

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: MANAGING DIRECTOR'S REPORT – LONDON UNDERGROUND

DATE: 12 NOVEMBER 2009

1 PURPOSE

1.1 The purpose of this report is to describe London Underground's operating performance over the first six periods of 2009/10 (1 April to 19 September) and to provide updates on the status and progress of London Underground's strategic workstreams, major investment projects and items of special interest.

1.2 The Rail and Underground Panel is asked to note this report.

2 PERFORMANCE

2.1 A summary of key performance indicators and graphs showing trends over the last year is provided on pages 8 to 14.

Customer Satisfaction

2.2 For the third consecutive quarter LU achieved a record overall Customer Satisfaction Survey score of 80. This is an excellent achievement, especially as scores often drop during the warmer summer months.

Train Service

2.3 Performance on all lines was depressed in June (period 3) by the 48 hour industrial action by RMT members, as described in the report to the last meeting of the Panel. Overall percentage of schedule operated in that four week period was 91.5 per cent.

2.4 Subsequently, however, continued good performance has meant that the overall result for the year to date is back in line with the 96.3 per cent budget. If the losses due to industrial action are excluded, then network year to date performance rises to 97.4 per cent with all lines meeting or beating their targets.

2.5 Kilometres operated are marginally below budget due to an increased level of engineering closures, notably on the Jubilee line. If the losses due to industrial action are excluded, the network year to date targets would have been met.

2.6 The Bakerloo line was closed south of Paddington for four days at the end of August in order for work to take place on the crossover at Piccadilly Circus. This was returned to operational use on 3 October after nearly three years out of service, improving operational flexibility on the line.

- 2.7 A new timetable was introduced on the Victoria line from 26 July, coinciding with the opening of the line's new train crew depot at Brixton.
- 2.8 A revised Circle line service is being introduced in December. The principal change is a revision to the service pattern whereby the Circle line trains will start at Hammersmith (Hammersmith & City Line) station, join the current Circle at Edgware Road station, make a single loop, terminating at Edgware Road station, and then return in the opposite direction. Pilot operations of the new timetable over two weekends in June and July proved successful, and lessons learned were incorporated into a final pilot which took place over the weekend of 24/25 October prior to implementation of the full timetable from 13 December.

Journey Time

- 2.9 Apart from the strike affected period 3, excess journey time has been within target since the beginning of the year. Performance over the first six periods has averaged 6.45 minutes, 0.33 minutes inside this year's target of 6.78 minutes and exactly the same as at this time last year. This year's result, however, includes 0.34 minutes of excess due to industrial action and a 0.28 minute increase in the impact of planned line closures.
- 2.10 All lines apart from the Central line are meeting their excess journey time targets to date. The Central line was particularly hard hit by the RMT strike in June due to the high Lost Customer Hour values resulting from loss of service through the central area between Liverpool Street and White City. The line has, however, beaten its target in all other periods.

Passenger Journeys

- 2.11 Passenger journeys to date have been 14.1 million (2.8 per cent) below budget and in the second quarter showed a drop of around 6 per cent compared to the same time last year. The total for 2009/10 is expected to be roundly 1.05 billion which is some 3 per cent below last year but still 4 per cent above the level recorded in 2006/07.

Safety and Security

- 2.12 There were 43 reported major injuries to customers in periods 1 to 6 giving a year to date rate of 0.09 major injuries per million passenger journeys, which is within the target of 0.13. Falls on stairs or escalators remain the most common cause, accounting for 29 incidents.
- 2.13 The rate of notifiable crime per million journeys rose in May due to a reported rise in the number of pickpocketing gangs in operation. However, following arrests the rate has fallen and is back within the year to date target of 13.4 per million journeys.

3 LINE UPGRADES

Jubilee line

- 3.1 Tube Lines Ltd (TLL) has not been able to achieve the progress envisaged

earlier in the year when LU granted a series of additional weekend closures, and has instead proceeded with a plan to defer the commissioning of the section from Stratford to Westminster (J23) until November and commission it jointly with the adjacent Green Park to Dollis Hill (J4) section, with the final section to Stanmore then completed in December.

- 3.2 TLL had until recently claimed this plan could be delivered, provided additional access was offered, but the independent review of TLL's programme, requested by LU to provide confidence in the plan, has indicated that this is highly unlikely.
- 3.3 TLL is now developing a revised programme with a 2010 completion date and LU will then review the access this requires and whether this can be provided given other booked closures and events. Meanwhile, LU agreed to grant TLL further short notice closures to progress their works on four weekends between late August and early October since these dates did not clash with other closures or events on the line. LU has since agreed further Stratford to North Greenwich closures during November in view of the work needed to complete system development and testing at Stratford Market Depot.
- 3.4 Limited trial operations of the Transmission Based Train Control system took place for a few hours over the weekend of 3/4 October between Canary Wharf and Waterloo. This is an important event for the project as it is the first time that the system has been used by the operators over a sustained period.

Victoria line

- 3.5 The first new Victoria line train entered passenger service on 21 July as planned. This is a major achievement, involving not only the introduction of new rolling stock but also the development and validation of a new automatic train control and signalling system. Initially, the train was limited to late night operations on specific days, while the system reliability is grown. This 'soft start' has a number of migration stages linked to reliability growth, that controls the exposure of the system from permitting one train to operate late at night through to a full day service. The new train is now running earlier in the evening, operating two round trips between Walthamstow and Brixton. On 27 October, the line was controlled from the new control room at Osbourne House for the first time.
- 3.6 The first train of the production series is expected to be delivered to London on 23 November and will enter passenger service in January 2010, after completing testing following delivery. Thereafter, two trains will enter service each period until all 47 trains are delivered.

Sub-Surface Railway

- 3.7 In mid July, LU issued an invitation to tender for the re-signalling programme for the Circle, District, Hammersmith & City and Metropolitan lines with responses due by 18 December. This replaces the original contract which Metronet had placed, as that did not provide the best technical solution or value for money.
- 3.8 Following successful resolution of track condition issues at the Old Dalby test

track, train testing has continued on plan. The first train arrived at Neasden depot in the early hours of 21 October. It will remain within the depot for approximately one month while it is prepared and initial static tests are carried out. Once these tests are complete, the train will then begin dynamic testing on the Metropolitan line during engineering hours.

- 3.9 The signalling immunisation milestone to facilitate initial train testing on the LU network was achieved some two months ahead of schedule, which was a major achievement. Work continues on plan to complete all immunisation works on the north end of the Metropolitan line for the introduction of the first S Stock train into passenger service next year.

Northern line

- 3.10 TLL is in ongoing discussions with Thales to establish a revised programme that reflects the current situation on the Jubilee Line (delay to release of resources). An agreed programme was due to be submitted to LU in October and this is now expected in November. LU is working constructively with TLL to identify a strategy for driver training that supports TLL's programme. Discussions are also ongoing to investigate the opportunities for providing TLL with access during extended engineering hours through the duration of its programme.

Piccadilly line

- 3.11 TLL has received tenders for new rolling stock from three bidders and the bid evaluation has commenced. TLL's plan remains to choose the successful bidder by the end of 2009. Both LU's and TLL's project teams are engaging with the periodic review team to help identify any potential cost reductions in the Piccadilly Line Upgrade scope.

4 PROJECTS

Tottenham Court Road Station

- 4.1 Planning submissions under schedule 7 of the Crossrail Act 2008 and listed building consent applications were made to the London Borough of Camden (LBC) and the City of Westminster on 23 September, and a Town and Country planning application for the top three metres of the southern plaza entrance (outside Crossrail Act powers) has been made to LBC. A tender addendum has been issued to all five tenderers to include changes to Falconberg Court and the Oxford Street entrance, as well as programme constraints required to meet the revised Business Plan.

King's Cross Station

- 4.2 Phase 2 of the project, the Northern Ticket Hall, is nearing completion and remains on target for a launch event on 27 November followed by opening to the public on 29 November.

Victoria Station Upgrade

- 4.3 The project has been approved by the Secretary of State for Transport

following a three month public inquiry which ended in January this year. The Transport and Works Act Order was made on 28 August and grants LU planning permission, compulsory purchase powers, listed building consent and other legal powers required to implement the project.

- 4.4 Demolition of the existing Victoria line ticket office is progressing to plan. Site installations for the ground/structures monitoring contract are behind schedule due to slow mobilisation, but programmed completion can be maintained.

Thameslink

- 4.5 At Farringdon, demolition of the Turnmill Street and Cowcross Street properties is progressing with the objective of starting piling in Turnmill Street during October.
- 4.6 Options for the London Bridge Masterplan are being investigated by NR with input from TfL and LU.

Connect

- 4.7 The Piccadilly, Circle and District lines went live onto Connect Radio Phase 2 in late July, followed by the Hammersmith & City line in August. Phase 2 provides increased functionality on the new radio equipment and improved video capability. Testing has been completed on the Network Rail managed sections of the District line at Richmond and Wimbledon, and discussions continued with Network Rail regarding the rollout plan. The go live date remains scheduled for December.
- 4.8 Introduction of new video facilities is progressing to plan. Installation of operator work stations on the Piccadilly line began during October. Connect will then be able to commence the cutover of long line CCTV from legacy to New Build.
- 4.9 Work has continued on improving radio resilience and providing additional functionality to Operations.

Cooling the Tube

- 4.10 On the Victoria line, mid tunnel ventilation fans have been brought into operation at Moreton Terrace and Drayton Park.

5 OTHER ITEMS

Accessibility and Inclusion

- 5.1 The new Victoria line train introduced into service on 21 July is the first fully Rail Vehicle Accessibility Regulations (RVAR) compliant stock on the network.
- 5.2 Lifts providing step-free access at Edgware station have been brought into use and step free access is provided at High Barnet stations via walkways. This increases the number of step-free stations served by LU trains to 58 which represents 21.5 per cent of the total.

Customer Information

- 5.3 The first two new Electronic Service Update Boards (ESUBs) have been installed at Northwood Hills and Upton Park stations. These are the first in a programme that will be completed in May 2010 after which almost every station on the LU network will be fitted with an ESUB.

Industrial Relations

- 5.4 LU has reaffirmed in writing to each trade union the final pay offer of 1.5 per cent in year one and RPI + 0.5 per cent (or a minimum of 0.5 per cent) in year two.
- 5.5 On 12 October, TSSA formally accepted the pay offer following a referendum of its members, in which 85 per cent voted to accept.
- 5.6 However, on the same day, the RMT announced that it will be balloting its LU members for strike action and action short of a strike, solely on the issue of pay. UNITE has also rejected the pay offer and, like the RMT, is intending to ballot its members for industrial action. ASLEF have not accepted the offer, but continue to consider aspects of it.

Employee Engagement

- 5.7 LU's 'Valuing Time' programme continues with a series of line based workshops running between now and the end of September 2010. These one day sessions for some 16 to 20 staff per session focus on key challenges, embedding LU's core values and behaviours and improving cross functional working. A Valuing Time Programme for Maintenance staff is commencing in November and will be delivered over 20 weeks at a dedicated space within the Lillie Bridge maintenance facility.
- 5.8 In September, the annual employee survey 'Speak Up 09' booklets were distributed to all LU employees, including for the first time Maintenance and other former Metronet staff. The survey is confidential and voluntary, but staff were encouraged to participate in order to provide the most representative – and hence most useful – picture of staff views on working for LU. As at 22 October, 64 per cent of staff had responded.

Periodic Review

- 5.9 Restated Terms were issued to TLL in December 2008 and TLL provided its response, including its pricing of Restated Terms for the second review period, on 30 June, the contractual deadline. Separately, TLL provided alternative proposals, which it claimed could save up to £2 billion, although many of the proposals involve reduced scope, or involve a transfer of risk to TfL or more closures. Since then, LU has engaged with TLL to establish areas of agreement or disagreement and while TLL's costs have come down, its price remains unacceptably high and does not represent value for money.
- 5.10 Consequently, on 23 September, LU made a referral to the PPP Arbiter who will conduct an independent review and provide his determination on price and other questions relevant to the process. At LU's request, the PPP Arbiter

provided initial guidance on the likely costs of the JNP Second Period works last September. At that time, the Arbiter's view was that 'costs are likely to be in the range of £5.1 to 5.5 billion for the second seven and a half years of the contract.' However, he also made clear that 'It is vital, therefore, that lessons are learned from the work that has been undertaken.' Since then, LU has taken a number of steps to change the scope of work, in many instances with TLL's agreement. These changes retain the necessary maintenance and renewal of track, trains, stations and signals which deliver the required improvements in capacity and reliability but have significantly reduced LU's view of costs, which is reflected in the current £4.2 billion evaluation.

- 5.11 It is anticipated that the Arbiter will publish his draft conclusion on second period costs in December 2009, in accordance with his recently published timetable. Discussions with TLL will continue alongside the Arbiter process with the intention, where possible, of reaching further bilateral agreement on elements of cost and scope.

PPP Performance Reports

- 5.12 On 25 August, TfL published its sixth annual London Underground PPP Report, for the year to 31 March 2009. The report is available from the TfL website at www.tfl.gov.uk/pppreport. LU has recently started publishing more detailed four weekly PPP performance reports and these are also available at the above website address.

6 RECOMMENDATION

- 6.1 The Panel is asked to NOTE this report.

7 CONTACT

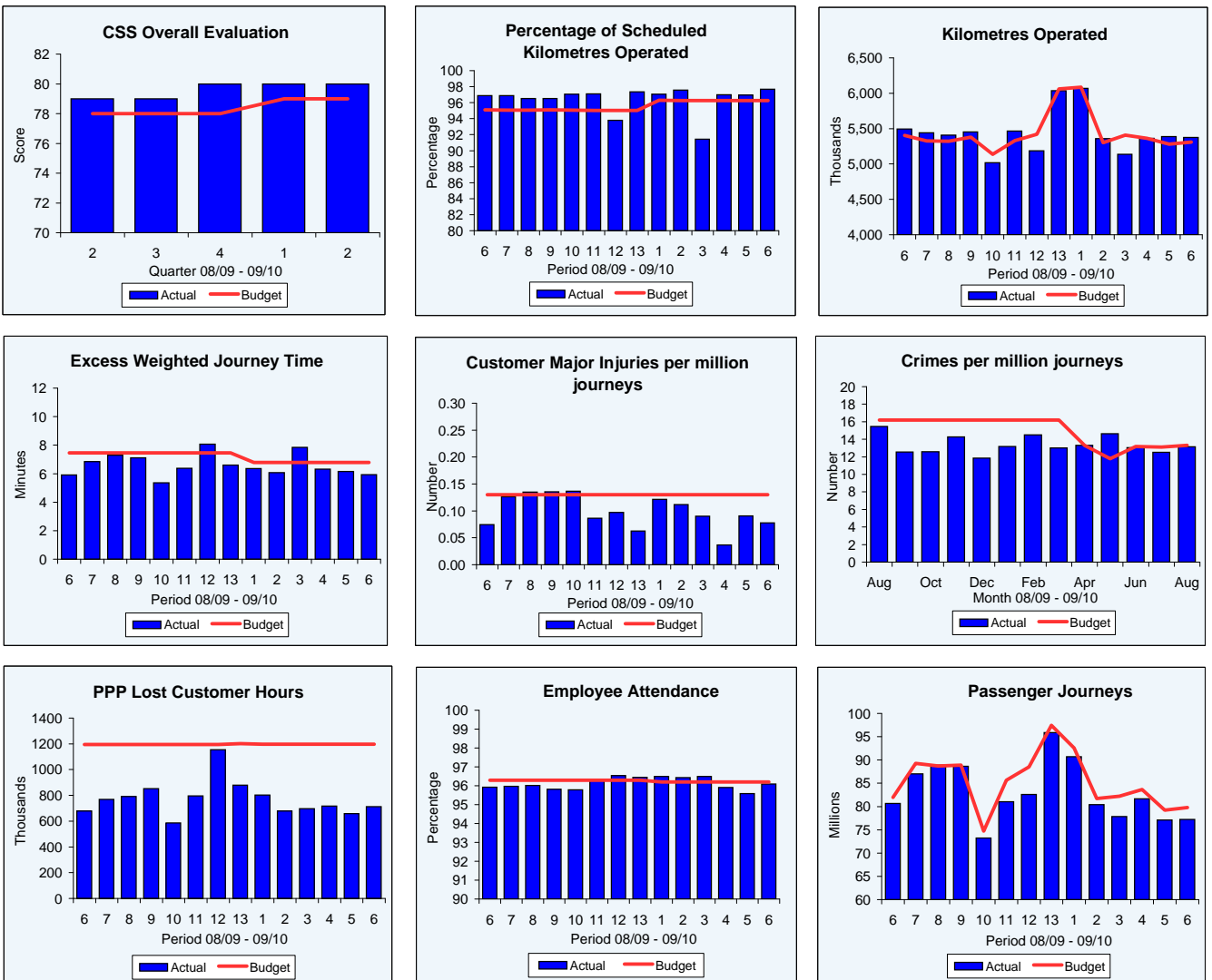
- 7.1 Contact: Richard Parry, Interim Managing Director, London Underground
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Rail and Underground Panel
Managing Director's Report - London Underground
Performance Indicators - Period 6 2009/10

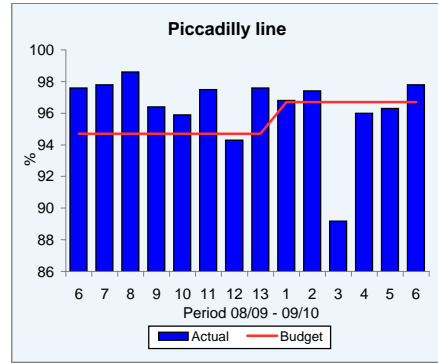
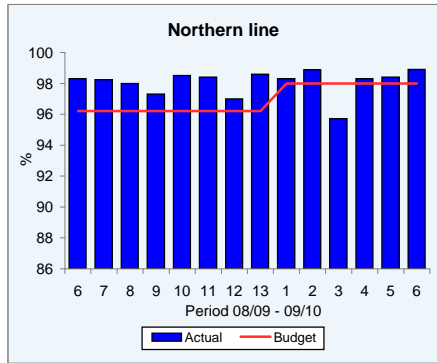
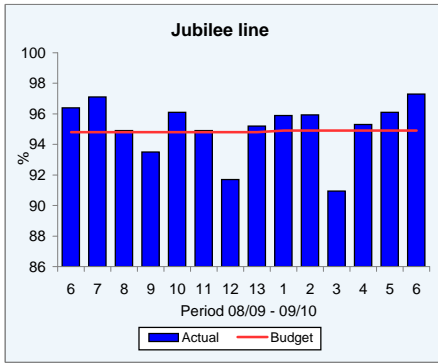
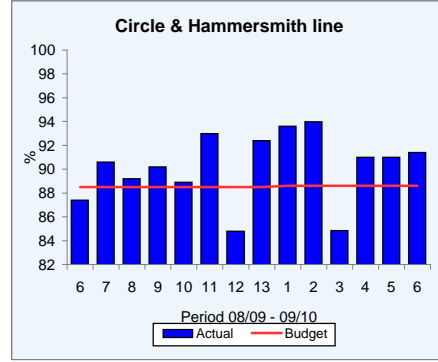
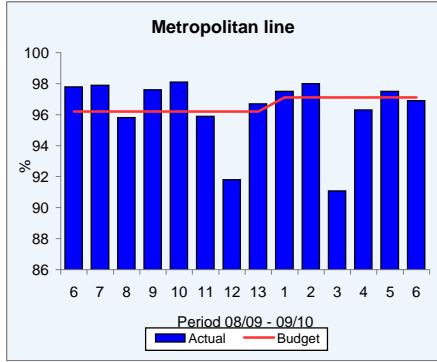
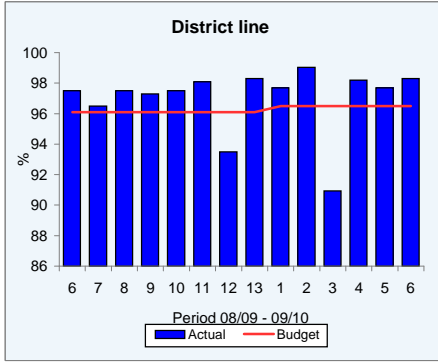
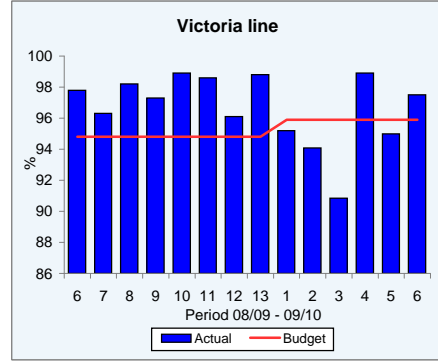
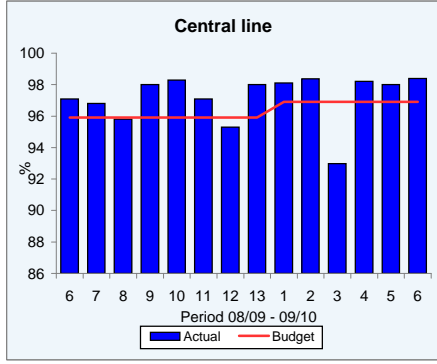
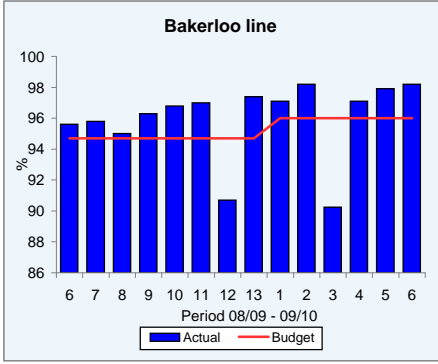
2008/09 Actual	Measures	Reporting Frequency	Unit	Year to Date			Annual Target
				Actual	Budget	Variance	
Customer Service							
79	CSS Overall Evaluation	Quarterly	Score	80	79	1	79
96.4	% of Schedule Operated	Period	%	96.3	96.3	0.0	96.3
70,624	Kilometres Operated	Period	000's	32,693	32,745	(53)	69,589
6.64	Excess Journey Time (Weighted)	Period	Minutes	6.45	6.78	0.33	6.78
Safety & Security							
0.12	Customer Major Injuries per million journeys	Period	No.	0.09	0.13	0.04	0.13
13.2	'L' Area Notifiable Crimes per million journeys**	Period	No.	13.3	13.4	0.1	13.3
Infrastructure							
10.47	PPP Lost Customer Hours	Period	Million	4.26	7.07	2.81	15.33
People							
96.1	Employee Attendance	Period	%	96.2	96.2		96.2
Commercial							
1,089.5	Passenger Journeys	Period	Million	485.0	499.1	(14.1)	1,094.0

** Measured on a Calendar Month basis. The figure shown is for April - August 2009

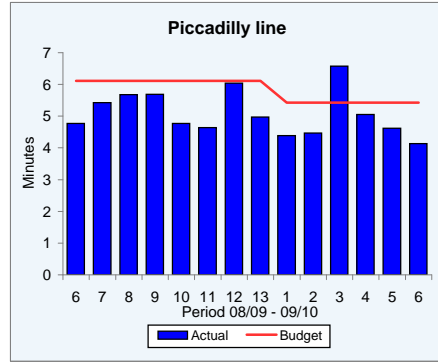
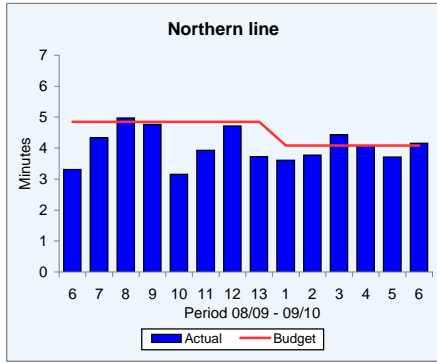
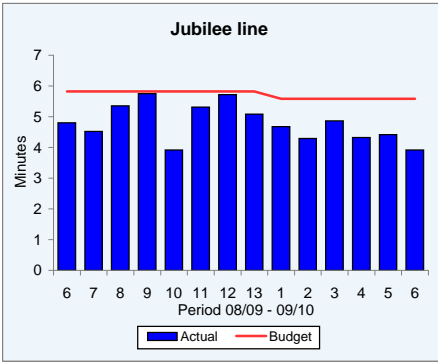
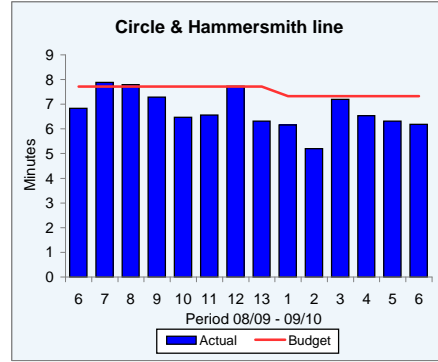
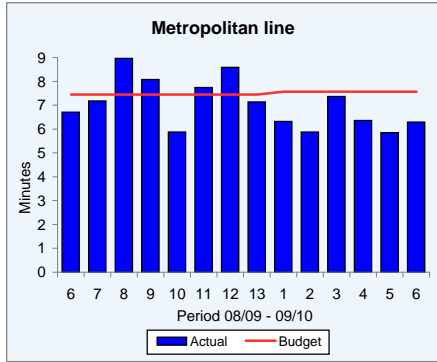
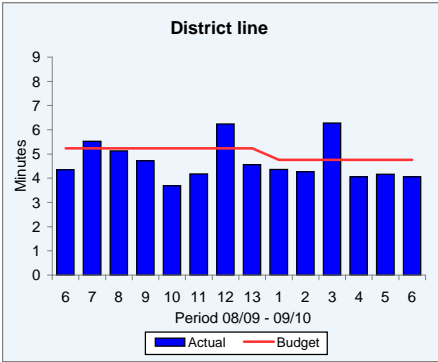
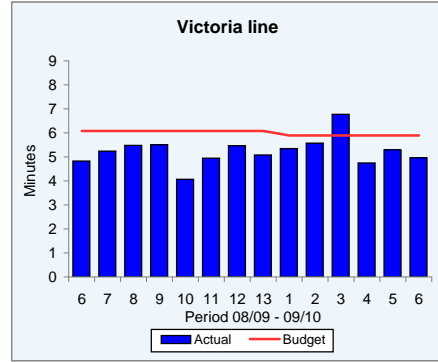
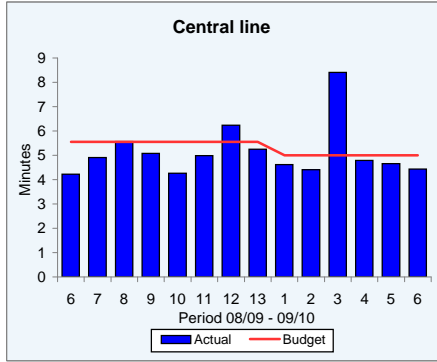
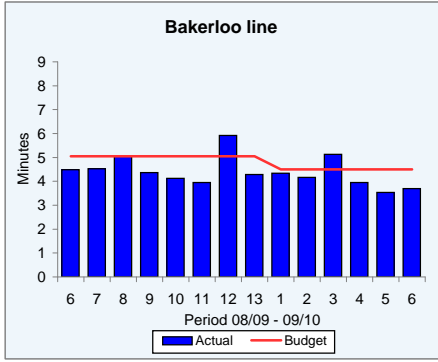
Performance Trends



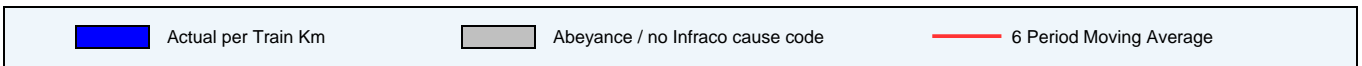
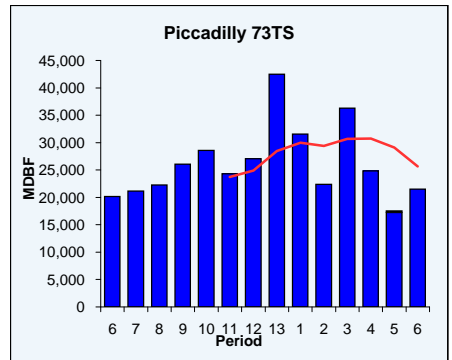
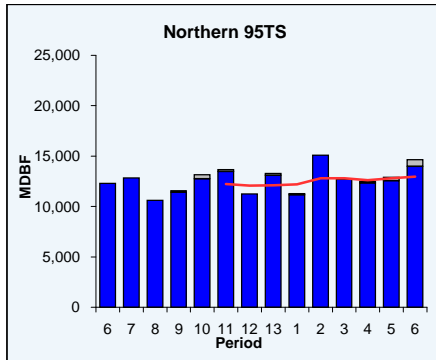
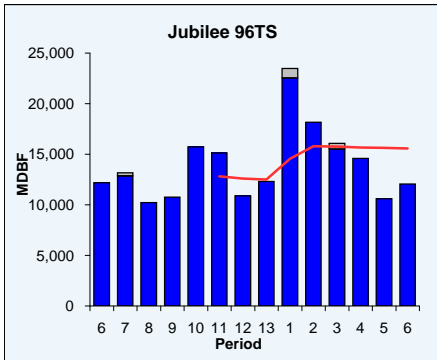
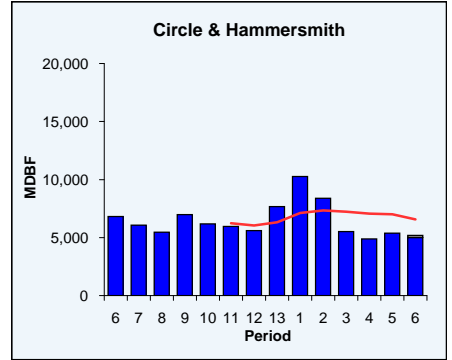
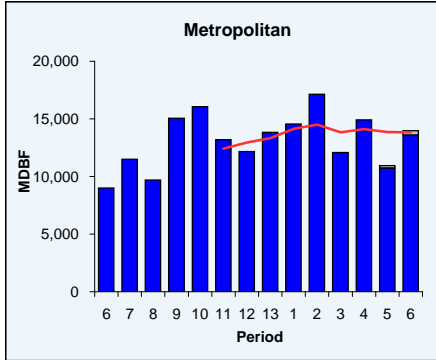
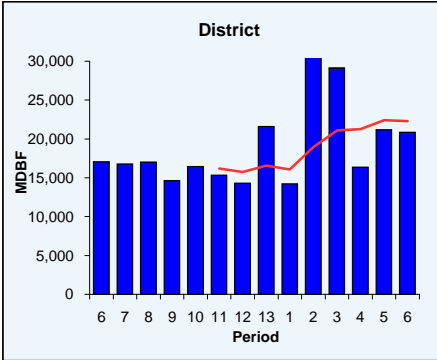
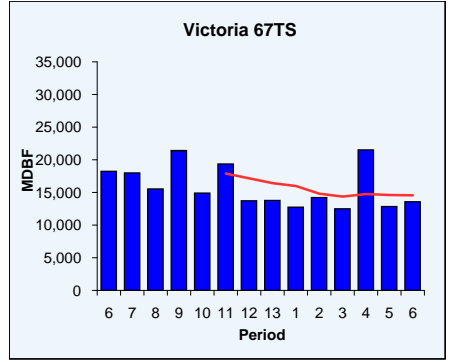
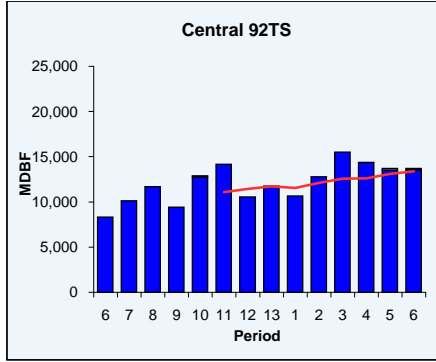
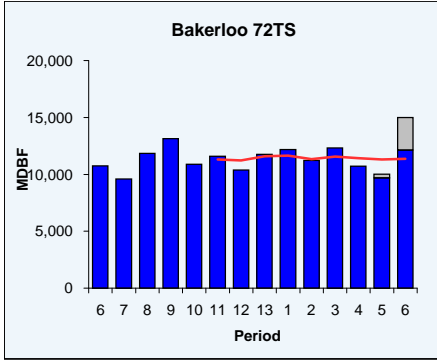
Rail and Underground Panel
Managing Director's Report - London Underground
Line Performance Trends
Percentage of Scheduled Kilometres Operated



**Rail and Underground Panel
Managing Director's Report - London Underground
Line Performance Trends
Excess Journey Time**

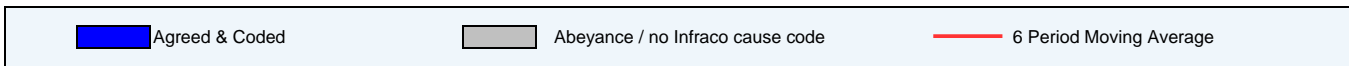
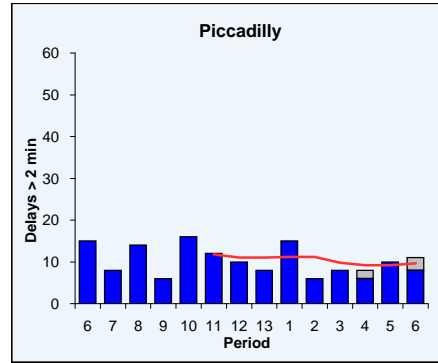
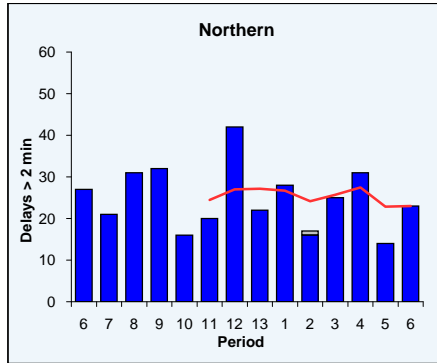
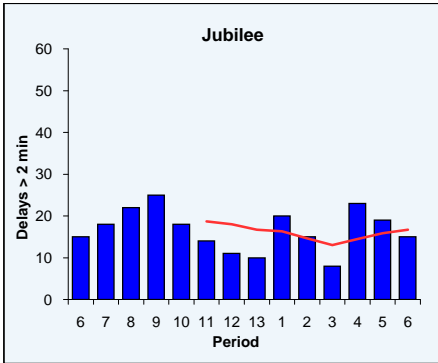
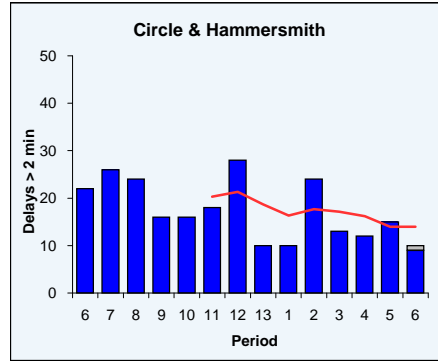
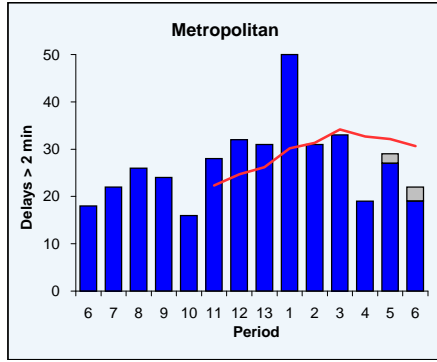
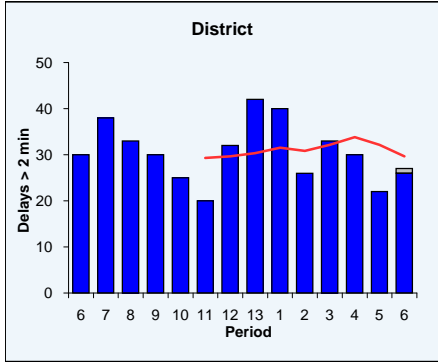
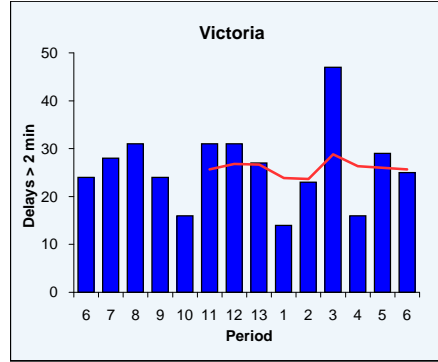
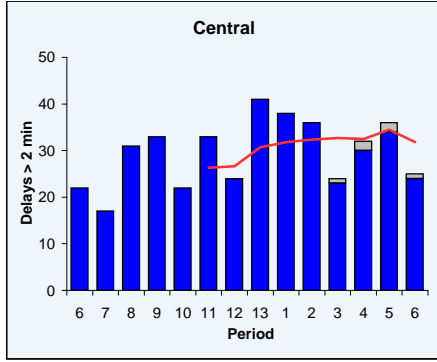
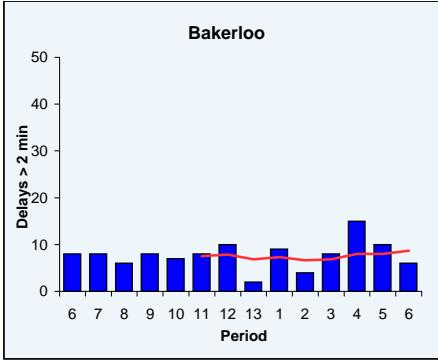


**Rail and Underground Panel
Managing Director's Report - London Underground
Line Performance Trends
Rolling Stock Mean Distance Between Failures**



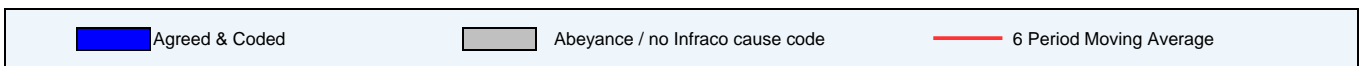
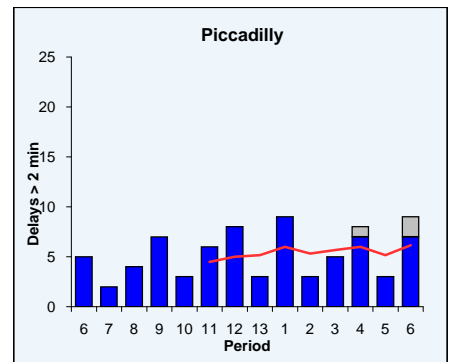
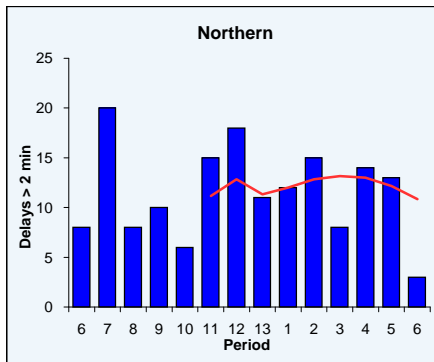
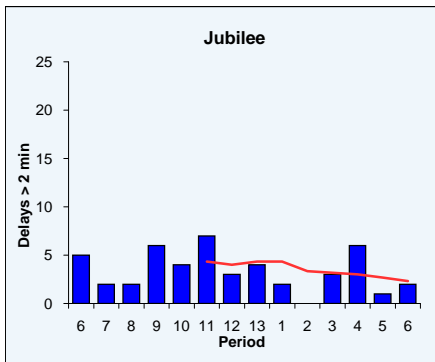
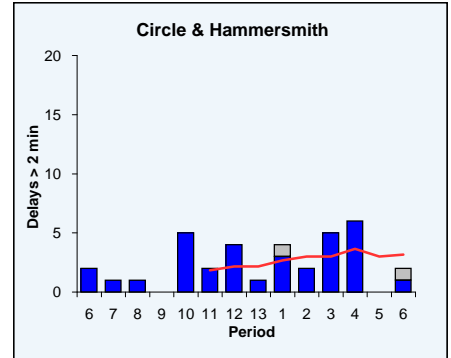
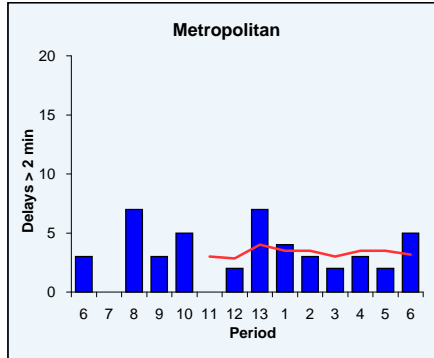
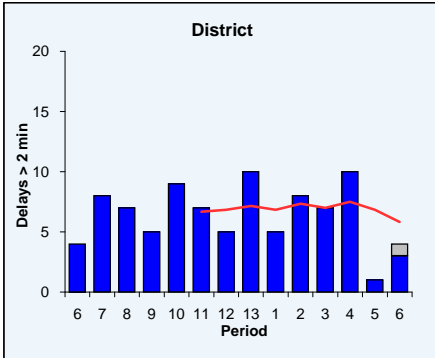
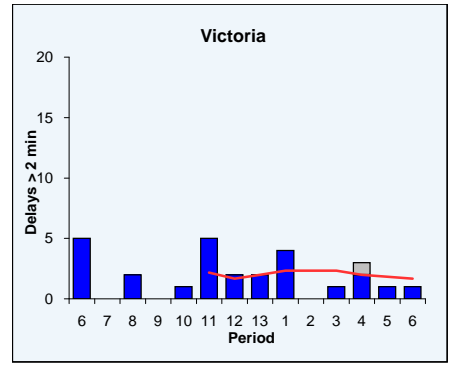
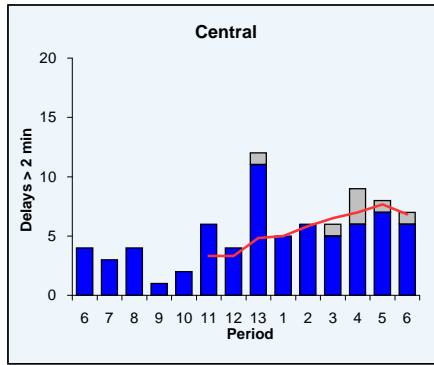
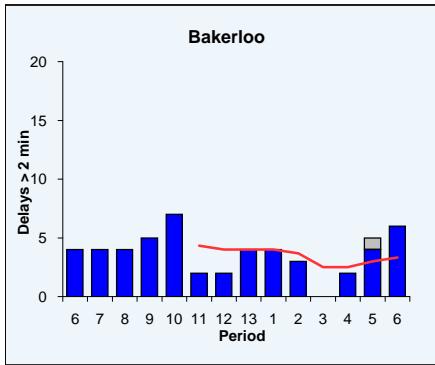
The graphs on this page show Rolling Stock MDBF calculated as the number of train kilometres operated in customer service divided by the number of service disruptions of 2 minutes or more that are contractually attributable under the PPP contracts to BCV, SSL or Tube Lines, and include items that are attributed but still in abeyance to be agreed. Where Infraco cause codes (ICC) are not present, LU cause codes are used. Subsequent addition of ICCs could therefore give rise to retrospective changes.

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Signal and Point Related Delays >2 minutes**



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