

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: MANAGING DIRECTOR'S REPORT – LONDON RAIL

DATE: 8 FEBRUARY 2011

1 PURPOSE

- 1.1 The purpose of the report is to highlight the performance of London Rail for periods 7 to 9 (19 September 2010 to 11 December 2010).
- 1.2 The Panel is asked to note this report.

2 KEY HIGHLIGHTS

- 2.1 On the Docklands Light Railway (DLR), there were two million more passenger journeys than the previous record set in quarter three last year.
- 2.2 118,000 passengers was the highest ever daily Tram ridership on Tuesday 30 November 2010. This was achieved despite the heavy snowfall that occurred on Monday 29 November 2010.
- 2.3 During period 9, London Overground (LO) periodic Public Performance Measure (PPM)¹ was the third highest nationally despite the severe weather conditions. This reflects the very significant efforts that went into winter preparations and operation during the bad weather.
- 2.4 LO continues to improve its PPM, the measure most closely correlated with customer satisfaction. The PPM of the East London Line is close to 95 per cent since it opened in May 2010.

3 MANAGING DIRECTOR'S OVERVIEW

- 3.1 Performance on London Overground was pleasing with the PPM Moving Annual Average (MAA) of 94.1 per cent, ahead of budget and last year by 0.9 per cent and 1.2 per cent respectively.
- 3.2 London Tramlink operated 98.7 per cent of scheduled services during the quarter, which was above the target of 98 per cent.
- 3.3 All DLR performance scores were met in the quarter except for departures, due to points and vehicle failures, Bank station closures and adverse weather conditions.
- 3.4 Projects generally progressed well across the mode, particularly the extension of the East London Line to Highbury & Islington.

¹ PPM (public performance measure): per cent trains that arrived within five minutes of their stated arrival time as per the timetable currently in operation.

4 OPERATIONAL PERFORMANCE

Docklands Light Railway

4.1 Passenger journeys of 19.5m during the quarter were 1.6m ahead of budget driven by the conclusion of the closures associated with the major DLR upgrade programme.

4.2 Reliability and Service Quality

Standard	Q3 System Performance (%)	Budget (%)
Departures	97.0	98.0
Service Reliability	96.9	96.0
Ticket Vending Machines Availability	99.9	98.0
Lift Reliability	99.7	97.0
Escalator Reliability	99.8	98.0
PID Availability	100	98.0

4.3 All performance indicators were significantly exceeded, except departures. Departures suffered as a result of points and vehicle failures, Bank station closures and adverse weather conditions.

London Overground Operations

4.4 PPM MAA was 94.1 per cent at the end of period 9 which was above budget by 0.9 per cent and 1.2 per cent higher than for the same period last year, and continues the strong performance of recent months.

London Tramlink Operations

	Q3	Budget
Passenger Journeys	6.8m	6.5m
% of scheduled service kms operated	98.7	98.0

4.5 Journeys of 6.8m during the quarter were above budget by 0.3m due partly to more passengers using the service in the bad weather conditions following disruption to other modes of transport.

4.6 With a huge amount of cooperation between the various parties involved, Trams continued to operate throughout the bad weather, even when some National Rail services in the area had been withdrawn. There was significant positive public reaction as well as increased loadings.

4.7 The percentage of scheduled service kilometres operated was above target.

5 DOCKLANDS LIGHT RAILWAY PROJECTS

Three Car Capacity Enhancement

5.1 Construction is complete on all packages of work, although sectional completion has been withheld on Package 7 due to the close out of minor snagging items. The concourse works at Crossharbour have been completed and Taylor Woodrow has applied for sectional completion on Package 1, which is expected to be

granted during period 11.

Three Car East Route

- 5.2 Construction and station finishes are complete at all stations on the East Route. An upgrade to the signalling software now needs to take place and this is forecast for April 2011. Agreement of the final account has been reached with Taylor Woodrow.

Stratford International Extension

- 5.3 Package 8 (National Rail Platforms at Stratford): Works are now complete.
- 5.4 Package 6 (Conversion of NLL to DLR): Construction work is complete and snagging work is ongoing. Work continued at all stations on general electrical and mechanical fitment, with Canning Town, West Ham and Stratford Regional stations nearing completion.
- 5.5 Test train running commenced on 6 December 2010 but following receipt of an updated programme from the contractors Skanska-Volker Joint Venture (SKJV) line opening is now expected in early summer.

Other DLR projects

- 5.6 Upgrade of Ticket Vending Machines: 132 machines out of a total of 150 have been installed to date with 16 due for installation just prior to opening of the Stratford International Extension . The remaining two machines are due to be installed at London City Airport during period 11.

6 LONDON OVERGROUND INFRASTRUCTURE PROJECTS

- 6.1 **East London Line Project (ELLP):** The third supplementary agreement stipulates the date of completion of the works as 23 July 2010 and specifies the dates by which the contractor will complete each element of outstanding work by a defined date, the latest being 28 March 2011. Progress on these works has been slower than planned.
- 6.2 The East London Line Project received further awards during the quarter. In October 2010 at the British Construction Industry Awards, the project won Regeneration Project of 2010. The project won the award for its significant achievements in causing regeneration in London.
- 6.3 In December 2010 at the National Railway Heritage Awards, the project received the Transport for London Award, which is given for the sensitive renovation or development of a London area station and its facilities. As part of the project London Rail restored and refurbished historic Shadwell, Wapping, Rotherhithe and Surrey Quays stations, preserving key features while making them suitable for a 21st century transport network.
- 6.4 **East London Line Project (ELLP) Phase 2:** The proposed implementation agreement is being progressed with Network Rail and construction is scheduled to commence in the first quarter of 2011.
- 6.5 The Project is on schedule for opening at the end of date will be at the end of 2012.

- 6.6 **North London Railway Infrastructure Project (NLRIP):** During quarter 3 planning took place for the 18 day blockade during period 10, which was successfully completed despite severe weather experienced at the beginning.
- 6.7 Stage 1 and 2 signalling commissioning was completed as planned. Signalling control of the new signalling infrastructure on the North London line encompassing four new interlocking areas at Camden Road, Canonbury, Dalston and Channelsea were transferred to the signalling control centre at Upminster.
- 6.8 Within the blockade, construction works were completed - completing the final track layout, removal of redundant equipment, bonding and section proving of new equipment. At Willesden, platform four on the high level station was successfully rebuilt.
- 6.9 The project is now preparing for stage 3 commissioning planned for the beginning of February 2011 as well as integration with the Angel Lane commissioning works.
- 6.10 **Lengthening of Class 378 Trains:** During the period, the lengthening of the Class 378 trains from three to four car continued according to plan. This offers significantly greater capacity on heavily loaded services on the North and West London Lines. The Project is on schedule to complete in January 2011.

7 REVIEW OF DEVELOPMENTS ACROSS NATIONAL RAIL

Rail Value for Money Study

- 7.1 Sir Roy McNulty published the interim report of the Rail Value for Money Study in November 2010. The interim report finds that the rail industry is costing more than it used to and more than it ought. Greater efficiency would realise savings of £600m-£1,000m per annum by 2018/19 without cutting services. The report identifies the key to securing these efficiencies is a cross-industry focus on reducing costs and improving value for money in all aspects of train operation and in the operation, maintenance, renewal and enhancement of infrastructure. This, Sir Roy McNulty finds, demands much closer working and alignment of incentives between train operators and Network Rail and strong leadership across the industry. Inevitably, such alignment, if it is to be effective, will involve Network Rail working more closely at a local level with train operators.
- 7.2 Next steps are for a further interim report in February 2011 followed by a final report in spring 2011 and, via a high level group chaired by the Secretary of State, recommendations for the restructuring of Network Rail in November 2011.
- 7.3 Mike Brown and the London Rail team met with Sir Roy McNulty on 17 January 2011 to discuss the interim report and TfL's views on value for money. This was followed by a letter setting out TfL's case regarding industry reform and better rail franchising.

DfT High Level Output Specification (HLOS)

- 7.4 In November 2010, the Government announced the rail enhancements that would proceed following the Comprehensive Spending Review (CSR). Crossrail and the Thameslink programme will both proceed in full. Between them, they will add in the order of 1,200 net additional vehicles by the end of the decade.
- 7.5 The original high level output specification for 2009 – 2014 (HLOS1) included the

provision of 1,300 net additional vehicles (carriages) to be delivered across England and Wales. London's share of the 1,300 vehicles was 845, or 65 per cent. Comparing with the original plan (January 2008), HLOS1 will now deliver roughly 850 of the 1,300 net additional vehicles, or 65 per cent, across England and Wales. In the London area, TfL believes that the South West Trains train lengthening programme has a strong enough case to justify going ahead as planned but other elements of HLOS1 may be deferred.

- 7.6 The CSR also announced a further £750m for high speed rail, electrification of the Great Western Main Line (GWML) as far as Newbury and that there will be "a new fleet of intercity trains". The preferred option for the Intercity Express Programme (IEP) and further electrification of the GWML is still awaited.
- 7.7 London Rail is modelling the impact of delays to the implementation of some HLOS1 schemes on crowding as part of its work to develop HLOS2 enhancement schemes. TfL will produce an HLOS2 package of enhancements, offset by potential cost savings, in spring 2011.
- 7.8 A detailed paper has been prepared for consideration by the Panel.

Network Rail Matters

Route Utilisation Strategies (RUS)

- 7.9 The London and South East RUS draft for consultation was published in December 2010. This is an important strategy which identifies and assesses the enhancements to the rail network that are necessary to address capacity and connectivity gaps. All of the main rail routes in London are covered. The strategy will inform the next HLOS and TfL has been working with Network Rail to ensure that the RUS recommends many of the rail schemes included in the Mayor's Transport Strategy. The modelling for the RUS has used TfL's Railplan model which means their findings match TfL's in most areas. London Rail will coordinate TfL's response to the draft RUS, the deadline for which is 18 March 2011.
- 7.10 The draft for consultation of both the West Midlands and Chiltern and West Coast Main Line RUSs have also been published. These cover Chiltern Railways, London Midland and London Overground Watford DC services in the London area. Network Rail will be working closely with London Rail and London Underground on options for improving capacity on the Amersham corridor which is served by both Chiltern Railways and the Metropolitan Line.
- 7.11 The West Coast RUS identifies severe crowding problems in the future and proposes widespread lengthening of London Midland services. The extension of Crossrail to the West Coast Main Line is also mentioned as a potential long term option to provide additional capacity and to relieve crowding at Euston when high speed services on HS2 begin.

Train Operating Company (TOC) Matters

- 7.12 The Mayor's TOC summit will be held in March 2011. The agenda is likely to cover preparations for the London 2012 Olympic and Paralympic Games, planning for growth, interchange coordination, real-time and static customer information, fares and ticketing and cycle parking at stations.

Office of Rail Regulation (ORR) Matters

ORR Consultations

- 7.13 The ORR is currently consulting over proposed changes to Part J of the Network Code covering the processes involved with the reallocation of underused or unused access rights. Responses are required by March 2011. Network Rail has also launched a consultation on proposed changes to the Network Code to incorporate the new concept of strategic capacity into the Code. The purpose of strategic capacity is to manage capacity that is currently unused but could potentially be used in future for freight and passenger services.

DfT Matters

DfT consultations and announcements

- 7.14 The Secretary of State has announced the outcome of the DfT consultation on reforming rail franchising and confirmed the move towards longer franchises, typically of at least 15 years duration. The justification is to increase incentives for operators to invest in the railway and to operate efficiently. Franchises will be less prescriptive but bidders will be invited to specify outputs such as customer satisfaction scores. There will be interim arrangements introduced for some franchises approaching re-letting pending completion of the Rail Value for Money study. In the London area, this is relevant to the Greater Anglia, Essex Thameside and Great Western franchises.
- 7.15 The current Greater Anglia franchise has already been extended to run until October 2011. A further extension will now be granted taking the current franchise to February 2012. The franchise will then be run under a competed management contract or short standard franchise from February 2012 until July 2013, covering the Games period. This arrangement may be extended further to July 2014 at most at the discretion of the DfT. The competition for this contract will take place during 2011. Once the management contract/short standard franchise has concluded the franchise is expected to be let in a manner consistent with the new franchising policy and may also incorporate elements of vertical integration if this is a recommendation of the Rail Value for Money study.
- 7.16 A new Essex Thameside franchise will start during 2013. The current c2c franchise has been extended by two years to 2013. In the case of Thameslink and South Eastern, it is not currently appropriate to let long-term franchises, since both will be heavily affected by Thameslink Upgrade works at London Bridge station. These franchises will be retendered on a short-term interim basis as they fall due. The DfT will then let long-term franchises to cover the operation of Thameslink and South Eastern services, once the London Bridge Station reconstruction is complete.

Franchise replacements and extensions

- 7.17 TfL has asked the DfT to include TfL's planned enhancements to the next Greater Anglia franchise (covering cycle parking facilities, station deep cleans and the provision of new information boards for posters at stations) in the extension of the current franchise. Further discussions on this are imminent.
- 7.18 The enhancements to the current South Central franchise funded by TfL are now largely complete. All day station staffing has been introduced in the London area. The station deep cleans are complete, except at three stations (Balham, Norbury

and Battersea Park) where completion has been delayed by other station refurbishment works. The South Central franchisee has completed a variety of station travel plans in the London area. These have in turn generated requirements for additional cycle parking facilities that will make use of TfL's agreed funding in this area. The installation of extra spaces at Gipsy Hill, Mitcham Junction, Sanderstead, Smitham, Streatham Hill and Wallington during 2011 has now been authorised by the franchisee in response to the findings of the station travel plans. Further bike parking facilities are required to be provided by the franchisee during 2012 and 2013. TfL will liaise with the franchisee to ensure that stations in the London area benefit from this additional investment.

Accessibility and the 'Access for All' programme

- 7.19 London Rail has identified a list of the top 20 stations in London which are the highest priority for inclusion in the fourth tranche of the DfT's Access for All programme (part of the HLOS2 settlement), including undertaking feasibility and cost assessments. The recommended list has also been informed by the Sub-Regional Transport Plan workstream on physical accessibility. This analysis has also informed TfL's submission to the London Assembly on the physical accessibility of the transport network.

Mayor's Powers over National Rail

- 7.20 A letter to the Secretary of State has been sent following his meeting with the Mayor on 13 January 2011 placing on record TfL's case with respect to franchise reform and better industry alignment. London Rail is also refreshing the case for a greater role for the Mayor in National Rail in London and will look at options related to franchising, service specification and sponsorship of enhancements.

Performance of the Passenger Network

- 7.21 Rail passenger demand is continuing its recovery following the downturn. In the second quarter of 2010/11, London and South East demand increased by 12.0 per cent and revenue increased by 8.7 per cent when compared with the same quarter last year.

Freight

Strategic Freight Network

- 7.22 The Strategic Freight Network Steering Group, of which London Rail is a member, is continuing to optimise spending of the available funding in control period 4 (2009-14) and is looking at investment priorities for control period 5 (2014-19).
- 7.23 The London and South East RUS draft for consultation looks at long term freight routing options, with the strategy being to avoid freight passing through the London area unless there is no realistic alternative. This approach and the individual routings is wholly consistent with the Mayor's Transport Strategy.

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

- 7.24 Following the concerns expressed regarding Tesco's proposals for a regional distribution centre at Beam Reach, London Rail and TfL Land Use Planning have secured the safeguarding of a strip of land on the edge of the site to allow future rail access to a site to the south, that could potentially be developed for an intermodal freight terminal.

Rail freight trends

- 7.25 Quarter 2 2010-11 figures from 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)
2008-2009	3	5.00	25.6
	4	4.80	24.2
2009-2010	1	4.86	21.9
	2	4.89	21.6
	3	4.63	22.0
	4	4.69	21.7
2010-2011	1	4.52	20.7
	2	4.75	22.4
Year on year change for Quarter 2		-2.9%	+3.7%

Source: National Rail Trends produced by the Office of Rail Regulation
Table subject to rounding

- 7.26 Quarter 2 showed rail freight moved reduced by around three per cent when compared with the same quarter last year. However, there was an increase of five per cent on the previous quarter. Freight lifted showed a four per cent increase on the same quarter in the previous year and an increase of eight per cent on the previous quarter.

Environment and Sustainability

- 7.27 London Rail has been providing input to the rail industry's development of the environmental requirements for the next HLOS (2014-19). This is likely to require train operators to report their carbon emissions. Information is also being provided to help the rail industry to form business cases for schemes to reduce energy use, based on TfL's own experience.
- 7.28 TfL also submitted its report to the Government on climate change adaptation. London Rail provided a significant amount of input to this submission, including the identification of the key risks on the Overground, DLR and Tramlink networks and services.

High Speed Rail

- 7.29 London Rail's recent work with HS2 Limited has focussed on two key workstreams. The first of these concerns the proposal for a direct link between HS2 and the existing HS1 line. The current proposal involved routeing trains via the North London Line at Camden Road. London Rail has assessed this and has serious concerns about the feasibility of the proposal and particularly whether the additional services can be accommodated without reducing the number of London Overground and freight services. London Rail believes additional infrastructure is

required and will be working with HS2 Limited to ensure an appropriate solution is identified.

- 7.30 The second workstream involves the coordination of HS2's plans at Old Oak Common with Crossrail's plans. HS2 has the potential to impact on the Crossrail depot at Old Oak Common. To identify any conflicts and how these can be resolved, a joint study has been started. The output of this study will inform the procurement of the depot and rolling stock provider for Crossrail, which is currently underway.
- 7.31 Public consultation on HS2's proposals is expected to commence in February 2011.

8 RECOMMENDATION

- 8.1 The Panel is asked to NOTE this report.

9 CONTACT

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