

Programmes and Investment Committee



Date: 28 June 2017

Item: Gospel Oak to Barking Electrification Programme

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to provide an update on the delays to the Gospel Oak to Barking Electrification (GOBE) programme and the potential effects on customers and stakeholders.
- 1.2 A paper is included on Part 2 of the agenda, which includes exempt supplementary information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **That the Committee note this paper.**

3 Background

- 3.1 Wholly managed by Network Rail (NR), the GOBE project is designed to allow electric trains onto a currently diesel-only operated route that is shared with freight in north London.
- 3.2 This will benefit London Overground by allowing the operation of eight new four-car electric trains and so increasing capacity on the line by almost doubling the length of each train. Service frequency will remain at four trains per hour, but there are plans to extend these electric services to Barking Riverside once the extension opens in 2021, itself supporting the construction of 10,000 new homes.
- 3.3 Being the last TfL operated line running diesel passenger services, this project will also be a key contributor to the Mayor's Transport Strategy in relation to the environment.
- 3.4 The new trains for this service are currently being built in Derby and are well advanced, with the first body shell now under construction (see Appendix 1).
- 3.5 As part of NR's original approach to this project, an eight month closure was granted between June 2016 and February 2017. This was to deliver all technical aspects of the project, with the aim of commissioning the infrastructure for electric passenger and freight services by June 2017. The completion of these works were planned to be well in advance of the new trains arriving from the end of 2017, at which point they would be fully tested and introduced into passenger

service from early 2018. The gradual uplift in revenue was budgeted to come on stream from February 2018.

- 3.6 The project is part-funded by the Department for Transport (DfT) and Transport for London (TfL). TfL are providing a £25m fixed contribution.

4 Current Status

- 4.1 In late January 2017, TfL was informed by NR that the planned works were significantly behind schedule. NR had planned extensive works over the Christmas period and, with hindsight, it became clear that there were overly ambitious assumptions being made about what could be achieved; something which was evidently not fully understood within NR itself. It was clear that, even though there was still over a month of further closures to go, there was a risk that the line would not be ready for the restored running of diesel trains.
- 4.2 NR did manage to restore services as planned at the end of February 2017, but could not state when the work would be finished and undertook a major independent review of the reason for the delay.
- 4.3 A further programme of closures over eight weekends is currently planned for this summer, followed by longer closures in the autumn. This demonstrates how much work remains to be completed.
- 4.4 TfL is dismayed at yet further closures being required. Clearly this will result in further disruption for our customers, stakeholders and businesses, as well as resulting in further lost revenue.
- 4.5 TfL has been in dialogue with NR at the most senior level since these delays were revealed in January 2017.
- 4.6 In light of this, the Chair of the Committee requested that TfL undertake an independent review of the latest programme proposed by NR and present this to the Committee. The timing of the independent review process requires that the report be circulated after the publication of the agenda for this meeting. The report will be circulated separately to Members as item 32 on Part 2 of the agenda once completed.

5 Financial Implications

- 5.1 TfL is committed to a fixed sum of £25m, irrespective of the eventual cost of the project which currently has a £130m budget. The final cost is likely to be in considerable excess of this figure and is a matter for NR and DfT.
- 5.2 In addition, TfL is entitled to compensation for the loss of fare revenue and consequent direct costs of delay (such as replacement bus services) under standard industry rules. These are estimated to be between £3m and £10m, depending on the final programme of works agreed.

- 5.3 If the programme were to be further extensively delayed, there are further implications of continuing to hire existing diesel trains, whilst being exposed to leasing costs of new trains delivered from early 2018.

6 Next Steps

- 6.1 Following discussion by the Committee, TfL expects to continue to engage with NR and DfT to agree a way forward.

List of appendices to this report:

Appendix 1 – Images of New London Overground Trains
Supplementary exempt information from the TfL Assurance Team circulated with Part 2 of the agenda.

List of Background Papers:

None

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Images of the new, electric London Overground trains to be provided for the GOB route



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