

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: MANAGING DIRECTOR'S REPORT – LONDON UNDERGROUND

DATE: 26 FEBRUARY 2009

1 PURPOSE AND DECISION REQUIRED

1.1 This report summarises the main performance headlines for period 10 and provides updates on the status and progress of London Underground's strategic workstreams, major investment projects and items of special interest.

2 RECOMMENDATION

2.1 The Panel is asked to NOTE the report.

3 CONTACT

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London Underground Limited

Performance Report to the Rail and Underground Panel

Period 10 2008/09, ended 3 January 2009



London Underground Performance Report Period 10 2008/09

This report summarises the main performance headlines for period 10 and provides updates on the status and progress of London Underground's strategic workstreams, major investment projects and items of special interest.

PERFORMANCE

The performance scorecard is shown on page 7.

1. Customer Satisfaction

The improved Customer Satisfaction Survey results continued, with a score of 79 for the third quarter. LU achieved an all time high for the helpfulness of public address announcements, and the helpfulness of station staff has also reached near record levels. The year to date average also stands at 79 - two points higher than at the same time last year and one point ahead of this year's target.

2. Train Service

The percentage of schedule averaged 97.1% for the period, the thirteenth successive period of above budget performance and the first time that the network percentage has exceeded 97% in a period since mid-1996/97. All lines met their targets for the period. However total kilometres operated were a little below budget largely due to the post-Christmas closures of the Jubilee and Metropolitan lines for upgrade works which were not anticipated when the budgeted schedule was calculated.

3. Passenger Journeys

The first two weeks of the period saw a record level of pre-pay revenue, which may reflect the widely-reported late surge in Christmas shopping. Total revenue results however indicate a small year on year reduction in demand, although gate data does not necessarily support this conclusion. It appears that Travelcard holders may be using their tickets more intensively, thereby increasing entry and exit counts without adding to revenue. Further analysis continues.

4. Journey Time

Period 10 saw the lowest ever excess journey time at 5.35 minutes and the second lowest total journey time (scheduled plus excess) at 42.6 minutes. Trains excess improved by 1.40 minutes from last period as the impact of train service incidents fell to its lowest level for several years and passenger demand showed the usual seasonal reduction. Consistently good journey time performance is reflected in the successively high quarterly Customer Satisfaction scores noted above.

5. Safety – Contractor Fatality

On 2 December a sub-contractor employed by Birse Metro (working on behalf of London Underground), was injured by a power cable which appeared to explode, whilst he was undertaking utility diversion works for the future redevelopment of Tottenham Court Road station. The contractor was seriously injured (electrical burns), and was taken to a specialist burns unit. He died in hospital on 26 December. Investigations have so far been unable to establish the cause of the accident. This was the first contractor fatality since 2000. The last employee fatality occurred in 1992.

CUSTOMER SERVICE

6. Service Planning & Reliability

Following extensive consultation with key stakeholders, the Service Requirement Specification for Jubilee Line Working Timetable 11 was released during period 10. This timetable is the first to take advantage of increased capability provided by the line upgrade and will increase both peak and off-peak service frequencies, providing significant customer benefit. It is planned to be implemented in January 2010.

7. Accessibility & Inclusion

A revised specialist customer information product has been successfully launched; this includes re-branding of existing products to aid awareness and a revised Step-Free Tube Guide. 122 Wide Aisle Gates have now been installed as part of Phase 1, which completes in March. Phase 2 (installation of an additional 66 gates) commences in April. The Wide Aisle Gatelines at Heathrow T123 are working well and a similar solution is being planned for Terminal 4.

8. Customer Focus

The Real Time Information Customer Focus Quarter commenced on 19 January. A draft programme for 2009/10 has been reviewed by the Customer Focus Working and Steering Groups and agreed in principle.

9. Oyster and Ticketing

There was a slight increase in ticket office sales during period 10, due to increase in Christmas tourists and shoppers. Advanced Fare Machines accounted for 20.5% of all sales and of these 78.1% were season tickets and PAYG value for Oyster cards. There were some fluctuations in sales of Visitor Oyster Cards, but Visit Britain, Gatwick Express and Super Breaks continue to sell well. Work to ensure that changes in penalty fares are reflected across the network was completed in time for changes in early P11.

10. Customer Information

A prototype of the new Electronic Service Update Board (ESUB) has been on display since just before Christmas in the 55 Broadway reception. The ESUB includes a touch screen display which gives information about the development of the device and includes the dates at which groups of stations will have the new machines installed once the rollout begins in the first quarter of 2009.

MARKETING AND COMMUNICATIONS

11. Stakeholder Engagement

During the Period, Stakeholder Communications published the PPP Report for 2007/08. Briefings with London First and CBI London took place, highlighting the work on the line upgrades. Local stakeholder activity intensified on Tottenham Court Road in readiness for Compulsory Purchase Orders taking effect and site clearance work starting. A number of LU entries have been shortlisted for awards at the London Transport Awards and HSBC Rail Business Awards including LU as Public Transport Operator of the Year.

12. Campaigns

Several campaigns took place during the holiday period around Jubilee line closures, passenger safety, Oyster, step free access and new Penalty Fare arrangements. Liaison with Network Rail is ongoing regarding the closure of Blackfriars Station.

PEOPLE

13. Staff Engagement

Valuing Time workshops have now been running for 10 weeks and 5096 staff (48% of operational total) have passed through Victoria House at Holborn. Feedback to date is averaging 94%. The workshops will continue to run until the end of March.

OTHER KEY ACTIVITIES

14. Carbon & Energy Management

Work continued on the 2007/08 LU carbon footprint report with the first draft completed in January after which consultation with key stakeholders commenced.

15. Olympics

The Tranche 3 Service Delivery Plan Report which outlines LU's strategic approach to Risk Management, Human Resourcing, Maintenance and Renewal and Operational Planning for the 2012 Games was submitted to ODA on 23 December. A draft LU Strategic Decision Making Programme has been developed and was presented to the first Olympic Transport Board meeting on 19 December. This plan highlights key policy decisions to be made before 2012, with lead times for development/ implementation work so that all parties act at right time to ensure delivery.

INVESTMENT

16. Line Upgrades

SSL Upgrade

Harrow-on-the-Hill signalling immunisation was commissioned in a December closure. The first train is forecast to be delivered to the Old Dalby Test Track in late February which represents a one period slip from the original stretch target but this has no impact to any milestone dates. The Correct Side Door Enabling/Selective Door Open contract has been awarded.

Jubilee Line Upgrade

The renegotiated contractual agreement between TLL and Thales is now in effect. LU is still awaiting details from TLL but it is understood that it includes revised commercial terms, a commitment from Thales to the milestone dates in TLL's target programme and the secondment of TLL staff into senior project roles within Thales. TLL are currently in a critical phase of installation and Maturity Level 2 testing in the J2/3 area to support the start of Maturity Level 3 testing in March 2009. The availability of closures in the J2/3 area remains the main project risk if further slippage occurs. There are only approximately 130 hours of closure time available to complete the ML2 testing before the planned start of ML3 testing which in itself is already a compressed programme.

Northern Line Upgrade

As part of the new commercial agreement with Thales, TLL have now agreed the key milestones on the Northern Line. This programme continues to forecast Journey Time Capability delivery on December 2011. TLL and LU are having constructive discussions on the alternatives to a Dual Fit Area for driver training. The Edgware Shed refurbishment continues on schedule and TLL are testing the config 2 rolling stock design. Full production of the train conversion programme started at Edgware in February. Alstom will install the fix for the signal to noise problem during the TBTC conversion programme.

Piccadilly Line Upgrade

LU has provided comments to TLL on the revised integrated programme. TLL plan to issue revised tender documents to the three rolling stock bidders in April 2009. An initial meeting has taken place between TfL and TLL on the terms for the financing of the new rolling stock fleet and further discussions are planned, although TLL have expressed reservations on the proposal that LU assumes the role of 'technical advisor' to TfL. LU's requirement for Rail Vehicle Accessibility Regulations (RVAR) compliance has been consolidated into the restated terms for Review Period 2, as due to the later date (2013) for the introduction of the new train fleet in the new programme, works to implement fixed infrastructure solutions would not need to start until after the periodic review.

Victoria Line Upgrade

Validation testing of software version 6.4.1 of the DTG-R software to facilitate the signalling system to protect the trains (V2.01) is complete and test evidence is being provided to facilitate completion in March 2009. System Test Environment testing using software v6.4.3 at Chippenham has been completed with initial results indicating it would be sufficient to enter traffic hours operations though anomalies remain that may require further iterations to gain full approval for peak service. The milestone for V2.1 (Start testing T1/T2 in Traffic Hours without passengers) forecast remains at May 2009. Rolling Stock T1/T2 modification programme completion is March 2009, availability of approved designs is impacting progress. The first production train T3 delivery remains August 2009 due to BTUK production supply chain issues, however the financial climate is also causing concern.

17. Connect

Radio Phase 2: Phase 2 introduces safety critical communication over the radio. By mid-January this functionality was on the Northern, Central, Victoria and Bakerloo lines with the next 2 lines (Waterloo & City and Jubilee) following later in the month. The Piccadilly line is provisionally targeted for April pending successful installation of the dispatchers in Earl's Court, which is currently making required progress. The remaining SSR lines are provisionally planned for Q3 2009 pending a successful resolution of a functionality issue being negotiated as part of the contract close-out.

Radio Resilience: To support the medium term resilience plans, a proposal for further Train Radio Controller (TRC) resilience has been received from CTL. The current CTL programme shows software for TRCs and dispatchers to be available in late May 2009 and rolled out across the network by the end of September. In addition a proposal for Fixed Mobiles to be placed in all Line Control Centres is being progressed at a feasibility level, which will provide basic functionality during other failure modes. Further reviews with CTL are ongoing to define Operational Mitigation scenarios; a review with the Network Operations Centre was held on 15 January and a plan is now in place to build their mitigation capability during radio failures.

Station Radio Go-live: Successful resolution of outstanding issues at London Bridge means that Connect radio is now operational on all stations

Airwave: Embankment and Charing Cross were temporarily upgraded to support 2 x Airwave BR's (Base Radio) to support New Year's Eve capacity demands. Embankment had configuration issues, but these are now understood and will be avoided for future capacity upgrades.

18. Power

Victoria line Power Upgrade - Equipment installation and changeovers continue largely to programme. Preparatory fit-out works of the transformer bays by EDFEN continues, ahead of the delivery of the first grid transformer at Manor House.

Sub-Surface lines Power Upgrade - The review of the tenders for DD&B Packages 1A and 1B (the Metropolitan line) and engagement with the bidders continues, with the objective of awarding the contract(s) in early March.

Jubilee Line Power Upgrade - Following an invasive survey of the floor at Finchley Road sub-station, it has been confirmed that remedial works will be required before equipment installation activities can commence. This may delay the programme of works at this site, however, a remedial plan is being developed such that this should not materially impact upon the overall required power-on date.

19. Major station schemes

Tottenham Court Rd Congestion Relief

The General Vesting Declaration has been issued to all properties to be acquired for the project and plans are being finalised for handover with TfL Group Property and LU's demolition contractor. The Museum of London are completing internal and external surveys of the properties to be demolished. Work has recommenced on the breaking down of piles and subsequent construction of the pile cap for the Bank of Ducts bridge for BT. Andrew Borde Street and the east end of Sutton Row have been closed and buses and traffic diverted accordingly.

Victoria Station Upgrade

The TWAO Public Inquiry concluded in January. A legal agreement with key objector Victoria Palace Theatre was signed, removing their objection. Main Works tenders were returned on 23 December and tender reviews have commenced. Asbestos removal and temporary ceiling reinstatement works are on schedule.

King's Cross Redevelopment (CTRL)

The contractor's programme reports no change in completion date of 1 December 2009 and all other major programme milestones remain on target. Currently the Victoria and Piccadilly line lift programmes are on the critical path. Reasonable progress continues to be made with respect to the escalator installation programme which previously spanned the project critical path and although delays to the completion of the civils work have affected the architectural progress, this is reported as not critical.

Shepherd's Bush

The final report following stakeholder consultation/engagement to determine an 'optimised' step-free scheme at Shepherd's Bush will be completed by March 2009.

20. Step-free schemes

Baker Street

The key issue behind City of Westminster planning department's recommended refusal of planning consent is the design of the lift head building. It has been agreed that further architectural concepts for the head building will be pursued by LU and jointly reviewed; and City of Westminster will use best efforts to progress the revised application when submitted. The impact of this on the programme is being reviewed.

Green Park

Funding for full project implementation has been approved and a design and construction contract with Tube Lines signed.

OTHER STRATEGIC PROJECTS

21. Crossrail

LU does not expect to meet all the recently accelerated timescales required by Crossrail for completion of high priority surveys. LU has issued requests for expressions of interest from the LU Vendor Capital Programme contractors for the residue of surveys and invitations to tender have been issued, although responses may be limited because of the tight time scales for this work. Proposed opportunities for improved central area stations integration have been well received and are to be taken forward to feasibility.

22. Thameslink

DfT has agreed that Key Output Zero (new Thameslink timetable and Moorgate branch closure) should not be implemented until the advance works at Farringdon are fully completed. NR remains confident that this can still be achieved by 22 March 2009 but there has been further slippage in the programme requiring yet another re-phasing of the works.

Negotiations are continuing on key commercial aspects of the Project Implementation Agreement. A summit meeting between LU's Managing Director and NR's Chief Executive was held on 6 January. A way forward has been agreed on the outstanding key commercial issues but it may still be necessary to agree a further Advance Works letter to cover the next stage of Blackfriars works.

23. Periodic Review

Restated Terms were issued to Tube Lines on 8 December (ahead of the contractual deadline of 31 December 2008). An update paper was submitted to the January Finance Committee describing the final Restated Terms and Affordability Constraints and explaining any material changes made since the November Board. It is now for Tube Lines to price the Restated Terms and provide its response, which LU expects to receive no earlier than the contractual deadline of 30 June 2009. Tube Lines has identified only three areas of concern - access, the Performance regime and the interplay between the Affordability Constraints and the possible requirement for Tube Lines to raise additional finance. LU has established dialogue with Tube Lines on the access and performance issues and is working with TfL Corporate Finance to assist in discussions relating to financing. In addition, discussions are ongoing to understand and document the scope to be priced in Tube Lines' response. Internally, LU is preparing plans and resources to review Tube Lines' response, including updating the shadow cost, risk and performance projections to a standard which could be rapidly deployed in either negotiations with Tube Lines or submissions to the PPP Arbiter.

**London Underground Performance Report
Performance Scorecard - Period 10 2008/09**

2007/08 Actual	Measures	Reporting Frequency	Unit	Period 10			Year to Date			Annual Target	Year Forecast
				Actual	Budget	Variance	Actual	Budget	Variance		
Customer Service											
77	CSS Overall Evaluation	Quarterly	Score	79	78	1	79	78	1	78	
94.8	% of Schedule Operated	Period	%	97.1	95.1	2.0	96.5	95.1	1.4	95.1	96.0
70,496	Kilometres Operated	Period	000's	5,017	5,136	(118)	53,935	53,394	542	70,208	70,750
7.77	Excess Journey Time (Weighted)	Period	Minutes	5.35	7.46	2.11	6.53	7.46	0.93	7.46	
0.1	% Peak Train Cancellations due to ONAs	Period	%	0.1	0.6	0.5	0.0	0.6	0.6	0.6	
Infrastructure											
16.25	PPP Lost Customer Hours	Period	Million	0.68	1.20	0.51	8.00	11.96	3.96	15.54	
901	Electricity Consumption (MWh per million journeys)	Period	No.	1015	870	(145)	884	870	(14)	870	
Safety & Security											
0.12	Customer Major Injuries per million journeys	Period	No.	0.14	0.13	(0.01)	0.14	0.13	(0.01)	0.13	
14.3	'L' Area Notifiable Crimes per million journeys**	Period	No.				13.3	16.2	2.9	16.2	
People											
69	ESS (People Index)	Annual	Index				72	69	3	69	
95.9	Attendance	Period	%	95.9	96.3	(0.4)	96.1	96.3	(0.2)	96.3	
14,510	Headcount (FTE)	Period	No.				14,475	14,563	88	14,601	14,418
10.1	% of BAME Staff in Senior Management	Period	%				10.8	10.8	0.0	10.8	10.8
238	Temporary Staff (FTE) >= 12 months	Period	No.				225	283	58	241	241
Commercial											
1,072.5	Passenger Journeys	Period	Million	73.2	74.7	(1.5)	830.0	848.5	(18.5)	1,120.0	1,090.0
1,160.2	Net Cost of Activities	Period	£m	97.0	100.7	(3.7)	867.4	895.4	(28.0)	1,168.7	1,172.9
93.7	Efficiencies	Quarterly	£m	21.2	20.0	1.2	60.8	59.6	1.2	86.1	88.1
0.4	Forecast Accuracy - Operating Expenditure	Annual	%							2.5	
1.3	Forecast Accuracy - Capital Expenditure	Annual	%							5.0	
Stakeholder											
7	Reputation Survey - Net Advocacy (Weighted)	Annual	Index				14	10	4	10	

** Figures are provided on a calendar month basis. The YTD shown reflects the latest data available, to the end of November