

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: MANAGING DIRECTOR'S REPORT – LONDON RAIL

DATE: 10 JULY 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 The purpose of the report is to highlight the performance of London Rail for periods 1 and 2, 2009/10 (1 April-30 May 2009). Members are asked to note the report.

2 KEY HIGHLIGHTS

- 2.1 DLR Canning Town Junction entered service on 1 June 2009.
- 2.2 On DLR, the Stratford high level platforms were successfully handed over to Network Rail (NR) on 14 April 2009.
- 2.3 Ticketless travel on London Overground now stands at 2.4 per cent, the lowest level since the concession began.
- 2.4 On the North London Railway Infrastructure Project, the first key milestone was met when the blockade of the No.1 lines commenced on 19 April 2009.
- 2.5 The option to purchase three additional four-car dual voltage trains for the East London line phase 2 extension was exercised with Bombardier on 30 April 2009.

3 MANAGING DIRECTOR'S OVERVIEW

- 3.1 Performance on London Overground was pleasing with the PPM¹ MAA² of 92.3 per cent, 0.8 per cent ahead of last year.
- 3.2 On DLR, some improvement in performance has occurred since the last quarter and management continued to work closely with Serco across a number of areas. However, service performance will continue to be an issue during the extensive improvement works that are currently in progress.
- 3.3 London Tramlink performance was above target.
- 3.4 Projects generally progressed well across the mode.

¹ PPM (Public Performance Measure): per cent of trains that arrived within 5 minutes of their stated arrival time as per the timetable currently in operation.

² MAA: Moving Annual Average.

4 OPERATIONAL PERFORMANCE

Docklands Light Railway

4.1 Passenger journeys of 11.3m in the first two periods were 1.1m ahead of budget driven by the extra four days in period one and increased patronage from the London Marathon. Underlying volume is in line with the same period last year after accounting for these factors.

4.2 Reliability and Service Quality

Standard	P1-2 System Performance	Budget
Departures	98.4%	98.0%
Service Reliability	95.1%	96.0%
TVM Availability	99.8%	98.0%
Lift Reliability	99.8%	97.0%
Escalator Reliability	99.5%	98.0%
PID Availability	100%	98.0%

Service reliability suffered during the first two periods driven by a series of vehicle failures (both old and new vehicles), ongoing software issues and closures of Bank station.

London Overground Operations

4.3 PPM MAA was 92.3 per cent at the end of period two, in line with budget and 0.8 per cent higher than the previous year.

London Tramlink Operations

	P1-2	Budget
Passenger Journeys	4.4m	4.0m
Per cent of scheduled service kms operated	99.0%	98.0%

4.4 Journeys of 4.4m during the first two periods were 1.5 per cent higher than the same period last year.

5 DOCKLANDS LIGHT RAILWAY PROJECTS

Three Car

5.1 Productivity during possessions was generally good with the majority of works completed as planned in the period.

5.2 Overall, Package 1 (Bank to Crossharbour) is progressing well, with Shadwell and Crossharbour stations complete and the extended platforms ready for passenger service. The new South Quay station is scheduled for completion in August 2009.

5.3 Package 2 (Lewisham Extension): All construction work on Package 2 is complete and stations are undergoing the final snagging works prior to DLR agreeing sectional completion with Taylor Woodrow.

- 5.4 The Package 5 works (Delta Junction) are now complete and the dive under was commissioned during the possession which took place on 10 May 2009.
- 5.5 Package 7 (Canning Town Junction): Following the nine day blockade in May, the flyover was successfully commissioned and entered service on 1 June 2009, one day earlier than planned.
- 5.6 Three Car Route North Package 3 and 4 (North Route and Blackwall and East India): Packages 3 and 4 generally progressed in accordance with programme, with all works forecast to be complete by 31 July 2009 on Package 3 and September 2009 on Package 4.
- 5.7 Three Car East Route: Design is largely complete, with only the approval in principle for the mechanical and electrical works outstanding. The draft detailed designs have been submitted to Taylor Woodrow and Faithful & Gould for pricing and the prices are expected to be returned during the week commencing 6 July 2009.

Stratford International Extension

- 5.8 Package 8 (National Rail Platforms at Stratford): The high level platforms were successfully handed over to Network Rail (NR) for operation on 14 April 2009. The power switchover work scheduled for the possession booked for the weekend of 23/25 May 2009 did not take place. NR instructed that the work be terminated after the possession had started because their electricity control centre felt that they had not been adequately briefed by the Skanska/Volker Rail joint venture. Discussions continue with NR to arrange a suitable possession for the power switchover.
- 5.9 Package 6 (Conversion of NLL to DLR): While productivity at Canning Town and Star Lane was good during the two periods, the overall construction programme remains four weeks behind schedule. At West Ham and Stratford International, the construction programme remains on schedule. While the construction programme is currently on schedule at Abbey Road, Stratford Regional and Stratford High Street, this is at risk due to the cancellation of the power switchover works on Package 8.

Other DLR projects

- 5.10 Woolwich/Three Car/Olympic Railcars: Twenty seven vehicles have been delivered to Beckton and Taking over Certificates (ToCs) have been issued on a total of twenty one. Delivery and commissioning of new vehicles continued in accordance with the agreed programme.
- 5.11 Upgrade of Ticket Vending Machines: The trial has now been completed with a total of 17 machines having been installed as part of this. The rollout commenced on 8 June 2009 at Langdon Park, with full completion expected by summer 2010.

6 LONDON OVERGROUND INFRASTRUCTURE PROJECTS

- 6.1 East London Line Project (ELLP): Three of six short term milestones were completed by the main works contractor, Balfour Beatty Carillion joint venture, in the first two periods of 2009/10 on or ahead of target. Mitigation plans have been put in place to achieve the missed milestones. Network Rail Operations have taken occupancy of part of the Operational Building Complex (OBC) within the New Cross Gate rolling stock maintenance facility. Plans are in place for the occupation of the entire facility by the remaining stakeholders. Network Rail on-network works continued strongly in the period. New Cross Gate stage 4 signal and railway infrastructure was successfully installed during a 52 hour possession on 2/3 May. Track and signalling works continued at the Southern stations, with the successful completion of planned works during four possessions at Crystal Palace during April and May 2009 and at West Croydon on the weekend of 9/10 May 2009.

An update on East London line project costs is being provided to the Finance Committee.

- 6.2 North London Railway Infrastructure Project (NLRIP): The blockade of the No.1 lines commenced on 19 April 2009, as planned. Design for the NR works packages continued in the period and considerable effort was put into incorporating changes to station designs to reflect value engineering initiatives, the outcomes of reviews with the fire officer and other changes. This is a key priority as certain stations will require planning consent for the works. Stage 1 of the NR signalling enabling works was successfully commissioned during a possession on 20 April 2009 and stage 2 was completed on 24 May 2009. All ground investigation, topography, utility, ecology and traffic surveys and reports have been received and passed over to Carillion, the NR core infrastructure works contractor.
- 6.3 London Overground Rolling Stock: The first three North London Railway (NLR) units have been delivered to Willesden depot for commissioning and fault free running and two have completed all tests. A further two units will be delivered in the next few weeks and the thirteen units on site in the Derby factory, in various stages of build and test, will be delivered between July and November 2009. East London Railway (ELR) unit assembly started on 1 May 2009. A request to procure additional rolling stock to run services on the Phase 2 line to Clapham Junction was approved by the Commissioner on 29 April 2009 and the option to purchase three additional four-car dual voltage trains was exercised with Bombardier on 30 April 2009.
- 6.4 East London Line Project (ELLP) Phase 2: The high level programme has been updated using indicative milestone dates provided by NR for work packages 2 (Old Kent Road junction) and 3 (Clapham Junction works). The key project milestone dates and the planned opening date remain unchanged. Discussions continued with the Thameslink project team on the possibility of the Phase 2 project undertaking key elements of the Bermondsey Dive-Under construction, which would offer some mitigation for the number of possessions and blockades planned on the newly opened Phase 2 line. Tender interviews for the technical advisor to the project were conducted in the period and the contract awarded to Parsons Brinkerhoff.

7 TRAMS PROJECTS

- 7.1 Project approval has been provided for the East Croydon, Cherry Orchard and Wellesley Road works which consist of points and crossings replacement east and west of East Croydon station, track replacement at the junction of George Street and Wellesley Road and drainage works at Cherry Orchard Road. Colas have been selected for the construction contract, subject to final contract negotiation. Orders for the steel track have also been placed and works are planned to be carried out between 23 July and 1 September 2009.

8 GATING AND OYSTER PROJECTS

Wider London Oyster Rollout

- 8.1 Passenger validator installations are ongoing on all remaining train operator companies with the exception of Heathrow Connect which is not participating in PAYG between Heathrow and Hayes & Harlington but is between Hayes & Harlington and Paddington. Seventy four per cent of programmed stations are now complete and the remainder are planned to be complete by October 2009.

London Overground Gating and Oyster

- 8.2 Good progress continued on the revenue systems for the East London Railway (ELR). Completion of the gateline at Honor Oak Park in May 2009 means that the ELR element of the project is now nearing completion with eight of the 10 ELR gatelines in place. The remaining two gatelines are programmed for completion in late summer 2009, prior to handover of the stations from southern to TfL in September 2009.

9 REVIEW OF DEVELOPMENTS ACROSS NATIONAL RAIL

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

- 9.1 ORR has appointed an independent evaluator to review the CP4 periodic review and HLOS process and to make recommendations for the next periodic review. TfL attended a joint interview with PTE colleagues and John Nelson to feed back comments on the review process.

Network Rail Matters

Route Utilisation Strategies (RUS)

- 9.2 The draft for consultation of the Sussex RUS has recently been published. The recommendations primarily involve further lengthening of trains between Sussex and London to provide additional capacity and a small number of additional services. The RUS also identifies that there will be very limited opportunities to provide additional capacity beyond 2019. A 'new line' option may be necessary beyond this date, although costs are noted as being very high.

- 9.3 TfL has been involved in the development of this document and continues to maintain an appropriate level of involvement in the Great Western, East Midlands, West Midlands & Chilterns, West Coast Main Line and Kent RUSs, all of which are currently underway.

National Station Improvement Programme (NSIP)

- 9.4 There has been no significant change to the NSIP programme since the previous report. The most advanced NSIP schemes in London, which have achieved Guidelines to Railway Infrastructure Projects (GRIP) 4 status of single option development, are: Crystal Palace, Denmark Hill, Lewisham, Streatham Hill, Waterloo East, Gipsy Hill, Wandsworth Town, Earlsfield, Smitham, Hounslow, West Hampstead, Haringey, Kentish Town and Finsbury Park.
- 9.5 One station has been dropped from the programme (Ravensbourne) due to funding delays and has been replaced by Wimbledon.

Office of Rail Regulation (ORR) Matters

ORR Consultations

- 9.6 ORR has issued a consultation relating to its approach to reviewing markets. TfL is currently formulating a response. TfL has also responded on another consultation concerning access to the rail network for new entrants to the freight market. TfL accepted the proposals to reduce the level of bureaucracy associated with licensing new entrants with the proviso that current and planned rights for passenger services are protected and that there are no adverse impacts on reliability.

DfT Matters

DfT consultations and announcements

- 9.7 The DfT has now published its findings following the consultation on the proposed development of an international freight network (as suggested by the EU). These reflect TfL's concerns that international freight services should not be given automatic priority for capacity allocation and when services are disrupted, but welcomes the possibilities offered for additional investment in the rail freight network.
- 9.8 TfL has responded to a DfT consultation on the transposition of the recent EU Interoperability Directive into UK Law. TfL's response sought to ensure that current and future metro and tram/light rail systems in the London area and elsewhere are excluded from the scope of the regulations, so they do not incur unnecessary additional costs. TfL also argued that the application of Interoperability Directive to the National Rail network should be governed by value for money tests, and that the regulations should not be applied retrospectively to Crossrail.
- 9.9 TfL is in the process of considering a consultation recently issued by the DfT covering revised Rail Vehicle Accessibility Standards. These will affect LU, the DLR and Tramlink. The subject experts within TfL are in the process of formulating a response.

Franchise replacements and extensions

- 9.10 The winner of the next South Central Franchise (due to commence in September 2009) has been announced to be GoVia, the incumbent franchisee. The next franchise contains a number of improvements for rail passengers specified by TfL, including all day station staffing and a station refurbishment programme. Other key benefits include additional services at off peak times. TfL will be working with the DfT to finalise management arrangements for the new franchise prior to its commencement in September 2009.

Accessibility and the 'Access for All' programme

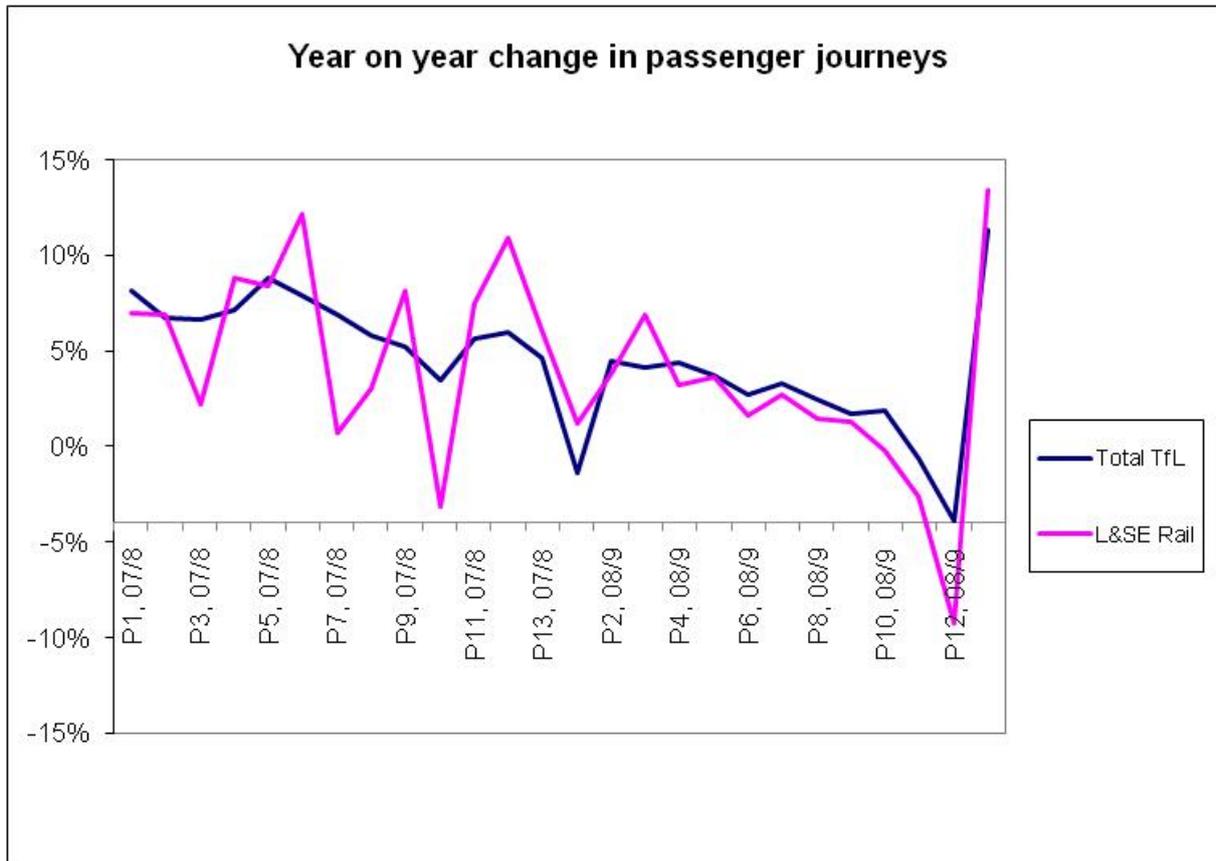
- 9.11 There has been no significant change to the Access for All programme since the previous report. Access for All schemes in London are currently on-site at Clapham Junction, Lewisham and Streatham Hill. The latest expected date for completion for all stations in Phase 1 (2006-2009) remains the end of 2010. Of the 12 London stations originally in Phase 2 (2009-11), schemes at Vauxhall, New Cross and Forest Hill are well advanced, as are four proposals from Phase 3 (2012-15) that TfL asked the DfT to bring forward prior to 2012 because of their importance as access routes to the Olympics: West Hampstead Thameslink, Camden Road, Highbury & Islington and Gospel Oak.
- 9.12 The DfT is likely to replace any stations taken out of the programme with other stations (nationally) and have been lobbied to include Hackney Central, where there is already a preferred option for a scheme developed by TfL. Peckham Rye is also a potential candidate for replacing one of the withdrawn stations.

Barking to Gospel Oak electrification

- 9.13 The project has been included in Network Rail's draft Route Utilisation Strategy on electrification, which regards the scheme as demonstrating good value for money and recommends that it should form part of the core strategy for electrification in England and Wales. This does not guarantee that the scheme will be funded and implemented, but does mean that it forms a key part of Network Rail's electrification strategy, making it more likely to happen in the medium to long term.

Performance of the Passenger Network

9.14 London and South East Rail demand growth has fallen below zero in recent periods and has fallen more sharply than TfL's total demand. Period 13 demand growth for national rail and TfL was inflated by a longer period length than last year and the fact that there was no Easter in Period 13. After adjustments, L&SE rail journeys grew by 2 per cent and TfL journeys by 4 per cent.



Freight

Strategic freight network

9.15 London Rail is continuing to investigate options to address the longer term freight capacity problems between Gospel Oak and Willesden. The intention is that these will form part of London Rail's HLOS2 recommendations.

Network RUS – Electrification

9.16 Network Rail, along with the rail industry, have been considering the case for electrification of principal lines in the UK. Their conclusion is that it is worthwhile electrifying, at least, the Great Western main line and the Midland main line. However, the RUS has also highlighted the importance of early electrification of the Gospel Oak to Barking route together with the Thames Haven branch and associated branches. As noted in 9.13 above, funding of the electrification of Gospel Oak to Barking has yet to be confirmed.

Facilities to support freight on the High Speed line (HS1)

9.17 Further studies have commenced into the technical feasibility and economic

impacts of the freight facilities proposed in the earlier London Riverside Sustainable Logistics study, including a high-speed freight terminal. There are a number of sensitivities about land use in the area and London Rail continues to work with stakeholders to resolve these issues.

Rail freight trends

9.18 Quarter 4 2008-09 figures from the ORR for freight moved (billion net tonne kms) and freight lifted (million tonnes) together with the previous seven quarters are shown below.

Year	Quarter	Freight Moved (bn net tonne kms)	Freight Lifted (million tonnes)
2007-2008	1	5.48	25.4
	2	5.23	25.3
	3	5.23	25.8
	4	5.25	25.8
2008-2009	1	5.40	26.3
	2	5.42	26.7
	3	5.00	25.6
	4	4.80	24.9
Year on year change for Quarter 4		-8.6%	-3.5%

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

9.19 Quarter 4 showed rail freight moved reduced by 8.6 per cent when compared with the same quarter last year; this is a higher reduction than the 4.4 per cent in Quarter 3 year on year. Freight lifted showed a 3.8 per cent reduction on the same quarter in the previous year, again a higher reduction than the 0.8 per cent for Quarter 3.

Environment and Sustainability

9.20 The operator of London Overground services, LOROL, has prepared an Environment and Sustainability Strategy for 2009. This sets out the key initiatives which will be taken forward in 2009 and how these will be achieved. In particular, it sets out the strategy for the development of a robust environmental management system and achievement of ISO14001 accreditation.

9.21 A carbon footprinting report has been completed for London Tramlink which identifies a series of projects that can be taken forward to reduce emissions of CO₂. The report enables a better understanding of the current impact of Tramlink services and infrastructure to be achieved and which areas can be targeted to gain the greatest impact.

9.22 London Rail hosted a joint meeting between TfL and Greater Manchester PTE to enable the benchmarking of environment and sustainability issues between the two organisations.

High Speed Lines

- 9.23 London Rail continued to attend Greengauge 21's steering group and public interest group meetings. The strategy team is also now attending working groups run by the DfT's High Speed Two Ltd company, on possible locations for a London terminal and for a Heathrow interchange station. A joint programme of work on London issues with Network Rail is just commencing, to inform their new lines programme.
- 9.24 London Rail's position continues to be that a central London terminal is essential, and that Euston presents a promising site.

10 RECOMMENDATION

- 10.1 The Panel is asked to NOTE the report.

11 CONTACT

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