.1)	34.2	34.3	(0.1)
London Rail Concession Income	(3.0)	(2.0)	(1.0)	(3.0)	(2.0)	(1.0)	(12.9)	(9.3)	(3.6)
London Rail Concession Costs	6.5	4.8	1.7	7.8	4.9	2.9	41.9	24.2	17.7
Rolling Stock Refinancing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Silverlink Refranchise	(0.2)	0.0	(0.3)	1.3	1.4	(0.1)	1.3	1.4	(0.1)
London Rail Concession Margin	3.3	2.9	0.4	6.1	4.3	1.8	30.3	16.4	13.9
East London Line Property Income	(0.2)	(0.1)	(0.0)	(1.3)	(0.9)	(0.4)	(1.8)	(1.4)	(0.5)
Services and studies									
Rail Service Support - Silverlink	0.0	0.0	0.0	0.7	0.7	0.0	0.7	0.7	0.0
Rail Service Support - Other TOCs	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	0.1	0.1	0.0
National Rail Studies	0.0	0.4	(0.3)	0.3	2.6	(2.3)	1.9	4.3	(2.5)
Total	0.0	0.4	(0.4)	1.0	3.3	(2.3)	2.6	5.1	(2.4)
DLR Capital Projects in Development phase									
Three Car Bank Lewisham	0.0	0.0	0.0	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)
Three Car North Route	0.0	0.0	0.0	0.1	0.4	(0.3)	0.1	0.4	(0.3)
Delta Junction	0.0	0.0	0.0	0.1	0.2	(0.1)	0.1	0.2	(0.1)
Stratford International	0.0	0.0	0.0	(0.2)	0.1	(0.3)	(0.2)	0.1	(0.3)
Woolwich/ Capacity Vehicles	0.0	0.1	(0.1)	0.6	0.5	0.0	0.8	0.8	0.0
Woolwich Arsenal	0.0	0.0	0.0	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)
Langdon Park	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dagenham Dock	0.3	0.2	0.1	1.4	1.1	0.3	1.9	1.6	0.3
Total	0.3	0.3	0.1	1.9	2.2	(0.3)	2.6	3.0	(0.4)
DLR Infrastructure maintenance	0.3	0.3	(0.0)	3.0	3.5	(0.5)	4.5	5.1	(0.6)
DLR Minor Projects	0.0	0.0	0.0	0.1	0.1	(0.0)	0.1	0.1	0.0
London Rail Development Projects									
Silverlink	0.6	0.2	0.4	10.9	9.8	1.2	14.5	10.7	3.8
Other TOC's	0.9	0.8	0.1	3.3	3.5	(0.2)	6.5	6.8	(0.2)
Total	1.5	1.0	0.5	14.2	13.3	0.9	21.0	17.5	3.5
North London Railway Infrastructure Project	0.7	1.3	(0.6)	4.4	10.6	(6.3)	8.1	19.4	(11.4)
North London Railway Stations Upgrade	0.3	0.2	0.2	1.0	3.4	(2.4)	2.0	4.7	(2.6)
East London Line Property Costs	0.1	0.0	0.1	0.7	0.0	0.7	1.0	0.0	1.0
Overprogramming	0.0	0.0	0.0	0.0	0.0	0.0	(3.5)	0.0	(3.5)
Total Revenue Projects	3.3	3.1	0.1	25.2	33.1	(7.9)	35.9	49.8	(14.0)
Total Operating Expenditure	15.6	14.0	1.6	90.1	95.4	(5.2)	160.6	156.1	4.5
Overheads									
DLR Administrative overheads	0.8	0.8	0.1	8.1	6.6	1.5	11.6	9.6	2.0
London Rail Development and HQ overheads and recharges	0.9	0.6	0.3	6.1	5.2	0.9	8.9	7.7	1.2
Total Overheads	1.7	1.3	0.3	14.2	11.9	2.4	20.5	17.2	3.3
TOTAL LONDON RAIL NET REVENUE SPEND	9.3	8.1	1.2	57.0	60.3	(3.3)	104.4	100.3	4.1

**London Rail
Financial Summary Period 9**

Activity	Current Period			Year to date			Full Year		
	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m	Forecast £m	Budget £m	Variance £m
DLR Capital Projects									
Three Car Bank Lewisham	4.6	6.2	(1.5)	43.9	38.5	5.5	63.4	63.3	0.1
Beckton Depot	0.6	0.0	0.6	2.7	6.7	(4.1)	3.6	6.7	(3.2)
Custom House to Beckton	0.0	0.1	(0.1)	0.0	0.1	(0.1)	0.5	0.5	(0.0)
North Route - 3 Car	0.2	0.2	0.0	0.8	0.3	0.5	1.5	1.9	(0.4)
Delta Junction	1.2	0.8	0.4	4.3	5.0	(0.7)	9.8	9.0	0.7
3 Car Poplar Woolwich	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5	(0.2)
Hilton	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Railcar Refurbishment	0.3	0.1	0.2	1.3	1.1	0.1	2.1	2.1	0.0
RVAR	0.0	0.0	(0.0)	0.0	0.1	(0.1)	0.1	0.2	(0.1)
Vehicle Modernisation	0.0	0.0	(0.0)	0.1	0.4	(0.2)	0.4	0.7	(0.3)
London City Airport	0.0	0.0	0.0	0.2	0.0	0.2	1.4	0.0	1.4
Woolwich/Arsenal	0.3	0.5	(0.2)	0.9	2.0	(1.1)	1.5	3.8	(2.3)
Stratford Station	0.3	0.0	0.3	4.9	4.7	0.2	5.0	4.7	0.3
Stratford International	1.8	2.4	(0.6)	28.3	32.0	(3.8)	49.5	57.1	(7.5)
On Train CCTV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Radio & Comms	0.4	0.2	0.2	0.9	1.9	(1.0)	1.0	3.0	(2.0)
Infrastructure maintenance	1.4	0.7	0.7	6.8	6.0	0.8	10.1	8.9	1.2
Shadwell Station Development	0.0	0.0	0.0	0.5	0.1	0.5	1.3	0.1	1.2
Yourrailway	0.0	0.1	(0.1)	0.3	0.6	(0.3)	0.5	1.8	(1.3)
Olympics Railcar	0.0	0.0	0.0	0.0	0.1	(0.0)	1.6	1.1	0.5
Langdon Park	0.9	0.7	0.2	4.9	4.0	0.9	5.1	4.5	0.6
Tower Gateway Station	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.0
Ticket Vending Machines	0.0	0.2	(0.2)	0.0	0.3	(0.3)	0.5	1.6	(1.1)
	12.1	12.0	0.1	100.8	103.9	(3.1)	159.9	172.3	(12.4)
East London Line Project									
Enabling Works Phase 1A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enabling Works Stage 2	0.0	0.0	0.0	1.2	0.0	1.2	1.2	0.0	1.2
Main Works - Design & Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Main Works - Utilities	0.6	0.0	0.6	1.2	0.7	0.5	4.8	1.7	3.1
Main Works - BBC JV Contract	12.2	16.1	(3.9)	75.7	90.5	(14.9)	129.8	157.0	(27.2)
NR Works	0.8	1.8	(1.0)	6.8	9.7	(2.9)	19.4	20.9	(1.6)
LUL Works	1.5	1.1	0.4	8.5	6.8	1.7	15.7	13.0	2.7
Rolling Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Passenger Services Operator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Property	0.1	0.0	0.1	10.9	0.2	10.7	11.1	0.3	10.9
Development Projects	0.0	0.0	0.0	0.2	0.0	0.2	0.3	1.4	(1.1)
Core Services									
Programme Management	0.5	0.7	(0.2)	4.7	5.8	(1.1)	7.2	8.4	(1.2)
Engineering	0.3	0.8	(0.5)	6.8	7.1	(0.3)	13.0	10.2	2.9
Other Core Services	1.5	0.9	0.7	7.3	8.0	(0.7)	10.5	12.6	(2.1)
Total	17.6	21.4	(3.8)	123.2	128.8	(5.5)	213.0	225.5	(12.4)
ELLP/NLR Rolling Stock	4.8	0.3	4.6	4.9	30.0	(25.0)	38.2	31.0	7.3
London Overground Primary Franchise Assets	1.2	0.0	1.2	1.2	0.0	1.2	0.6	0.0	0.6
Overprogramming			0.0			0.0	(8.2)		(8.2)
TOTAL LONDON RAIL CAPITAL SPEND	35.7	33.7	2.0	230.1	262.6	(32.5)	403.5	428.7	(25.2)
Langdon Park Contribution	(0.8)	(0.7)	(0.2)	(4.9)	(4.0)	(0.9)	(4.9)	(4.5)	(0.4)
London City Airport	0.0	0.0	0.0	0.0	0.0	0.0	(2.9)	(0.9)	(2.0)
3 Car Third Party Contribution	0.0	0.0	0.0	(0.3)	0.0	(0.3)	(11.6)	0.0	(11.6)
East London Line Contribution	0.0	0.0	0.0	(11.2)	(11.1)	(0.1)	(17.4)	(16.4)	(1.0)
TOTAL LONDON RAIL NET CAPITAL SPENC	34.9	33.0	1.9	213.8	247.5	(33.8)	366.8	407.0	(40.2)
GRAND TOTAL LONDON RAIL	44.2	41.1	3.1	270.8	307.8	(37.0)	471.2	507.2	(36.1)

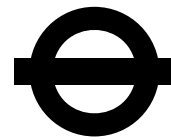
● Actual & Forecast variance > £5m, favourable or adverse to budget

● Actual & Forecast variance between £1m to £5m, favourable or adverse to budget

● Actual & Forecast variance between < £1m, favourable or adverse to budget

Activity	Current Period			Year To Date			Full Year		
	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m	Forecast £m	Budget £m	Variance £m
DLR	13.1	12.4	0.7	112.4	114.4	(2.0)	164.7	188.3	(23.6)
London Rail Concession	4.4	2.9	1.6	7.3	4.3	3.0	30.9	16.4	14.5
ELL	17.5	21.3	(3.7)	111.4	116.7	(5.3)	194.8	207.7	(12.9)
NLR Infrastructure and stations	1.0	1.5	(0.5)	5.3	14.0	(8.7)	10.1	24.1	(14.0)
Rolling Stock	4.8	0.3	4.6	4.9	30.0	(25.0)	38.2	31.0	7.3
London Rail Development	1.5	1.4	0.1	15.2	16.6	(1.4)	23.7	22.6	1.1
Overprogramming							(11.7)		(11.7)
Overheads	1.7	1.3	0.3	14.2	11.9	2.4	20.5	17.2	3.3
GRAND TOTAL LONDON RAIL	44.2	41.1	3.1	270.8	307.8	(37.0)	471.2	507.2	(36.1)

Activity	Current Period			Year To Date			Full Year		
	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m	Forecast £m	Budget £m	Variance £m
Income	(7.9)	(7.2)	(0.8)	(47.3)	(46.9)	(0.4)	(76.7)	(73.0)	(3.6)
Operating Expenditure	15.6	14.0	1.6	90.1	95.4	(5.2)	160.6	156.1	4.5
Overheads	1.7	1.3	0.3	14.2	11.9	2.4	20.5	17.2	3.3
Gross Margin	9.3	8.1	1.2	57.0	60.3	(3.3)	104.4	100.3	4.1
Net Capital Spend	34.9	33.0	1.9	213.8	247.5	(33.8)	366.8	407.0	(40.2)
NET SERVICE EXPENDITURE	44.2	41.1	3.1	270.8	307.8	(37.0)	471.2	507.2	(36.1)



London Rail

To RTAP
From Howard Smith

Date 25 January 2008
Subject Safety Report Periods 7-9
(Quarter 3) 2007/08

Introduction

This report gives a high level summary of safety performance for London Rail in Quarter 3.

What went well in London Rail during Quarter 3

- The commencement of London Overground services with the new operators, London Overground Rail Operations Limited (LOROL) on 11 November 2007.
- Good progress has been made on all safety improvement plans.
- On Docklands Light Railway there were no reportable staff assaults in Quarter 3. The Employee Major Assault Rate remains at zero and the employee minor assault rate is at 6 per 100,000 hours worked. This represents the 6th consecutive period decrease.
- New and updated Construction, Design and Management (CDM) procedures rolled out at Docklands Light Railway Limited.

Areas for improvement

Although there has been a decrease in the amount of contractor incidents since the last report – there is still room for improvement.

Safety Performance

London Overground Infrastructure

Since the beginning of the main works on the London Overground Infrastructure worksites there have been a total of 4 RIDDOR injuries in 653,451 hours worked. These are injuries categorized as reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). This equates to an injury rate of 0.61 per 100,000 hours worked. Currently, this is above the target of 0.59 but with a number of additional controls now in place the accident rate is expected to be below the target rate by the next quarter.

London Overground (LOROL)

Data regarding the operation of London Overground services is only available for period 9. Accordingly, detailed accident rates and trend analysis is not available for quarter 3. However, it is worth noting that there were no significant safety related incidents reported during the first period of operation.

Docklands Light Railway

During Quarter 3 there were three RIDDOR accidents (injuries and occurrences) on DLR major projects sites. The total number of RIDDOR related accidents for Major Projects on DLR at the end of Quarter 3 was 16 in 2,433,712 hours worked. This equates to an accident frequency rate of 0.65 per 100,000 hours worked and is above the target rate of 0.59. This rate is expected to be below the target rate by the end of the next quarter.

Other items of note:

Intervention audits by the Office of Rail Regulation are planned to take place on DLR during the next quarter.

The annual DLR Safety Management System audit was carried out during period 9. The audit covered all the companies that make up the DLR family and the draft report has now been received by all companies.

The revised DLRL Safety Management System and associated procedures were rolled out on the 1 November 2007. Individual and team briefings were organised to explain the changes to the revised system.