

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: MANAGING DIRECTOR'S REPORT – LONDON RAIL

DATE: 20 MAY 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 The purpose of the report is to highlight the performance of London Rail for Periods 10 to 13 2008-09 (7 December 2008 to 31 March 2009). Members are asked to note the report.

2 KEY HIGHLIGHTS

- 2.1 Tower Gateway DLR station reopened seven weeks ahead of schedule on 2 March 2009.
- 2.2 On DLR, the Stratford high level platforms were successfully handed over to Network Rail (NR) on 14 April 2009.
- 2.3 The North London Railway Infrastructure Project (NLRIP) implementation agreement with NR was signed on 26 February 2009 and NR awarded the two main contracts to Carillion Ltd (core infrastructure works) and Atkins Rail Ltd (signalling works).
- 2.4 The TfL Board gave financial and project authority for East London Line Phase 2 on 31 March 2009 and three rolling stock units were ordered in April 2009.

3 MANAGING DIRECTOR'S OVERVIEW

- 3.1 Performance on London Overground was pleasing with the PPM¹ MAA² of 92 per cent ahead of last year by 0.9 per cent and the NPS³ score of 77 per cent up by 6 per cent.
- 3.2 On DLR, some improvement in performance has occurred since the last quarter and management continued to work closely with Serco across a number of areas. However, service performance will continue to be an issue during the extensive improvement works that are currently in progress.
- 3.3 London Tramlink performance was above target.
- 3.4 Projects generally progressed well across the mode during the quarter with all critical path milestones achieved.

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

² MAA: Moving Annual Average.

³ NPS: National Passenger Survey

- 3.5 2009/10 will be another year of high growth and activity for London Rail with a number of major projects reaching completion and significant increases in the service offerings of both London Overground and DLR. The strong performance in 2008/09 provides a good foundation to address the challenges of the year ahead.

4 OPERATIONAL PERFORMANCE

Docklands Light Railway

- 4.1 Passenger journeys of 20.4m in the quarter were 1.3m below budget. Contributing factors included Tower Gateway's closure, ongoing project disruption and planned weekend closures.

4.2 Reliability and Service Quality

Standard	Quarter System Performance	Budget
Departures	98.1%	98.0%
Service Reliability	94.1%	96.0%
TVM Availability	99.5%	98.0%
Lift Reliability	99.4%	97.0%
Escalator Reliability	99.9%	98.0%
PID Availability	99.9%	98.0%
Overall Customer Satisfaction	90.8%	90.0%

Reliability suffered during the quarter due mainly to the impact of the snowfall in February, a derailment at West India Quay in March and the general impact of upgrade works.

London Overground Operations

- 4.3 PPM MAA was 92.2 per cent at the year end, 0.5 per cent above budget and 0.9 per cent higher than the previous year.

London Tramlink Operations

	Quarter	Budget
Passenger Journeys	7.8m	8.5m
% of scheduled service km's operated	97.0%	98.0%

- 4.4 Journeys of 7.8m during the quarter were 0.7m below budget due mainly to the impact of the snowfall in February. This also affected the scheduled service kilometres operated which were 1 per cent below the budget of 98 per cent.

5 DOCKLANDS LIGHT RAILWAY PROJECTS – Current Status

Three Car

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

- 5.2 Package 1 (Bank to Crossharbour): Tower Gateway station reopened for passenger service seven weeks ahead of schedule on 2 March 2009, allowing extra services to be introduced. All works were completed at Shadwell and the platform extension is scheduled to open in June 2009. At Crossharbour, all construction and snagging work has been completed and is awaiting a construction certificate from Taylor Woodrow and installation of final signage. At Limehouse, Westferry and South Quay, construction work continued, with the pre-cast platform units now in place.
- 5.3 Package 2 (Lewisham Extension): All construction work on Package 2 is complete and stations are undergoing the final snagging works.
- 5.4 Package 5 (Delta Junction): All jacks and containers have been removed from the fly-under and the structure is now in place. All works planned for the quarter were completed and the remaining works for the commissioning of the Delta Junction progressed well.
- 5.5 Package 7 (Canning Town Junction): Superstructure construction at the main site works is complete and work has commenced on the track works.
- 5.6 Three Car Route North Package 3 and 4 (North Route and Blackwall and East India): Packages 3 and 4 generally progressed in accordance with programme. At Bow Church, all construction work is complete, other than remedial work on the new stairway and at All Saints, the outstanding snagging works continued. Construction work at Devons Road and Pudding Mill Lane is expected to be complete by the end of May 2009 and June 2009 respectively. Work continued to progress well at Blackwall, East India and Royal Victoria.
- 5.7 Three Car East Route: Confirmation of funding has been received from all the external parties (Olympic Delivery Authority, HCA, Local Government and London Development Agency). The detailed design for the civils work has been awarded to Faber Maunsell and Atkins has been commissioned to undertake the detailed design of the scissors crossover at Prince Regent.

Stratford International Extension

- 5.8 Package 8 (National Rail Platforms at Stratford): The high level platforms were successfully handed over to Network Rail for operation on 14 April 2009.
- 5.9 Package 6 (Conversion of NLL to DLR): Foundation and platform works were completed at Star Lane and progressed on the station equipment rooms. At West Ham Station, platform works are now complete and lift shaft construction is well advanced. Station civils work at West Ham is nearing completion and preparation works for track installation has commenced. The platforms at Stratford International are also complete and work is well advanced on the lift shafts, station equipment rooms and track slab.

Other DLR projects

- 5.10 Woolwich / Three Car / Olympic Railcars: 23 vehicles have been delivered to Beckton and taking over certificates have been issued for 16.
- 5.11 Upgrade of Ticket Vending Machines: Seventeen trial machines have been installed and their reliability is being monitored.

6 LONDON OVERGROUND INFRASTRUCTURE PROJECTS

- 6.1 East London Line Project (ELLP): Works progressed well during the quarter, with the Balfour Beatty Carillion (BBC JV) main works contractor having achieved all of the short term milestones on the critical path. Listed building planning application for the Crystal Palace station enhancement works was approved in February 2009 and work continued on detailed design. New Cross Gate (NXG) stage 3 signalling works were completed during a 52 hour possession on 6 / 7 March 2009 and final designs for NXG stage 4 signal commissioning were issued and approved by NR. Enabling works continued at both New Cross Gate and the Southern sites (Crystal Palace, West and South Croydon) with further cable route clearance works, preparatory works and site surveys being undertaken. Crystal Palace stage 1 signalling works were commissioned during the 27 hour possession on 8 March 2009. Other planned works at Crystal Palace and West Croydon for formation works, spoil removal and track drainage were successfully completed during the 52 hour possession on 21 / 22 March 2009.
- 6.2 North London Railway Infrastructure Project (NLRIP): The implementation agreement with NR was signed on 26 February 2009. Contracts have subsequently been awarded to Carillion for the core works contract and to Atkins Rail for the signalling works. The signalling scheme plan and signal sighting has been approved by both NR and TfL. Preliminary designs for track and systems works are now progressing. The contractors are continuing to mobilise their teams at the current project offices in Old Broad street whilst works commenced to prepare the new project offices at Chalk Farm for a move in May 2009. The Guidelines to Railway Investment Projects (GRIP)⁴ 4 designs for the Network Rail elements of the project are now complete and early GRIP 5 detailed design on critical core works has commenced by Carillion. Birse Metro with Tony Gee and Partners are on programme with detailed design for the civil engineering works on the Dalston Western Curve and demolition works progressed well. The blockade of the No.1 lines commenced on 19 April 2009, as planned. Demolition and reconstruction works for the Dalston Junction Bridge deck replacement are also on programme.
- 6.3 London Overground Rolling Stock: Unit one continued with route proving on the NLR and has now covered most of the available network, enabling platform checking exercises to be carried out by LOROL at all NLR stations. It is also being used for driver training on Overground routes. 3 additional units were ordered in April 2009 for the ELL phase 2 services.

7 TRAMS PROJECTS

- 7.1 All 23 trams have now been refurbished. Twelve tram stops have also been refurbished with the balance planned to be completed during the early part of 2009/10.

⁴ The GRIP process is Network Rail's approach to managing investment schemes and has a number of defined stages. GRIP 3 is option selection, GRIP 4 is single option selection and GRIP 5 is detailed design

8 GATING AND OYSTER PROJECTS

Wider London Oyster Rollout

- 8.1 Passenger validators installations are ongoing on all remaining train operator companies with the exception of Heathrow Connect which is not participating in PAYG. 59 per cent of programmed stations are now complete.

London Overground Gating and Oyster

- 8.2 Good progress continued on the revenue system for the East London Railway (ELR). The second entrance gateline at Norwood junction was commissioned in January 2009 and all enabling works at Forest Hill and Honor Oak Park have now been completed.

9 REVIEW OF DEVELOPMENTS ACROSS NATIONAL RAIL

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

- 9.1 The periodic review determinations were implemented in April 2009 following acceptance by Network Rail. Control Period 4 (CP4) charges will now apply until April 2014 and the full HLOS programme will be implemented. Network Rail issued route plans for comment to TfL and other stakeholders detailing how it intends to implement HLOS. DfT is now developing its network modelling framework in order to begin modelling work for HLOS2 in spring 2010. HLOS2 will be multi modal, unlike HLOS, which focused on rail.

Network Rail Matters

Route Utilisation Strategies (RUS)

- 9.2 The draft for consultation of the Kent RUS has recently been published. The recommendations primarily involve further lengthening of trains between Kent and London to provide additional capacity and making better use of the High Speed Line for domestic services. The consultation draft of the first section of the Network RUS, covering long distance passenger forecasts, has also recently been published.
- 9.3 TfL has been involved in the development of these documents and continues to maintain an appropriate level of involvement in the Great Western, East Midlands, West Midlands & Chilterns and Sussex RUSs, all of which are currently underway.

National Station Improvement Programme (NSIP)

- 9.4 Of the 43 London stations contained in the NSIP, 16 projects have reached the GRIP 4 stage to date. The most advanced NSIP schemes that have achieved GRIP 4 status are those most firmly aligned to other investment programmes and where third party funding has been identified. In London, these include:
- (a) Crystal Palace (where NSIP is combined with Access for All and East London line Extension works).
 - (b) Denmark Hill, Lewisham, Streatham Hill (combined with Access for All).

- (c) Waterloo East, Gipsy Hill (combined with gating / station access scheme).
 - (d) Wandsworth Town, Earlsfield (combined with developer-led scheme).
 - (e) Smitham and Hounslow where works are accompanying highway schemes.
 - (f) West Hampstead, Haringey, Kentish Town, Finsbury Park where NSIP works are to support the Thameslink programme.
- 9.5 One station has been dropped (Ravensbourne) from the programme due to funding delays and Wimbledon has been incorporated into the plan, which was on the reserve list.

Office of Rail Regulation (ORR) Matters

ORR Consultations

- 9.6 Since February 2009, the ORR has issued consultations relating to the development of the stations code and guidance to their safety inspectors on the concept of “as far as reasonably practicable”. TfL believes that the ORR’s interpretation of “as far as reasonably practicable” is satisfactory and in line with our expectations and the former is under review. ORR amended the Network Licence, which is the governance mechanism for Network Rail, taking into account comments received during the consultation process. The new licence, including the strengthened stakeholder rights condition, was implemented in April 2009.

DfT Matters

DfT consultations and announcements

- 9.7 The DfT is continuing to work on its future goals through the Developing a Sustainable Transport System (DASTS) framework and has published the responses received from the public and transport industry. In April 2009, DfT issued revised appraisal guidance (The New Approach To Transport Appraisal: Appraisal for a Sustainable Transport System) and amended its internet guidance (WebTAG).
- 9.8 TfL has responded to a consultation on the development of an international freight network across Europe, stating TfL’s opposition to the proposed policy of giving priority to freight services for access to the network and also during times of disruption.
- 9.9 Three more DfT consultations are currently under consideration covering interoperability regulations, revisions to the Rail Vehicle Accessibility Regulations (RVAR) and the application of RVAR to heritage railways.

Franchise replacements and extensions

- 9.10 The South Central re-franchise process is in the procurement stage. TfL has specified enhancements such as staffing of stations throughout the traffic day and a station refresh programme, but has no role in the selection process. An announcement on the winner is expected before June 2009.

Accessibility and the 'Access for All' programme

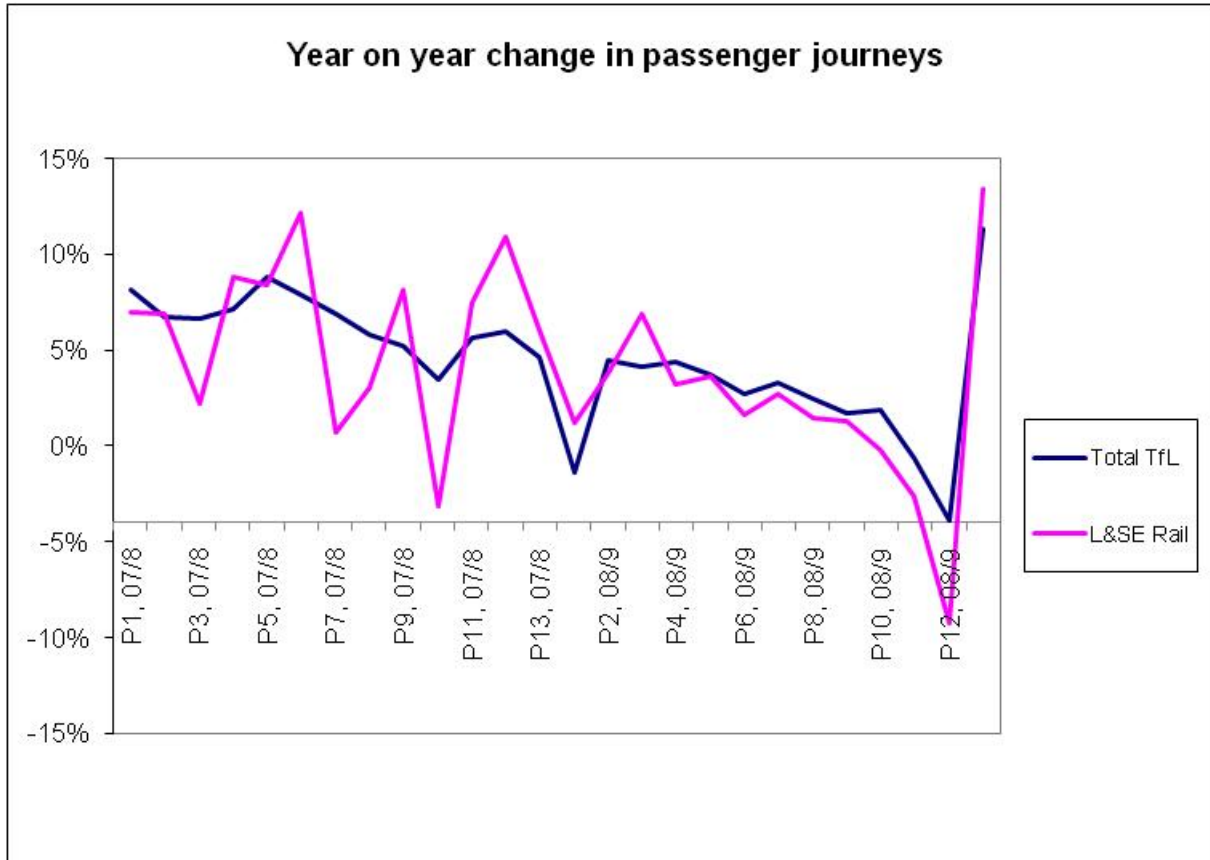
- 9.11 Access for All schemes in London are currently on-site at Clapham Junction, Lewisham and Streatham Hill. Blackheath has been delayed by legal issues with a station tenant. The latest expected date for completion for all stations in Phase 1 (2006-2009) is the end of 2010. Of the 12 London stations originally in Phase 2 (2009-11), most have proposals that Network Rail are discussing with interested parties. Some of these are well advanced, e.g. Vauxhall, New Cross and Forest Hill, as are four proposals from Phase 3 (2012 – 15) that TfL asked the DfT to bring forward prior to 2012 because of their importance as access routes to the Olympics: West Hampstead Thameslink, Camden Road, Highbury and Islington and Gospel Oak. Works at these stations are being co-ordinated with proposals for Thameslink and NLRIP.
- 9.12 There are a number of stations in the programme which Network Rail is considering delaying/cancelling delivery (although the final decision lies with the DfT). Reasons include engineering problems (Norwood Junction, Tulse Hill), interfaces with other development schemes (Twickenham, New Cross Gate), interfaces with other programmes (Finsbury Park, where deferral of the LU step-free scheme is likely to necessitate a redesign) and poor value for money (Grove Park).
- 9.13 The DfT is likely to replace any stations taken out of the programme with other stations (nationally) and we have lobbied for them to include Hackney Central, where there is already a preferred option for a scheme developed by TfL.
- 9.14 The West Hampstead Thameslink scheme will go ahead in conjunction with a new station entrance on the south side of the bridge that is funded through the Network Rail Discretionary Fund.

Barking to Gospel Oak electrification

- 9.15 Lord Adonis wrote to the Mayor to say that his offer to contribute a capital sum towards the cost of the electrification of the Gospel Oak to Barking line expired on 30 April 2009. The conditions of this offer were:
- (a) TfL would take forward the project, including working up a business case, finding the balance of the cost and bearing all risks.
 - (b) The contribution could be up to £25 million, but the quantum would depend on as yet undefined savings against the budget for the North London Line freight scheme announced last year.
- 9.16 The Mayor responded that although the project offered good value for money, the scheme would not proceed without a properly defined project up to National Rail's GRIP 3 level. The cost of this is £400,000, of which TfL would contribute 50 per cent. The DfT would need to provide the rest, given that the benefits are largely to rail freight. Without this next stage, there is no reliable estimate of the full cost of the scheme, so no view could be taken about the total costs or risks involved.

Performance of the Passenger Network

9.17 London and South East Rail demand growth has fallen below zero in recent periods and has fallen more sharply than TfL's total (all modes; LU, LO, DLR, buses, trams) demand. Period 13 demand growth for national rail and TfL was inflated by a longer period length than last year and the fact that there was no Easter in Period 13.



Freight

Strategic freight network

9.18 A number of the freight schemes included in CP4 are potentially of benefit to London by reducing passenger conflicts through routing trains away from the capital, including capacity enhancements between Ipswich and Nuneaton. However, analysis shows that there will still be capacity problems between Gospel Oak and Willesden and London Rail is continuing to investigate options to address this.

9.19 The DfT has made extra funding available for works at Camden Road to reduce freight and passenger train conflicts. These works were previously dropped from the scope of the NLRIP project.

Network RUS – Electrification

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

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

9.21 London Rail and the London Thames Gateway Development Corporation have completed a study into rail terminal provision for high speed one (HS1) at London Riverside. The study suggests that one of the most promising activities for HS1 is high-speed freight and suggests potential locations for the terminals. Further work is now being tendered to get a more detailed understanding of the technical feasibility and employment impacts of these options. There are a number of sensitivities about land use in the area and London Rail will continue to work with stakeholders to resolve these issues.

Rail freight trends

9.22 The Quarter 3 2008-09 figures from the ORR for freight moved (billion net tonne kms) and freight lifted (million tonnes) together with the previous six quarters are shown below.

Year	Quarter	Freight Moved (bn net tonne/kms)	Freight Lifted (million tonnes)
2007-2008	1	5.48	25.4
	2	5.23	25.3
	3	5.23	25.8
	4	5.25	25.8
2008-2009	1	5.40	26.3
	2	5.42	26.7
	3	5.00	25.6
Year on year change for Quarter 3		-4.4%	-0.8%

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

9.23 Quarter 3 shows rail freight moved reduced by 4.4 per cent when compared with the same quarter last year and freight lifted reduced by 0.8 per cent over the same period.

9.24 The overall picture is accentuated in London because the most important sector – deep sea container traffic – has now started to decline (Q3 year on year change is a decline of 6.6 per cent). It should be noted that this container traffic either passes through London or skirts around London and that very little is destined for London. Construction, which is also an important sector to and via London, has declined by 3.4 per cent. All other sectors have declined with the exception of coal (which does not pass anywhere near London) and Channel Tunnel traffic, which is very small anyway at around 2 per cent of freight moved in the UK by rail.

Environment and Sustainability

9.25 London Rail is continuing to support London Overground Rail operations Limited (LOROL) in the implementation of initiatives such as provision of recycling facilities at stations, implementation of regenerative braking and incorporating energy efficient features into station upgrades. LR is also liaising with other parts of TfL on the impact of the Government's Carbon Reduction Commitment on the business. London Rail is also ensuring that initiatives on the National Rail network that can provide a beneficial impact on climate change are considered in the development of in the Mayor's Transport Strategy.

9.26 London Rail assisted the DfT in the appointment of consultants to upgrade the environment module of their National Modelling Framework (NMF). Once the upgrade has been completed, London Rail should be able to use a version of the model to carry out more robust forecasts of the impact of schemes on CO2 emissions in London. London Rail continued to participate with the rail industry through various Rail Safety Standards Board workstreams. These have recently focussed on the introduction of on-train electricity metering, the Carbon Reduction Commitment and the provision of additional line side equipment which can reduce energy use.

High Speed Lines

9.27 London Rail continued to attend Greengauge 21's steering group and public interest group meetings. The strategy team is also now attending working groups run by the Department for Transport's High Speed Two Ltd. company, on possible locations for a London terminal and for a Heathrow interchange station. London Rail is discussing a joint programme of work on London issues with Network Rail to inform their new lines programme.

10 RECOMMENDATION

10.1 The Rail and Underground Panel is asked to NOTE the report.

11 CONTACT

Contact: Ian Brown, Managing Director, London Rail
Phone 020 7126 1689