

Board

**Transport
for London**



Date: 25 September 2013

Item 5: Commissioner's Report

This paper will be considered in public

1 Summary

This report provides an overview of major issues and developments since the meeting of the Board held on 3 July 2013 and updates the Board on significant projects and initiatives.

2 Recommendation

That the Board note the report.

3 Delivery

3.1 London Underground

3.1.1 London Underground (LU) Performance

LU continues to meet key performance targets. Passenger journeys in periods 3, 4 and 5 of 2013/14 were 290 million, exceeding target by 4.5 per cent and 0.6 per cent more than the same period last year, despite the extra demand generated by the Olympic Games.

11.4 million kilometres were operated in periods 3, 4 and 5 which represents the operation of 97.9 per cent of schedule which is 0.7 per cent points better than target and an increase of 0.4 per cent on last year.

LU beat the excess journey time target by 0.40 minutes in periods 3, 4 and 5. LU reliability, as measured by Lost Customer Hours (LCH), in period 3, 4 and 5 was 0.1 million below target but this still represents a 14 per cent improvement on the same period last year.

LU's delivery of record reliability while carrying ever-increasing numbers is mirrored in the independent Customer Satisfaction Survey (CSS), which scored 83 out of 100 in Quarter one of 2013/14, maintaining the good levels of performance seen during the latter half of last year – and one point above the 82 target.

3.1.2 Customer Service Transformation Programme (CSTP)

Customer Service Transformation is a programme that explores how customer behaviours are changing supported by new technology and sets out a plan to innovate and improve the information available to facilitate greater customer service. The aim is to learn lessons from the successful London 2012 Games and deliver a more personalised, consistent and reliable service to customers, while delivering the best possible value for fare and taxpayers money. We are committed to running more trains and keeping all Tube stations staffed in future, with staff visible and available to help our passengers.

We are seeking to transform the customer experience, from when they first consider a trip on our network to completion of their journey. At the heart of the programme is customer satisfaction and meeting increasing customer expectations.

We are in the final phase of a staff engagement programme and any proposed future changes to the way services are operated will be discussed with LU people in the first instance.

3.1.3 LU Investment Programme

Sub-Surface Railway

The supply of new rolling stock has continued to target, bringing the total number of S7 trains now delivered to London to 27. The first S Stock train ran (empty) in traffic hours on the Circle line in period 4 and is now operating in passenger service.

All 58 S8 trains are undergoing a reliability enhancement programme with eight trains completed. A further nine trains will be completed over the next three months and the programme is forecast to conclude in March 2014. The reliability measure for Bombardier trains continues to show a steady improvement reflecting the many reliability improvement actions being introduced.

New sidings have been completed at Upminster Depot to permit the maintenance of longer trains and their air-conditioning units.

Progress to date on the new signalling system shows that there remain some significant challenges to deliver the capacity uplift associated with this by 2018. LU directors and the programme team are engaged in discussion at a senior level with the signalling contractor to review the current status and expedite the technical solution and the delivery strategy in order to maintain the integrity of the required benefits and the overall completion date of 2018.

Victoria Line

Reliability of the 33 trains per hour service continues to improve. Modifications to the Victoria line fleet allow train operators to reopen the particular doors that have been obstructed instead of all the doors on the platform to help reduce delays to the service.

Northern Line

The new signalling system on the Northern line now operates between High Barnet and Highgate. Reliability has been good.

Good progress has also been made on the Edgware branch in preparation for system testing later in the year, with the overall programme meeting all milestones. In addition, the cutting in of new Transmission Based Train Control (TBTC) circuits between Belsize Park and Edgware which is a complex area has been substantially completed.

System testing continued between Angel and Highgate with results all giving positive indications for the current forecast date of implementation on 21 September. System testing has also commenced ahead of programme between Oval and Euston and Morden to Oval.

Major Stations Improvement

Tottenham Court Road Station

The date for the handover of the reinforced concrete shell (known as Goslett Yard Box) in which Crossrail will construct one of their two new ticket halls is December 2013. Crossrail wish to progress their tunnelling earlier than the formal handover date and the project team are working to support Crossrail in achieving this. The fit-out work to the new station ticket hall is progressing well, and works are currently ahead of plan.

Bond Street Station

All tunnelling machinery required for the construction of the project's 500m of spray concrete lined tunnels has been successfully established in this very confined site in the centre of London's busiest shopping street, and tunnelling is progressing to plan. The construction of the basement substructure that will form part of the new station entrance has recommenced and is progressing well with the partial completion of the sub basement wall.

Victoria Station

The Thames Water diversions to the Northern ticket hall are complete and sheet piling which will form a continuous barrier or curtain in the ground has commenced. 72 per cent of the jet grout columns are complete. The columns will stabilise the poor ground ahead of tunnelling by injecting cement into over 2,000 columns 1.6m wide to create a solid block. The scale of jet grouting on this project is unprecedented across the United Kingdom. Work has entered a complex phase as the columns are threaded around the District and Circle running tunnels.

Bank Station

Following the innovative contractor engagement (ICE) procurement process Dragados SA has been awarded the contract to transform the station entrance; work includes a new ticket hall, escalators, and lifts that will give step-free access from street level to the Waterloo & City line platforms.

The winning bid secures an additional 50 per cent of value over the original base case, and achieves very substantial savings over the original project budget. A number of the innovations proposed by unsuccessful bidders will be purchased by London Underground during the Transport and Works Act (TWAO) process. The opportunity to purchase innovations from unsuccessful bidders is a key and positive feature of ICE.

Northern Line Extension (NLE)

The objection period for the TWAO is now complete, with fewer objections than expected and most now resolved. Ground investigation work at Nine Elms finished on schedule, with no unexpected conditions found.

Kennington cross passage work has been added to the main Design and Build scope following a review of similar work and risks, and navigational risk assessments have begun with the Port of London Authority. Initial discussions with Network Rail have been positive. The five trains needed for the NLE will form part of a larger order for the further capacity increases planned on both the Jubilee and Northern lines (including 'Northern line upgrade 2'), potentially offering a better unit price.

The next milestone – issuing the Invitation To Tender – is on programme to be issued by 30 September.

Croxley Link

The formal order to extend the Metropolitan line to Watford Junction and build two new stations has been granted by the Secretary of State for Transport.

The Croxley Rail link will run from Croxley station through new stations located on Ascot Road and Vicarage Road, then over the existing Network Rail line to Watford High Street station before terminating at Watford Junction. Construction work is due to begin in 2014 with completion scheduled for 2016.

The two new stations are to be called Watford Vicarage Road and Cassio Bridge.

Central and Waterloo & City line

Tube passengers are now benefitting from longer operating hours and an increased train service on the Waterloo & City line, and more frequent services on the Central line during the busiest periods, meaning less time to wait on the platforms.

3.2 London Rail

3.2.1 London Overground (LO) Performance

LO passenger journeys were 12 per cent more than budget at 32.7 million for periods 3, 4 and 5 representing an increase of 17 per cent year on year. The opening of the new South London line in Quarter 3 continues to drive increased customer demand.

LO's operational performance, as measured by the public performance measure, was 96.6 per cent for periods 3, 4 and 5. This exceeds target by 0.8 per cent and was 0.6 per cent better than the same period last year 2012/13.

CSS for London Overground in Q1 2013/14 remained at 82. The main improvements were in train measures, including the number of staff seen and personal safety. The only significant decline was value for money, driven by a fall in scores on the Richmond - Stratford route. This decline is driven by the continuing increase in demand on this route which will be addressed by London Overground Capacity Improvement Programme (LOCIP) in the longer term.

3.2.2 LOCIP

Cleshar has been awarded the contract to lengthen some of the station platforms on the London Overground network's east London and south London routes. The longer platforms will accommodate longer London Overground trains, which are being increased from four to five carriages.

Network Rail has continued to progress the traction power modelling to confirm the capability of their infrastructure to support five car operation and remain on programme to complete in September.

Work starts in New Cross Gate Depot in October and discussions with Bombardier are concluding satisfactorily to provide the full fleet of trains and hot spares whilst the addition of the additional car takes place. The first possession for installation of the connection to the additional sidings is planned for November.

3.2.3 Station improvement

Works at Kensington Olympia station are now complete including new automatic ticket gates and a cross-track pedestrian footway. The works complement an earlier upgrade of the station that delivered a new ticket office and canopy over the platform.

3.2.4 Docklands Light Railway (DLR) Performance

DLR passenger journeys for periods 3, 4 and 5 totalled 23.2 million and exceeded budget by 0.6 million. This represented a year on year fall of 9 per cent mainly as a result of increased demand seen during the Olympic Games in period 5 of last year.

The percentage of schedule operated during periods 3, 4 and 5 averaged 99.4 per cent and was 1.2 per cent better than budget. This was 0.8 per cent better than the corresponding periods last year. During period 5 the Departures Moving Annual Average achieved a new record of 99.02 per cent.

The DLR Q1 CSS score reduced to 86 (from 87), following falls in train and service satisfaction scores. A plan to improve CSS on DLR has been put in place and is now being implemented or costed for those items where additional works are proposed.

3.2.5 DLR Twin-tracking

The contract has been awarded for twin-tracking between Stratford and Canary Wharf/Lewisham and access has been granted under licence from the London Legacy Development Corporation.

3.2.6 London Tramlink Performance

Passenger journeys for the period at 7.1 million were 0.2 million below budget but year on year demand was up by over two per cent.

During periods 3, 4 and 5, performance for Trams, as measured by percentage of scheduled service kilometres operated, was 99.2 per cent which is 1.2 per cent better than target and two per cent up on last year.

Tramlink's CSS score remained at 89 for Quarter 1.

3.2.7 Emirates Air Line (EAL) Performance

Customer satisfaction with EAL remains high with passengers giving it a score of 93 out of 100 in a survey undertaken in Quarter 1. This maintains the high level of satisfaction recorded since EAL opened. The scheme continues to play a vital role in the Mayor of London's plans to regenerate east London. Local businesses have reported an increase in footfall as a result of the scheme.

Passenger journeys for periods 3, 4 and 5 were 4 per cent down against budget. Plans are already in place to increase usage.

EAL tickets are now available to the public for purchase on the internet allowing passengers to buy advance tickets within timeslots either independently or as an addition to leisure activities in and around The O2. This is expected to have a significant impact on ridership going forward.

Following various press reports and questions in relation to certain provisions in the Emirates Air Line Sponsorship Agreement, TfL and Emirates have agreed a variation to the Sponsorship Agreement which has been published on TfL's website.

3.2.8 Rail Devolution

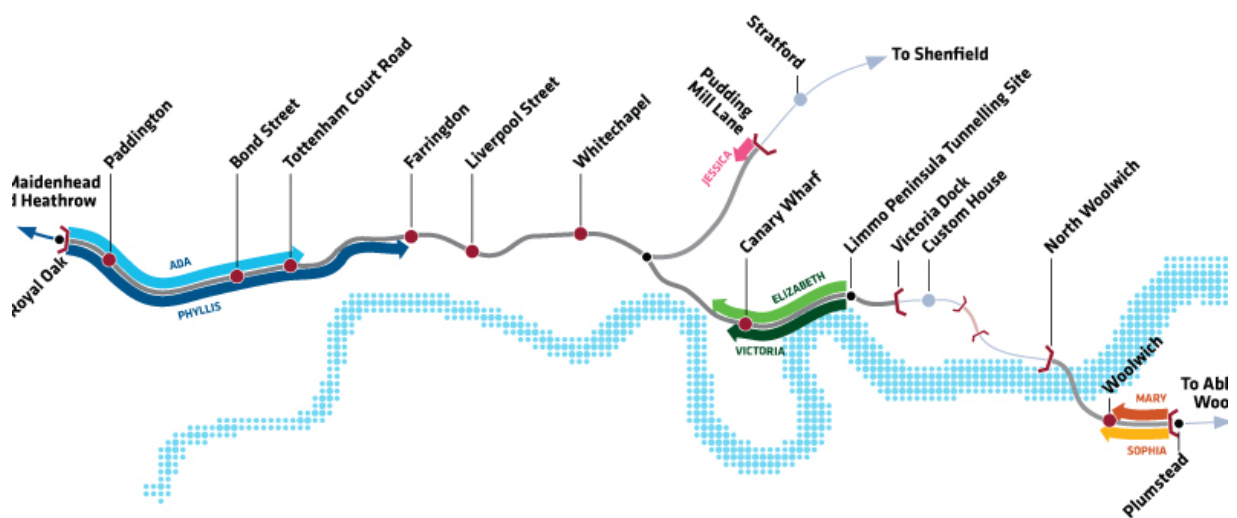
Following the Government's announcement that it has decided in principle to devolve the West Anglia part of the Greater Anglia rail franchise to the Mayor of London, meetings are continuing with the Department for Transport (DfT) and Abellio to discuss the implementation of the proposals. The first phase of work involves producing an agreed programme and a quantified risk assessment.

3.3 Crossrail

3.3.1 Construction Progress

Crossrail remains on time and within the funding envelope. At the end of Period 5 (17 August 2013) we are 43 per cent complete and we expect to reach the 50 per cent mark by the end of 2013.

Recent highlights include the construction of 1,336m bored tunnel, by the western tunnels team, in a 4 week period (compared to the plan of 816m) and the completion of the highly complex works at Connaught Tunnel which allowed the re-flooding of the drained section of the Victoria Dock ahead of schedule. The location of the tunnelling machines, as of 3 September, is illustrated below.



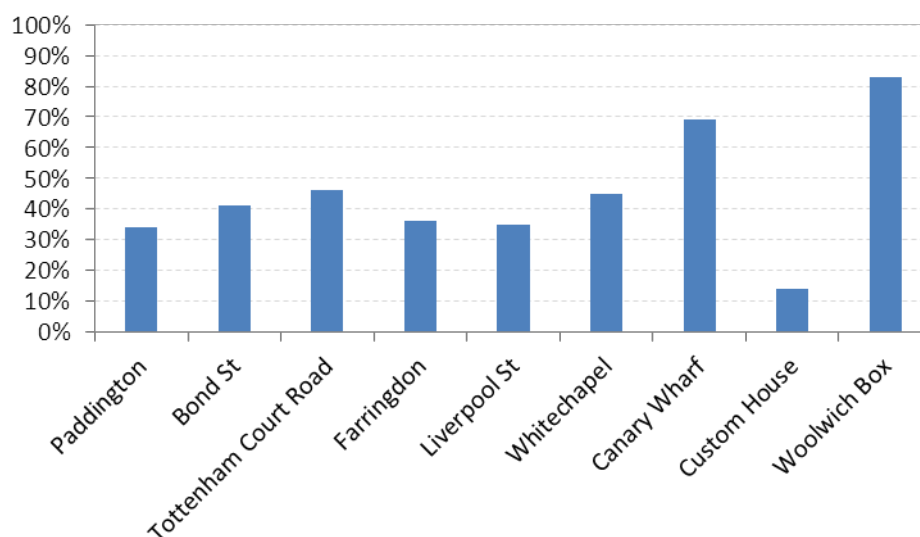
A significant milestone in southeast London was reached in August when Tunnel Boring Machine (TBM) number 6, Mary, broke through into the station box at Woolwich, marking the half-way point of tunnelling south of the river. During her three month journey, Mary excavated almost 110,000 tonnes of material and installed 811 concrete rings to line the inside of the tunnel. She has joined her sister TBM, Sophia, who reached the Woolwich box in May and is being prepared to start on the second leg of her journey underneath the Thames to North Woolwich.

Our seventh TBM, Jessica, was launched on 14 August and has commenced her journey from Pudding Mill Lane towards Stepney Green. The eighth and final TBM, Ellie, is on schedule to be launched in early 2014. With seven of our eight machines operating we continue to make good progress, completing in excess of 18.3km at the end of August 2013, out of a total of 42km. On 11 September, a major milestone was achieved when Phyllis, the westbound TBM launched from Royal Oak Portal on 3 May 2012, arrived at Farringdon, her final destination.

Station construction continues to build momentum. The sprayed concrete construction, that forms the majority of station platform tunnels, is now 26 per cent complete. Notable progress at each location includes:

- Paddington - the construction of the roof slab is on track, critical to the reopening of Eastbourne Terrace in February 2014, an important date for the local community.
- Bond Street - excavation at Davies Street ticket hall is complete.
- Tottenham Court Road – close working with London Underground to manage the complex interface between the projects.
- Farringdon - work at Lindsey Street ticket hall is well advanced in preparation for the arrival of the tunnelling machines, signifying the completion of the western tunnels.
- Liverpool Street and Whitechapel – after challenging starts good progress is being made.
- Canary Wharf – fit-out and over-site development are progressing well and on course for an early opening in 2015.
- Custom House - piling works have commenced in preparation to receive the superstructure works that are being manufactured off site.
- Woolwich – an agreement has been reached for the funding of the station fit-out works.

Overall progress at each central station is summarised in the chart below.



The works on the National Rail network are progressing. These works are being managed by Network Rail and comprise 27 station upgrades, 2 major structures, 61km of track, 179 points & crossing units, 1,000 Overhead Line structures and a signalling upgrade. Significant progress has been made on the major construction projects at Stockley (that provides access to Heathrow) and Acton. In total, 55 per cent of the planned design and construction contracts have now been awarded with tenders for the first phase of the north eastern works returned on 9 July.

On the south eastern section, Crossrail has submitted proposals for a new station at Abbey Wood in southeast London to the London Borough of Bexley and the Royal Borough of Greenwich for approval. The new two-level station will open in 2017 and will be built above two new dedicated Crossrail tracks and those used by North Kent services. Crossrail represents a major step-change in public transport for the local area, and will be a significant spur to regeneration in Abbey Wood.

3.3.2 Procurement

Tenders for the rolling stock and depot contract were returned to Crossrail on 12 August. Bids were received from Bombardier, CAF and Hitachi. Shortlisted bidder Siemens formally withdrew from the procurement process on 5 July. We continue to work closely with Sponsors to plan for the award of this critical contract in the first quarter of 2014.

Following the confirmation of funding for the fit-out of Woolwich station, Crossrail issued the procurement notice for the contract on 25 July, with contract award early in the autumn of 2014.

3.3.3 Jobs and Skills

Nine thousand people are working directly on Crossrail at around 40 construction sites. Throughout its supply chain, Crossrail will support the equivalent of 55,000 jobs around the UK. Of that supply chain, 43 per cent of businesses are based outside London and the South East, 62 per cent of businesses based outside London, of which 58 per cent are SMEs. Currently, 97 per cent of contractors, by number, are based in the UK. In addition, TfL's supply chain creates over 60,000 jobs around the country, including 41,000 outside London.

Over 240 apprentices are now engaged on Crossrail. At the National Construction College Apprenticeship Awards on 4 July, the Tunnelling and Underground Construction Academy (TUCA), in Ilford, took five awards for its apprentices including the overall Apprentice of the Year as well as a sixth award, the Essential Skill Improvement Award.

In August, the Skills Funding Agency awarded £4.1m to provide tunnelling and pre-employment skills training for 3,000 people utilising TUCA facilities.

Crossrail joined forces with Morgan Sindall and the Construction Industry Training Board to host an event at TUCA in August aimed at raising awareness of key health and safety issues facing the construction and infrastructure industry and giving practical advice on how to avoid risks on sites. 36 companies exhibited and nearly

200 people attended from SMEs in London and the South East, Crossrail and Crossrail contractors.

On 10 July, Balfour Beatty announced that TUCA will train around 85 workers to install high voltage cabling for the London Power Tunnels project. This is part of Balfour Beatty's initiative to offer unemployed Londoners the opportunity to train and work on the National Grid project, and has partnered with TUCA to attract and train the new recruits over the next year.

3.3.4 Industrial Relations

Agreement has been reached between our western tunnels contractor, BFK JV (Bam, Ferrovial Kier), and the Unite union with both parties publicly stating that there has been no breach of the blacklisting regulations by BFK on the Crossrail project.

3.4 Surface Transport

3.4.1 Providing a Quality Bus Network

Route 11 to Operate with New Bus for London

On 21 September, Route 11 became the second route to fully convert to New Bus for London vehicles. The route, which is operated by Go Ahead, runs from Liverpool Street Station to Fulham Broadway, via Bank, Mansion House, St Paul's, Ludgate Circus, Fleet Street, Aldwych, Trafalgar Square, Westminster, Victoria, Sloane Square and Chelsea. The New Bus for London vehicles will be introduced on the route over several days, and will be responsible for carrying the 23,000 people who travel on the route each day. It follows the first bus route to be converted to operate entirely with New Bus for London vehicles, the 24, which runs between Hampstead Heath and Pimlico.

Route 9 and 390 to Convert to New Buses for London before End of Year

On 6 August, the Mayor of London announced the third and fourth routes in the Capital to be served by the iconic New Bus for London. The conversion of routes 9 and 390 to New Bus for London vehicles follows earlier conversion of route 24 on 22 June and route 11 on 21 September.

Route 9 is operated by London United and runs between Hammersmith and Aldwych, via Olympia, Kensington, Knightsbridge, Hyde Park Corner, Green Park, Piccadilly, Pall Mall and Trafalgar Square. Route 390, which is a 24-hour bus route, is operated by Metroline and runs between Notting Hill Gate and Archway, via Queensway, Lancaster Gate, Marble Arch, Oxford Circus, Tottenham Court Road, Euston, King's Cross and Tufnell Park.

New buses will appear on route 9 from Saturday 26 October and route 390 by the end of the year. Buses on both of these routes will operate with the rear door open and a conductor on the rear platform.

Changes to Bus Route 339

On 31 August, bus route 339 started serving the Queen Elizabeth Olympic Park in time for the opening of a new Health Centre at the heart of East Village. Following discussions with the London Borough of Newham and other key stakeholders, route 339 will now stop near the main entrance to the Sir Ludwig Guttman Health and Wellbeing Centre with bus stops conveniently installed on either side of Liberty Bridge Road for easy access. The service will be routed from Celebration Avenue via Liberty Bridge Road, Leyton Road and Temple Mills Lane to Crownfield Road.

First Group Disposal of its London Bus Business

On 22 June, as part of First Group's stated strategy to reposition its UK Bus division, the company sold its bus services and assets at eight of its London bus depots. The bus depots at Alperton, Greenford, Hayes, Uxbridge and Willesden Junction, along with 494 vehicles and approximately 1,700 employees, transferred to Metroline. Metroline is an existing London bus operator and wholly-owned subsidiary of Comfort DelGro Corporation Limited, a Singapore based transportation company. The bus depots at Atlas Road, Lea Interchange and Westbourne Park, along with approximately 400 vehicles and 1,500 employees, transferred to Transit Systems Group, an Australian transport operator, new to the London market.

In addition, on the same date, FirstGroup transferred 11 routes (including eight school routes) from its last remaining depot at Dagenham to the Go-Ahead Group, again an existing major bus operator in London. The four remaining routes from Dagenham will continue to be operated by FirstGroup until September when the current contracts end. These contracts were awarded to Stagecoach in recent tendering and they will take over operation from that date.

We consented to these changes having been satisfied that appropriate financial and operational plans and guarantees were in place to ensure continued high quality operation of all these services. Early indications are that the changes happened without incident and that the new operators are performing well.

Quarterly Bus Statistics: Great Britain Q1 2013

Department for Transport quarterly bus statistics, published in June, show that half of all bus journeys in England were made in London, where demand has doubled since the mid-1990's.

3.4.2 Keeping London Moving

Journey Time Reliability

We are committed to improving Journey Time Reliability (JTR) on 23 corridors on the Transport for London Road Network (TLRN). This is delivered through comprehensive corridor management, identifying pinch points, valves and hot spots, and understanding how each corridor operates in relation to the surrounding road networks. We can then apply techniques such as signal timing reviews, designed to maximise the performance of London's existing infrastructure, Split Cycle Offset Optimisation Technique (SCOOT) implementation to better respond to changes in

flow across the network, and management of road capacity through specific engineering interventions to ensure the road network runs smoothly. By 17 August, overall JTR on central London TLRN corridors stood at 91 per cent, a 1.5 percentage point increase on the previous period, but a 0.3 point decrease on the same period in 2011/12. (The comparison has been made with 2011/12 rather than 2012/13, because this period of 2012/13 is not considered a valid comparator due to the Games 2012.) The year-to-date figure is 89.7 per cent, an improvement of 0.8 percentage points from 2011/12.

Traffic Signal Timing Reviews

The Signal Timing Review programme allows us to maintain London's traffic signals at optimum settings, thereby minimising unnecessary vehicle stops and delay, reducing congestion, smoothing traffic flow and in doing so, contributing to reductions in emissions. As of 17 August, 442 signal timing reviews had been completed, delivering on average an 8.48 per cent reduction in delays for traffic at these sets of signals, alongside a 0.14 per cent increase to the number of occasions when all pedestrians waiting to cross the road will have cleared the kerb during the first green man period.

Split Cycle Offset Optimisation Technique

SCOOT reduces stops and delay and improves journey time reliability through the dynamic control of traffic signals. Prior to 2008, SCOOT was installed at around one third of London's traffic signal locations. As part of the Mayor's Smoothing Traffic Flow initiative, we have implemented the technology at a further 1,000 locations, bringing approximately half of the signals in London under SCOOT control. The milestone to install and optimise SCOOT at 1,000 locations was achieved on 24 July, one week ahead of schedule. This major achievement completes a four year programme of significant investment, innovation and improvement in real-time operational capability with proven measured benefits, such as an average 13.5 per cent reduction in delay compared with the fixed time signals SCOOT has replaced.

Design work is currently underway on the implementation of SCOOT at further 1,500 sites throughout London, to support anticipated growth and future improvements on the network. At the completion of this rollout in late 2018, around 75 per cent (approximately 4,500 out of 6,000 locations) of London's traffic signals will be operating SCOOT.

Since the start of the financial year, 28 sites on the A4 Great West Road and around Heathrow have been converted to SCOOT control. Analysis shows that this conversion has led to year on year improvements in morning peak JTR of 3.9 per cent for inbound journeys and 1.5 per cent for outbound journeys on this part of the A4. The A4 as a whole is currently operating 1.8 per cent above target JTR, a legacy of bringing over 50 junctions onto centralised control for the Games 2012.

First Annual Report on London's Lane Rental Scheme Published

On 6 August, we published our first annual report on London's lane rental scheme, which can be accessed here:

<http://www.tfl.gov.uk/roadusers/reportastreetfault/934.aspx>. The report showed that serious and severe disruption from roadworks in lane rental areas were cut by more than a third compared to the same period the previous year.

The scheme, which came into effect on 11 June 2012 on the busiest parts of London's road network, is designed to encourage utility companies to avoid digging up the busiest roads at peak traffic times. Since the beginning of this financial year, 89 per cent of utility company roadworks at the traffic hotspots are now taking place outside of charging hours compared to around 30 per cent before the scheme came into effect. For our own roadworks, this figure is 99 per cent.

Londoners can now report disruptive or badly managed roadworks, as well as road defects such as potholes and damaged footpaths, by visiting <http://reportit.tfl.gov.uk> from their computer, tablet or mobile. Any enquiries received will be sent directly to the relevant Highway Authority (TfL or a London borough) responsible, ensuring direct and fast action can be taken.

For more information about how we are working to further tackle roadworks disruption, please visit www.tfl.gov.uk/roadworks

Successful Prosecution of Cable & Wireless for Unauthorised Streetworks

On 10 July, we successfully prosecuted Cable & Wireless for executing streetworks in breach of permit conditions. Cable & Wireless were fined £2,000 and ordered to pay our costs of £1,975. In passing sentence the Court commented that it was concerned that Cable & Wireless' decision to execute works outside of the permitted time may have been taken for commercial reasons which then resulted in significant traffic disruption. Following the prosecution, Vodafone have subsequently implemented the following steps to reduce the risk of future unauthorised streetworks, this includes:

- Refresher training by Vodafone's Legislation Officers to all contractors operating on the TfL Road Network, which will include the London Permit Scheme, TfL Lane Rental Scheme, Code of Practice for the Coordination of Streetworks and Related Matters, The Specification for Reinstatement and Openings in the Highway and the Safety at Street at Street Works Code of Practice.
- Supervision of gangs will be increased to ensure compliance of streetworks legislation is being adhered to.

Streetworks offences by utility companies cause significant disruption to all road users, as well as having a knock-on effect to local businesses across London. We continue to take robust action against utility companies carrying out unauthorised streetworks in order to reduce roadworks disruption across London. We are currently prosecuting Thames Water in response to 12 separate streetworks offences committed on various parts of the TLRN. The offences range from working

without a permit to failing to serve mandatory statutory notices necessary for effective coordination of the works by the permit authority. Thames Water has pleaded guilty to nine of the 12 offences and the matter has been adjourned to 18 September for consideration of appropriate fines and costs. The remaining three offences will be considered in due course.

Another Successful Notting Hill Carnival

On 25 and 26 August, more than a million people visited Notting Hill Carnival. A car-free event was created this year with road closures implemented from early morning. We worked closely with the officers from the Safer Transport Command to facilitate traffic flow in the surrounding area, reducing road congestion and managing pedestrian traffic flows around Bayswater Road and Holland Road. Overall the event passed without any major incidents.

Eighth London borough Joins London Highways Alliance Contract

On 1 July, the London Borough of Haringey became the eighth London borough to join the London Highways Alliance Contract (LoHAC). LoHAC has been developed as a joint initiative between TfL and London's boroughs, to deliver a reliable, reputable and cost-effective highways service across London.

3.4.3 Encouraging more cycling

Prudential RideLondon

The Prudential RideLondon weekend took place on 3 and 4 August with 50,000 people taking part in the Prudential RideLondon FreeCycle (a free and family-friendly event) and over 16,000 participants crossing the finish line of the Prudential RideLondon-Surrey 100. The two days attracted 200,000 spectators and gained positive press coverage, watched by a television audience of 2 million people.

To ensure the Sunday, London's largest ever one-day road closure, was implemented successfully, over 50 staff (involving TfL, London Surrey Cycle Partnership, emergency services, Surrey County Council and London Boroughs) worked the full weekend from the Palestra Event Liaison Facility. Over 3,500 people were also on the ground for the event, from stewards and volunteers to race officials and event staff. These included members of the Barclays Cycle Hire team, ensuring hire bikes were made available at the start and end of the event route along with additional support in the City of London. The initiative proved hugely successful, with non-registered customer usage 20 per cent higher than the weekend average for the previous month.

The event was safely delivered to an exceptional standard and the roads reopened quickly and to schedule. Active engagement with the freight industry and the business community ensured that the RideLondon event was a success and did not pose any significant stakeholder issues. Feedback following the event has been extremely positive and the lessons learnt process and planning for 2014 are already under way.

Barclays Cycle Hire (BCH)

Barclays Cycle Hire journeys have now reached over 24.5 million, with the total number of hires in July only 1.5 per cent below July last year, the height of the Olympic 2012 period, which recorded some of the highest ever daily trip numbers. Latest customer satisfaction reports also reveal that overall satisfaction with the scheme is at 71 per cent, its highest ever level.

On 12 August, a two-day period of industrial action was called by the Rail Maritime and Transport (RMT), involving approximately 40 Serco staff members from both the redistribution and mechanics workforce. Serco instigated a contingency plan throughout the duration of the strike to ensure on-street impact was minimised. Using additional resources, the impact was negated with no impact to service levels nor customer disruption. Despite industrial action, 20,000 more hires were recorded than for the same two-day period in the previous week.

Barclays Cycle Hire Expansion and Intensification

Installation of additional BCH stations commenced in September as part of the scheme expansion to new areas within Wandsworth, Hammersmith & Fulham, Lambeth and Kensington & Chelsea

While the scheme is generally well-supported, some sites have been withdrawn and others refused in response to local concerns. Where this has the potential to impact the viability of the network, we continue to work with London boroughs to agree new suitable locations, or in some cases, to appeal the original site's planning refusal.

Eight London Boroughs Shortlisted for “Mini-Hollands” Funding

On 2 September, the Mayor of London announced the eight outer London boroughs shortlisted for a £100m “mini-Hollands” fund. An exceptionally high response was received with submissions from eighteen of the twenty boroughs. The three or four winners will benefit from very high levels of spending to make them, over time, into places every bit as cycle-friendly as their Dutch equivalents.

The shortlisted boroughs (in alphabetical order) were; Bexley, Ealing, Enfield, Kingston, Merton and Newham. Richmond and Waltham Forest have also been shortlisted subject to addressing certain gaps in their initial proposals. The boroughs which did not make the shortlist, and those which are not chosen at the final stage, will still receive substantial funding to achieve many of the objectives they set out in their submissions.

More intensive discussions will be now held with the shortlisted boroughs about the shape and detail of their plans. Following these discussions, the Mayor and TfL hope to be able to make an announcement of the three or four winners in early 2014, allowing work to begin on detailed designs and consultation by summer next year.

3.4.4 River Services

Putney to Blackfriars River Service

On 9 September, we launched a new timetable to provide extra journeys to customers on the Putney to Blackfriars river bus service. Patronage on the recently re-tendered service has continued to exceed forecasts, boosted by quicker journey times, an increased number of departures and more modern vessels. KPMG Thames Clippers were appointed as the new operator of this route in April of this year.

Plantation Wharf

We have signed an access agreement to enable an additional stop to be made on the Putney to Blackfriars river bus service. Plantation Wharf Pier, in Battersea, is expected to be in operation by April 2014 with construction of the privately-owned and funded pier commencing in the autumn of this year subject to consents being granted. Plantation Wharf Pier is the first of three new piers to be implemented, as detailed in the Mayor's River Action Plan, under the 'better piers' theme.

3.4.5 Congestion Charging and Enforcement

Removal of the Option to Pay the Congestion Charge at Shops and Petrol Stations

On 26 July, we removed the option to pay Congestion Charges in shops and petrol stations as a result of fewer customers paying using this method. Only 6 per cent of Congestion Charge payments are now paid in cash with the vast majority of customers favouring online and auto-pay methods. Removal of the retail payment channel will reduce the cost of operating the Congestion Charging scheme and allow reinvestment in other TfL initiatives.

Go-Live of the Ultra Low Emission Discount

On 1 July, we introduced the Ultra Low Emission Discount (ULED), providing a 100 per cent discount from the Congestion Charge for all electric vehicles and ultra-low emission cars and vans.

To qualify for the new ULED, vehicles will have to be either electric or be cars and vans that emit 75g/km or less of CO₂ and meet the Euro 5 emission standard for air quality.

Consultation Commences To Make It Easier to 'Stop and Shop'

On 20 August, we commenced consultation to increase free parking on some of London's busiest roads from 20 minutes to 30 minutes. It is hoped the changes will help revitalise high streets, provide a boost for small businesses across the Capital and provide more flexibility for people who wish to park and shop, pay a bill or run an errand.

The plans, which are a Mayoral manifesto commitment, would affect around 600 parking bays on TfL's red route network across London. The proposal has already been subject to informal consultation with 22 affected London boroughs (of which 19 welcomed the plans) and will conclude 11 October.

Limousine Seminar

On 5 August, the Limousine Operator Engagement and Information seminar took place at TfL's Palestra building in Southwark, attended by myself and Traffic Commissioner Nick Denton.

The seminar provided a useful forum for operators and regulators to come together and discuss key issues and concerns of limousine operations in London. It was a successful event, demonstrating the commitment shared by all in working together to improve industry standards. TfL, Vehicle & Operators Services Agency (VOSA) and the Metropolitan Police Service have agreed to hold additional seminars in the future. The Safer Transport Command and VOSA, through their programme "Operation Kansas", will continue to target non-compliant limousine operators who pose a serious danger to the travelling public.

3.4.6 Taxi and Private Hire

Vehicle Licensing Service

The vehicle licensing service has now been live for six months and the service is being delivered by NSL in line with agreed service levels. While customers appear very satisfied with the service, a customer satisfaction survey has commenced to gauge reaction across all six inspection centres.

As of 17 August, we have recorded another increase in private hire new-driver applications with over 600 more applications than those received in July. There are no known reasons for this increase. We are looking to introduce a way of recording reasons for new applications in the future to try and determine more key trends.

Compliance at Paddington

On 21 July, a three-week enforcement activity commenced in and around Paddington Station, Harrow Road and St Mary's Hospital. As part of the operation, leaflets were distributed to taxi drivers to raise awareness of their obligations in complying with road signs, over-queuing beyond the end of designated taxi ranks and plying for hire. To date 61 taxi drivers have been put forward for processing for plying for hire.

Prosecution for Illegal Plying for Hire

On 12 September we successfully prosecuted a private hire driver with two offences of unlawfully plying for hire and unlawfully accepting a private hire booking when not being a licensed private hire operator. His licence to be a private hire driver has been revoked by TfL.

This is the first trial of offences of plying for hire and illegal private hire operation and follows our robust approach to tackling illegal plying for hire and taxi touting.

The Court found the Defendant guilty of unlawfully plying for hire and taking private hire bookings not being a licensed private hire operator. He was fined £500 for each of the offences. We were also granted our full prosecution costs of £960.

4 Customer Experience

4.1 Improving the Journey Experience

4.1.1 Safety and Security

Plans Unveiled to Tackle HGV-Cycle Safety in the Capital

On 4 September, I joined the Mayor of London, Transport Minister Stephen Hammond and the Mayor of London's Cycling Commissioner Andrew Gilligan in unveiling a number of measures to tackle Heavy Goods Vehicle (HGV) safety as part of a joint effort to boost cycling in the Capital.

Following the event, media were invited to attend an enforcement operation on the Millbank involving TfL, Metropolitan Police and Vehicle Operator Services Agency (VOSA) to target dangerous construction and waste vehicles and those not fitted with cycling safety equipment.

In collaboration with the Department for Transport, we will strengthen the enforcement of HGV standards by dedicating more Vehicle and Operator Services Agency (VOSA) and Metropolitan Police officers to this activity in the Capital. A dedicated London-based industrial HGV task force is to be established to raise awareness of safety requirements for vehicles and drivers and to take enforcement action against the minority of dangerous operators, vehicles and drivers.

Transport Minister Stephen Hammond announced that DfT will review exemptions to current vehicle regulations, which mean some construction and waste carrying lorries do not have to be fitted with side guards. The DfT will also review the way regulations applying to specialised mobile equipment such as volumetric concrete mixers and mobile cranes are enforced.

We will also continue to press for improved vehicle design through active engagement with manufacturers and the European Union, this will look to improve the visibility of cyclists from lorry cabs.

The Mayor also announced plans to investigate a 'safer lorry charge' on any HGV which is not fitted with basic safety equipment to protect cyclists. We will develop proposals for this scheme and will consult on this proposal, partly modelled on the successful Low Emission Zone.

Total number of casualties across London down during 2012

On 27 June, we published 2012 road safety figures for London, which show the total number of road casualties fell by around 2 per cent. The number of fatal casualties in London fell by 16 per cent to 134, the second lowest level since records began. Nationally (in Great Britain) fatalities fell by 8 per cent. In terms of the longer term trends, the total number of people killed and seriously injured (KSIs) during 2012 was 17 per cent below 2005-09 baseline showing that London continues to see a strong long term reduction in KSIs. The number of child fatalities fell to five, the lowest number since records began.

In terms of the longer-term trends, the total number of people killed and seriously injured during 2012 was 17 per cent below the 2005-09 baseline, showing that London continues to see a strong long term reduction in killed and serious injured. In addition, the overall fatality rate per journey on London's roads dropped by over a quarter (down by 28 per cent) since 2005-09, while the rate of KSIs per journey went down by 26 per cent over the same period.

Despite these positive trends, 2012 saw a rise in the number of serious casualties which increased overall by 9 per cent between 2011 and 2012, with particular increases among those walking (up 17 per cent), cycling (up 18 per cent) and powered two-wheeler riders (up 6 per cent) also affecting children (up by 19 per cent). Nationally, the number of serious casualties fell by less than a percentage point in 2012, compared to 2011, and as in London, serious casualties increased amongst those walking and cycling. However, unlike in London, the number of children seriously injured fell by 6 per cent. Initial analysis of the London 2012 casualty data suggests a number of factors may underpin the changes in casualties. These include the continuing growth in population, especially of younger people, and increased numbers of cycling journeys.

Intensified Enforcement of Advanced Stop Lines

On 12 August, we worked with the Metropolitan Police Service (MPS) and City of London Police (CoLP) to increase enforcement of Advanced Stop Lines (ASL) to help further improve safety for cyclists on the Capital's roads. ASLs, also known as "bike-boxes", are common at signalised junctions and provide a dedicated area for cyclists to wait in front of other road traffic. However, significant numbers of drivers are increasingly encroaching into ASLs, reducing the visibility of cyclists and increasing the risk of collision.

The start of the increased enforcement of both drivers and cyclists was supported by a seven-week intensive phase of engagement and education run by the MPS and CoLP. The engagement programme included speaking with drivers and cyclists at key junctions and handing out flyers with information to help improve compliance around ASLs, explaining both motorist and cyclist obligations and the reasons for the rules. Results from the enforcement operation included:

- Over 1,620 road users given verbal warnings for various traffic offences
- Over 5,260 road users given verbal warnings in relation to ASL offences

- Over 460 Fixed Penalty Notices (FPNs) issued for ASL related offences – including 200 cyclists for going through a red light
- Over 785 FPNs issued for offences that were not ASL related but detected as part of the operation.
- 20 road users were issued with a summons to appear at court
- Nine people were arrested including one for drink drive, two wanted on warrant, three for refusing to give their name and address details, one for assault on police and two arrests for other offences
- 30 vehicles seized for having no insurance
- 23 prohibitions given for mechanical defects

Cab Enforcement Operation

On 9 August, I took part in a plain clothes operation with Eddie Nestor from BBC Radio and the MPS Cab Enforcement Unit. “Operation Arizona” targets illegal cab drivers (unlicensed drivers and licensed drivers touting or plying for hire illegally) in cab-related sexual offence hotspots in central London. The operation, which took place over two nights, resulted in 16 Arrests for touting, one summons for Taxi Touting, one summons for plying for hire, one arrest for Drink Drive and four cash seizures made under the Proceeds of Crime Act.

Reducing Unwanted Sexual Behaviour on the Transport System

Between 22 July and 27 July, we took part in an operation, led by The British Transport Police (BTP) and the Metropolitan Police Service (MPS), to crack down on unwanted sexual behaviour on the transport system. The operation, named Project Guardian, is an initiative involving BTP, MPS Safer Transport Command, City of London Police and TfL, to increase the confidence in reporting of sexual offences which occur on the London public transport system, reduce the risk of becoming a victim, challenge unwelcome sexual behaviour and target offenders.

The operation involved 185 plain-clothes and uniformed officers stepping up patrols each day between 7am and 8pm. During the week of action the police made nine arrests for sexual offences, gathered intelligence and gave reassurance and crime prevention advice to thousands of travellers.

The programme of Guardian activity to tackle sexual offences on the network continues.

4.1.2 Roads Task Force

On 10 July, the Mayor’s Roads Task Force (RTF) report - “The Vision and direction for London’s streets and roads” - and TfL’s response to it - “Delivering the vision for London’s streets and roads” - were published. The documents were launched by the Mayor of London at an event in Elephant & Castle, attended by over 130 stakeholders from the public and private sector. The launch attracted positive media coverage and both documents were well received by stakeholders.

Londoners make 80 per cent of all trips on the roads, while 90 per cent of all goods moved take place on the Capital's roads. Streets also account for 80 per cent of London's public spaces. With London's population set to rise by a further 1.7 million to around 10 million by 2031, the demands on London's roads and streets from all users is only set to grow.

The RTF report sets out a bold new vision for the future of London's roads and streets. We welcomed the report and its vision for a 21st century road and street network, to ensure the Capital can cope with major population growth, support jobs and thousands of new homes, while remaining one of the most vibrant, accessible and competitive world cities.

We have pledged to work with partners, including London's boroughs, developers, businesses and the representatives of all road users, to build on the improvements seen in the recent investment and management of London's roads, streets and public spaces and to take forward the RTF recommendations.

4.1.3 Fleet Operator Recognition Scheme

The Fleet Operator Recognition Scheme (FORS) standard has achieved a significant milestone in working towards its adoption as the industry benchmark for commercial fleet operations in London and beyond.

DHL was awarded FORS Certified Body status and will independently assess and award FORS across its 450 supply chain depots in the UK and Ireland. TNT has achieved FORS Bronze across its national supply chain representing 53 depots and a fleet of 2,000 vehicles, and they are now working towards Gold status. Both achievements help raise operating standards in London and strengthen the proposition to secure a national FORS delivery partner.

4.1.4 Queen Elizabeth Olympic Park Operations

As part of the legacy from the Games 2012, the Queen Elizabeth Olympic Park hosted a series of events across the summer. These included a number of concerts and the London Anniversary Games. Over 300,000 people attended the concerts and 180,000 people attended the anniversary Games. In collaboration with a number of transport operators, we helped support the London Legacy Development Company in producing an integrated transport plan and enhanced public transport services to allow for the safe ingress and egress of spectators.

4.2 Making things Easier for our Customers

4.2.1 Ticketing

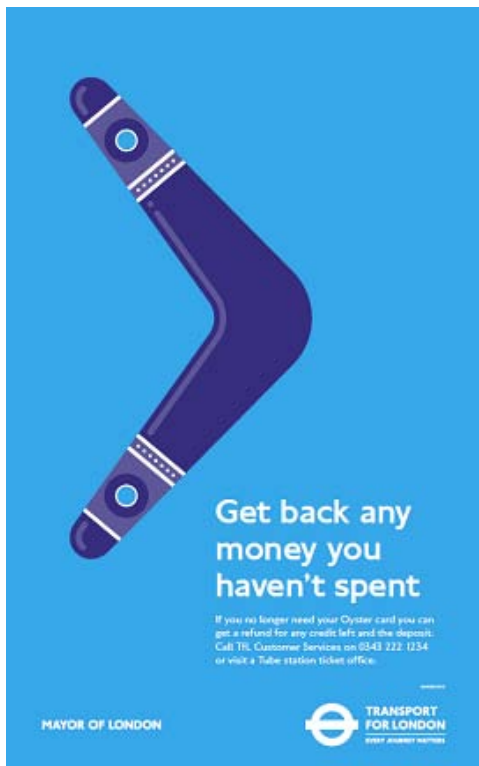
Refunds for disused Oyster cards

We continue to take a range of steps to make life easier for our customers.

We have made changes to Oyster equipment in stations to allow refunds to be made to cards that had been topped up using a mix of bankcards and cash where

previously refunds could only be made on such 'mixed' payments from our contact centre.

In addition, a new campaign reminds customers that it is easy to get a refund on Oyster cards they no longer need. We have been criticised in some quarters for not doing enough to make this clear. Customer research on this issue shows that most customers do not want to hand back their Oyster cards for a refund for a variety of reasons, including because they want to keep cards for visitors, or as insurance in case of an emergency. Some customers also choose to keep multiple Oyster cards for business and personal use or for different wallets or handbags.



Zip card issuance

Applications for the 16-17 Zip Oyster card opened early this year and, for the first time, also use an online service. The new service is designed to get cards into customers' hands in good time before their previous cards expire on 30 September.

Oyster online

Customers are able to keep track of their travel and fares paid via our 'Oyster online' service. This is very similar to how people use internet banking to keep track of their finances.

In response to customer feedback, the service has undergone a series of upgrades over the last two years, largely to make the website more user friendly. As part of this, we have recently launched a new service for 18+ Student Oyster Card holders allowing them to see their journey history in the same way as holders of retail Oyster cards can. This all forms part of our wider strategy to make our online services the simplest and cheapest way for our customers to do business with us.

School Party travel

Following a decision by the Mayor we have now extended School Party travel to include travel to sporting events. The existing limit of two events per child per term still remains.

Proposals to stop accepting cash fare payments on London buses

On 19 August, we launched a public consultation seeking customers' views on proposals to withdraw cash fare payments on London buses by the end of 2014.

Cash fares now make up less than one per cent of bus journeys owing to the convenience of Oyster cards and contactless payment cards. Paying with Oyster or a contactless payment card also guarantees the cheapest fare, currently £1 less than the cash fare.

Removing the acceptance of cash on London buses would benefit all customers by speeding up boarding times at bus stops and reducing delays. It would also help us deliver up to £24m per annum of savings, which would then be reinvested in improving the transport network.

We already have in place arrangements through which bus drivers can safeguard vulnerable people who, for one reason or another, occasionally find themselves with insufficient credit on their Oyster card and have no other means of payment. We are also investigating possible a change to the Oyster system which would allow passengers with an insufficient balance on their Oyster card to make one additional trip before having to top up their card.

The consultation will close on 11 October and details are available on our website (tfl.gov.uk/cashless). We would like to hear from as many customers as possible.

Shortlist of bidders for ticketing and fare collection services

As part of the current exercise to procure services for our fare collection systems, on 1 August we notified bidders who had responded to our OJEU notice that three companies had been shortlisted: Cubic Transportation Systems Ltd., LG CNS Co CNF and Scheidt and Bachmann GmbH. Each of the bidders has been provided with access to data rooms containing TfL's intellectual property and draft contracts. The intellectual property was secured by TfL through the termination of the Prestige ticketing contract, which the Board approved in July 2008. Bidders need to provide feedback on the draft contract before an invitation to tender is issued in January 2014.

The successful bidder will be responsible for providing and maintaining our revenue collection systems, which includes ensuring that all of the gates are maintained and available, that Oyster readers on buses and at stations, platforms and retail outlets are working reliably, that the systems transferring transactions from the Oyster readers to the back office are operating efficiently and that systems are integrated to support our plans for the widespread use of contactless payment cards across the network.

4.2.2 Customer services

Our customer centres for Oyster and travel information have been rated among the best 50 contact centres in the country for a second successive year. Their service was benchmarked against the best retail and service companies and included the use of mystery shopping to test the service we provide. Benchmarking like this is also part of our wider strategy of better meeting the needs of our customers.

Open Data

We have become a world leader among transport authorities in Open Data by following our strategy of making data freely and openly available. The recent Shakespeare report for the Department of Business, Innovation and Skills singled out TfL's Open Data provision as an exemplar, estimating the annual benefit of this activity to be up to £58m in time saved by our customers and users. We now have a community of well over 5,000 developers, producing hundreds of apps which are used by millions of Londoners, businesses and visitors to help them make their journeys efficiently.

New Low Cost Telephone Number for Barclays Cycle Hire Customers

We have successfully implemented a new low cost (0343) telephone number to replace the 0845 number, making it easier and cheaper for customers to contact us regarding Barclays Cycle Hire queries. The next Commissioner's report will set out further details of the action we are taking to move all of our telephone services to low cost 0343 numbers.

4.2.3 Technology

Wi-Fi

All O2 customers can now access Virgin Media Wi-Fi at 121 Wi-Fi-enabled LU stations. O2 joins EE and Vodafone as a wholesale partner for Virgin Media's Wi-Fi service, meaning that the vast majority of our passengers are now provided with full Wi-Fi access on London Underground at no extra cost to themselves. Work continues to enable Wi-Fi at an additional 30 LU stations and Victoria Coach Station.

4.2.4 Travel Demand Management (TDM)

The TDM Programme

The Travel Demand Management (TDM) Programme, developed as part of our London 2012 Olympic and Paralympic legacy, is already starting to deliver tangible benefits.

The new ways of working were applied to major events in London this summer, including Ride London, the World Triathlon Championship and the series of concerts at the Queen Elizabeth Olympic Park. This enabled us to coordinate consistent customer advice across a variety of transport and partner organisations and helped manage the impacts of these events on London.

Further elements of the programme will be delivered in the next few months. This will include releasing detailed information about regular travel hotspots in London to enable customers to better plan their journeys. We are also working with Network Rail to implement a coordinated communications programme to businesses and other stakeholders in London, designed to ensure they have planned for the temporary changes to service patterns during the London Bridge railway terminal redevelopment.

Further programmes of work are being developed designed to help us make the most of the capacity of the network while major upgrades take place to existing rail and road infrastructure.

5 Value – Efficient and Effective Delivery

Spending Review

HM Treasury's 2013 Spending Review (SR13) discussions for 2015/16 onwards concluded on 18 July. After fares income, grant is the second largest form of funding we receive and thus it was vital that a strong case was made and we received sufficient funding to support a growing London and UK economy.

We have received a six-year flat in real terms capital settlement and a one-year general grant settlement. The result was a good but challenging settlement. With HM Treasury asking departments for a 10-15 per cent cut in spending, we received a 12.5 per cent cut in 2015/16 DfT grant funding, but an overall 8.5 per cent reduction when funding received through the Business Rate Retention scheme is included. This equates to a £222m reduction in 2015/16, which effectively recurs into future years.

Sustained funding is vital for us and allows efficient delivery of investment, so a substantial upside from the Spending Review was that we secured a long-term capital funding settlement through to 2021, at around £1bn per annum. Together with permission to borrow up to around £600m per annum (if prudent to do so), this means the TfL Investment Programme now has certainty of funding levels over the long term. This long-term funding certainty enables us to deliver at approximately 15 per cent lower costs than would be incurred with unpredictable, stop/start funding; this saving is already baked into our plans and our costs would have increased had this long-term settlement not been agreed. We also secured new funding for schemes such as Gospel Oak – Barking Electrification and Crossrail 2 development.

We are now working through our annual Business Planning cycle to decide how we reprioritise our existing plans to cover the lower funding whilst protecting as much of the Investment Programme and key customer outcomes as possible with final proposals presented to the Board in December.

Northern Line Extension (NLE) Update

Negotiations are progressing to finalise a binding commercial agreement with the Battersea Power Station developer, building on the non-binding Heads of Terms signed last November. The agreement, which commits us to deliver the NLE once certain conditions are satisfied, forms a key part of the overall funding and financing arrangements for the NLE, and the Chancellor set a deadline of the end of the year for signature. In addition, we are finalising the arrangements with other public sector bodies, including the GLA (who are expected to undertake the borrowing needed to fund construction), the Department for Communities and Local Government (in relation to the Enterprise Zone arrangements through which growth in business rates can be retained to service NLE debt), the boroughs of Wandsworth and Lambeth (who have agreed in principle to contribute funding collected from local developers under Section 106 and Community Infrastructure Levy (CIL) to the scheme), and HM Treasury (where we are finalising the level of support offered to the Mayor through the UK Guarantee Scheme).

Although a number of key issues remain to be agreed, we expect to seek Board approval to sign the full set of agreements in November.

Earls Court Masterplan

We have agreed to pursue heads of terms for a joint venture to enable the development of Earls Court 1 & 2, in line with the wider Earls Court Masterplan. This joint venture, with Capital & Counties Properties PLC (Capco), was endorsed by the Finance & Policy Committee on 18 July. The agreement will enable the two organisations to establish a joint entity, which will own a new 999-year lease over the Earls Court 1 & 2 sites, as well as adjoining land owned by Capco. It is envisaged that ownership of the development will be split 63 per cent to Capco and 37 per cent to TfL, which reflects the value created by combining both organisations' respective interests. The joint venture offers the long-term opportunity to generate a considerably higher return than previously assumed.

Woolwich Station OJEU

On 24 July 2013, Sponsors instructed CRL to implement the fit out of Woolwich Station, following execution of the Box Deed and Funding Agreement with Berkeley Homes and the funding letter with Royal Borough of Greenwich. A Written Ministerial Statement was laid in the House of Lords on 25 July, followed by a joint TfL and DfT press release enabling the release of CRL's OJEU for Woolwich Station on 25 July 2013.

55 Broadway

We have started the process of tendering architects to assess the potential use of 55 Broadway, once staff relocate in 2015. The building is not currently fit for purpose as an efficient office building so options for the building were considered, including office, hotel and residential use. After detailed analysis, the conclusion was that a residential-led development would not only deliver the best value for fare and taxpayers, but it would also be the most suitable option for the Grade I listed building to maintain its heritage.

Accommodation

In June, the first phase of the London Underground and London Rail migration to Palestra was completed, with the successful move of the LU senior management team and its supporting functions. The second phase of the relocation is planned for completion in early October, completing the migration of over 700 staff.

Commercial Development Secondary Revenue: Cross Track Projection

An upgraded version of Cross Track Projection has been developed that offers a vast improvement in the size and quality of advertising image. The implementation has been approved and the new system should be up and running by spring next year. This could bring incremental revenues of £7m over the next 5 years. It will also introduce far better opportunities for content driven advertising across topics such as film and entertainment, cooking, travel, fashion and sport.

Rateable Value

We have been negotiating with the Valuation Office for over a year in order to reduce the Rateable Value (RV) on the Victoria Head Office Buildings. We have agreed substantial reductions in RV at Windsor House, Albany House and Buckingham Palace Road in addition to the recent reduction agreed at Palestra. The estimated cash saving from 1 April 2010 to 31 March 2014 is £3m. The additional saving over the period of the Business Plan will be over £15m.

Poppy Day

We have secured partnerships with a number of supplier organisations to allow the business to fully deliver a comprehensive plan of activity to support the 2014 Poppy Day at zero cost to us. Cash and value-in-kind has been received from CBS Outdoor, Bombardier, Skanska, Hexis, Serco, First Group, Stagecoach, Metroliner, Abellio, Tower Transit, Go Ahead, Arriva and Clear Channel. This will provide train wraps or poppy presence across the majority modes of transport.

Tube Cooling

We secured 43,500 bottles of water from supplier Belu to provide bottles of water to give out to customers during the hot weather. Belu supplied 43,500 bottle of water for free to help them support their partnership charity Water Aid. The bottles of water were given out at key stations and gave us the opportunity to reiterate our beat the heat message.

Transfer of traffic related contracts from Serco Ltd to Cubic Corporation

On 28 August, a Deed of Novation (between Serco Ltd, its new subsidiary ITMS Ltd and TfL) was signed following due diligence to confirm that no changes would be made to current operations and that there was no material change to management personnel, structures, assets and delivery models. The affected contracts were specifically road traffic-technology related and will have no impact on the Cycle Hire contract or DLR Franchise. The value for the remaining duration of the contracts is approximately £30m.

The novation is required as Serco Ltd has reached agreement with Cubic to sell Serco's 'Intelligent transport systems, enforcement and technology maintenance' business. Following completion of the business transfer agreement between Serco and ITMS Ltd, the novation of the relevant traffic-technology contracts will take place. ITMS Ltd will then be acquired by Cubic following the business transfer expected to complete on 1 October.

Serco

Serco provides a number of services to us, notably operating the Docklands Light Railway and the Barclays Cycle Hire scheme and maintaining some traffic signals. In July, we were made aware of an investigation being undertaken by the Ministry of Justice into Serco's invoicing practices under contracts for offender tagging. Having sought assurances from Serco that the issue was not a systemic one across their organisation, we had sight of the Ministry of Justice's conclusion that it found no information to confirm that dishonesty had taken place.

Serco has announced and informed us that there have been claims of fraud in relation to prison escort services it provides. We have sought further assurances from Serco as to its processes for addressing fraud prevention and asked to be kept apprised of developments in these latest investigations. We will then consider whether to undertake any further audit work of our own.

TfL bond issued

On 4 September, we successfully issued a 20 year £300m bond at a fixed rate of 4 per cent. This was our fifth bond transaction since mid 2012 and continues the successful delivery of the borrowing strategy approved by the TfL Board to establish a benchmark bond curve. The bond was issued at a spread of 0.58 per cent over the 20 year (June 2032) benchmark UK Government Gilt, building upon the success of the previous issues to achieve the tightest spread of all five deals. The yield on the bond of 3.974 per cent on a semi annual basis compares favourably to the

equivalent fixed rate for 20 years borrowing from the Public Works Loan Board of 4.3 per cent, equating to a saving of 32.6 basis points, or £19.6m (undiscounted) over the term of the bond. In line with market convention the bond was issued at a small discount to par (99.817 per cent).

6 People

Dial-a-Ride's Star Performers Recognised at Annual Awards

On 28 June, we held an awards ceremony at the London Transport Museum in Covent Garden to recognise the dedication and professionalism of Dial-a-Ride's drivers, call centre staff and support teams. Among the award recipients was a Dial-a-Ride driver who saved a passenger's life by performing CPR until an ambulance arrived and an employee whose work on a 'wheelchair passport' system has helped contribute to the development of a British Standard for securing wheelchairs safely in vehicles. Over 1,350,000 trips were delivered in 2012/13 for Dial-a-Ride's 47,000 members, with an overall customer satisfaction rate of 92 out of 100.

Recognising Outstanding Staff at London Bus Awards

On 17 July, outstanding customer service and actions above and beyond the call of duty were celebrated at the London Bus Awards. The awards honour London bus staff that have displayed outstanding commitment and professionalism during the course of their work. There were seven awards presented, including to a bus driver from Barking who helped a baby who had stopped breathing, a team who provide exceptional engineering performance and a team from TfL who helped keep buses moving during the Games 2012.

Woolwich Ferry Rekindles Annual Charity River Trip

On 27 July, the top deck of a Woolwich Ferry was adorned with hundreds of smiling faces as a charity journey set sail up the River Thames for the first time in six years. The trip, organised by operator of the Woolwich Ferry Briggs Marine, offered over four hundred disabled children, along with their carers, a chance to enjoy a return journey to Tower Bridge. On-board entertainment included a puppet show, a chance to meet the Pearly Kings and Queens and a disco.

Use of Harrow Town Centre Bus Stop for Accessibility Vehicles

On 6 August, we announced that Harrow Community Transport's accessible vehicles would be able to pick up and drop off passengers with mobility issues at a Harrow Town Centre Bus Stop. Working in collaboration with the London Borough of Harrow and the Harrow Community Transport, we identified a suitable location to pick up and drop off elderly and disabled residents on College Road. The initiative marks the first time we have agreed to install a bus stop for passengers who find it difficult to use mainstream bus services and demonstrates our commitment to improving transport accessibility in the Capital.

Tube stations blooming in 150th year of the Tube

The annual Underground in Bloom competition saw staff at tube stations putting their green-fingers to work. A team of judges assessed the entries, which included categories such as hanging baskets, tubs, cultivated gardens and fruit and veg. This year saw 68 entries from stations, depots and train crew sites. Judges were looking for overall impact of the display, imagination and creativity. Extra points were given for 'greener' gardens and for the interpretation of the 150th anniversary theme. The awards ceremony took place on 11 September at City Hall.



Powerlink staff transfer to LU and TfL

As of, Friday 16 August, the Power Services contract has come to an end and Powerlink staff who have managed and delivered the supply of power to our business have now transferred to London Underground and Transport for London.

IM Award

IM recently received the Service Improvement award at the Real IT Awards, which recognise the contribution made to business success by IM projects. Selected by the judges from a very competitive field of entries, one judge in particular noted: 'The vision, implementation and customer service orientation of the changes in the build up to the Jubilee and the Olympics were first class and Wi-Fi has brought important tangible benefits both to passengers and TfL's operation'. Another commented: 'A great example of improved service, technological innovation and exploitation of technology in a challenging environment.'

Tax team nominated for award

TfL's tax team have been shortlisted for an award in the Best In-house Indirect Tax Expert or Team category, of the Indirect Tax Awards 2013. The awards are run by a specialist tax recruitment company BLT Indirect Taxation and judged by a panel of highly regarded indirect tax specialists. The winners will be announced on 10 October.

7 Planning and Strategy

7.1 Strategy Update

The London 2102 Games transport legacy: one year on

We have published our 'Transport Legacy - one year on' report, which sets out the work undertaken to capture the key lessons we learned following the successful delivery of the London 2012 Games.

We and our partners successfully encouraged people and businesses to change the way they travelled during the Games, enabling transport networks to deliver maximum capacity efficiently. Our work on Travel Demand Management described earlier is building this into our business as usual activity.

Following the success of the Freight Demand Management programme for the London 2012 Games, we have set up a Freight Delivery Unit and will continue the Freight Forum, which brings together those making, receiving and managing freight and logistics in London.

Achievements in promoting healthy travel alternatives continue. A new Cycling Ambitions Fund has been launched to support ambitious long-term plans for growing cycling and improving conditions for pedestrians in cities and parks across the country. In London, we and the Boroughs are continuing to improve cycling infrastructure. The Mayor recently published his "2020 Vision for Cycling in London", which sets out his vision to transform conditions for cycling in the city.

Our attitude towards accessibility was heavily influenced by what we learned from the Games and a whole programme of work and collaborative working with stakeholders is delivering further improvements. This includes our recent announcement of further manual boarding ramps being introduced on London Underground.

We continue to ensure that best practice from the Games is maintained around signage and wayfinding, Legible London mapping and office staff volunteering to help provide an exceptional customer experience during major events and busy times of year such as Christmas and the New Year.

We continue to support regeneration both in the Queen Elizabeth Olympic Park area and beyond to help unlock growth and stimulate housing and jobs.

8 Mayoral Decisions Relating to TfL

Garden Bridge

We have appointed Thomas Heatherwick and Arup to develop plans for a new pedestrian crossing of the Thames in central London, connecting Temple Tube station with the South Bank. This new bridge would include a major public open space in the form of a garden. The aim of this bridge is to improve pedestrian connectivity in Central London and contribute towards the Mayor's objectives for making London a more pedestrian friendly city as well as supporting development opportunities along both banks. The bridge is proceeding on the basis that its construction and maintenance costs would be funded by third parties and our contribution is limited to enabling costs associated with securing the necessary consents and approvals. Full third party funding is not yet in place, but there is significant interest and discussions are continuing. TfL has no budget to build or maintain the bridge. The intention is to have a preliminary consultation in the autumn of this year and bring forward a planning application by Easter next year. The Mayor has delegated his powers to TfL, and issued a direction to TfL as to the exercise of those powers, to enable us to make budgetary provision and carry on activities in relation to the promotion of the bridge.

9 Other Updates

LU Commercial Advertising Concession

In July, CBS Outdoor who have the concession to run most advertising on London Underground's estate announced the sale of its European and Asian assets to Platinum Equity, a US-based private equity group, for \$225m. Their intention is to complete the transaction by 30 September 2013.

This sale includes the novation of the LU Commercial Advertising Concession to a new UK company set up by Platinum Equity, which requires TfL's consent. CBSO and Platinum are engaging with our officers relating to the proposed transfer.

The teams currently handling the LU Commercial Advertising Concession will transfer to Platinum and the structure of the contract will not change, save that LU would receive an upfront payment of around \$140m which would result in corresponding reductions in the subsequent payments due to LU over the remainder of the term of the Concession. CBS Outdoor's parent company would continue to guarantee performance of the Concession by the Platinum company post-transfer and would remain responsible for providing the bank bond in LU's favour.

Transparency

We publish extensive operational, financial and performance data on all aspects of our business, for instance in the Operational and Financial Performance and Investment Programme Reports, through the Developers' area of the website and in the performance reports for each area of our business. We are building on that by

pro-actively publishing a range of additional data, to further promote transparency and provide easier access to data where there is a significant degree of public interest in it.

The data is being published on a Transparency Data page of the TfL website and will be updated regularly. It includes data on Oyster card refunds and balances, the use of contactless payment cards on buses and Congestion Charging and will also include data on road safety and road network compliance and copies of contracts and final audit reports.

The Report published by the London Assembly's Oversight Committee on 26 June after a review of transparency across the GLA group made a number of recommendations for improvements, particularly in the transparency of contracts and decision-making, and we will be responding positively to these.

List of appendices to this report:

None

List of Background Papers:

None

**Sir Peter Hendy CBE
Commissioner
Transport for London
September 2013**