

MAYOR OF LONDON

Caroline Pidgeon AM
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Dear Caroline

Further to my holding letter of 3 November, I am writing to give you my full response to your letter of 23 October about the future of the Tube.

I agree that Transport for London has made real progress in improving the Tube and passengers are seeing the benefits through faster and more reliable journeys. I can assure you that there is no complacency within TfL around continuing to improve the Tube. TfL and I remain totally committed to building on the progress we have made and we are pressing on with the vital improvements to the Tube – improving reliability, increasing capacity, enhancing customer service and driving down costs.

TfL is committed to learning from other metros and infrastructure companies, and was pleased to assist your work by facilitating contact with MTA New York City Transit. London Underground was a founding member of CoMET/NOVA, and plays an active part in its benchmarking activity across a wide range of issues. The next annual benchmarking report for the Underground will be available in February 2015.

Reducing delays

Action 1

Reliability is a key priority for TfL. Between 2007/08 and 2013/14 service on the Underground has been transformed and delays have halved. I am determined to continue this good progress, and information about future reliability objectives will continue to be published in TfL's annual Business Plan.

Action 2

Further reductions in delays will be driven primarily by continued investment in assets, particularly the plans that Mike Brown and David Waboso discussed with you for more automated systems, and using the data from these to enable 'predict and prevent' maintenance. These systems will enable LU to maintain and continue improving reliability, while growing demand puts the network under increasing pressure.

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The successful modernisation of the Northern line signalling has demonstrated that the complex transition to new systems can be handled without compromising reliability. More automation, alongside greater management focus on this issue, will also reduce the scope for staff-related performance issues. TfL's 'Better Behaviours' campaign – analogous to MTA's 'step aside speed your ride' initiative – is a key part of bearing down on delays associated with customer behaviour.

I would note that MTA's Fastrack is a response to the particular circumstances in New York – initially issues related to the very limited opportunities for routine maintenance that a 24/7 operation allows, and more recently the need to recover from the extensive damage wrought by Hurricane Sandy. LU is able to conduct almost all of its maintenance during overnight engineering hours, so there is no need to inconvenience customers by closing services from 22:00 as in New York. Longer blockades are only used when it is certain that the efficiency benefit of doing so will outweigh the disruption to passengers. Indeed, maintenance regimes are being made smarter and more efficient to ensure that the start of Night Tube services on Fridays and Saturdays from September 2015 will not affect reliability or lead to additional planned closures.

Re-signalling the Sub-surface lines

I am in no doubt that cancelling the contract with Bombardier was absolutely the right thing to do. It had become clear that Bombardier was not going to deliver within the timeframe or for the agreed price, nor without considerable disruption in implementation. The only responsible decision was to seek a new supplier that could demonstrate a proven track record and ensure delivery of one of the most complex signalling projects anywhere in the world. LU has subsequently been progressing negotiations with Thales, which successfully delivered the Northern line re-signalling.

Action 3

Regarding the financial situation between LU and Bombardier, LU paid Bombardier £85 million for work completed under contract. No other payments have been made under this contract by LU to Bombardier.

Action 4

The report commissioned from KPMG to identify lessons learned from the contract with Bombardier, and make recommendations, has already been published. Those recommendations include improvements to procurement and contract management processes. All but one of the recommendations have either been completed or are in progress; the recommendation not being progressed was impracticable. TfL uses standard New Engineering Contract terms and conditions, with appropriate modifications, for all its contracts, which are considered best practice in the industry. You can be assured that specific provisions will be included in the new sub-surface signalling contract to ensure that TfL has the appropriate rights and remedies. TfL expects to make the new contract available on request once it has been signed, although some elements will need to remain confidential for reasons of security and commercial sensitivity.

Meanwhile the investment programme is very much on track, with a huge amount already having been delivered. S Stock trains are now rolling out on the District line, the 20 per cent uplift in Northern line capacity will be delivered on schedule before the end of 2014, and the new ticket hall at Tottenham Court Road will open in January 2015. These milestones build on previous achievements including the modernisations of the Jubilee and Victoria lines, both of which now run among the highest number of trains per hour on any railway in the world; new trains on the Circle,

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Hammersmith & City and Metropolitan lines; the completion of major station redevelopments at Wembley Park, King's Cross St. Pancras, Stratford, Farringdon, Blackfriars and Paddington (Hammersmith & City); the roll out of Wi-Fi and contactless payment; and the provision of step-free access at 40 per cent more stations than in 2008/09.

Independent Investment Programme Advisory Group (IIPAG)

Action 5

I have full confidence in IIPAG and the valuable scrutiny it provides. IIPAG needs to achieve a balance between sufficient distance to ensure impartiality, and understanding the environment in which projects are being delivered, including the wider TfL organisation, and to develop the trust of the project teams. Experience has shown this has in no way compromised IIPAG's independence or its ability to provide honest and challenging reviews of projects. IIPAG maintains its independence through its ability to prepare its own project reports for TfL's operating boards, and to publish its annual report which is reviewed by TfL Board members at the Finance and Policy Committee. IIPAG attends the meetings of the Committee and is invited to comment on the assurance process and the management response to IIPAG reviews for individual projects seeking project authority. IIPAG has direct access to the Chairman of the Committee, as well as to myself and the Secretary of State for Transport should escalation be necessary.

TfL and IIPAG already publish significant amounts of information in respect of the investment programme. TfL publishes quarterly reports on all capital projects over £50m in its Investment Programme Report (IPR). The IPR provides a summary of the project scope and of progress. The IPR also contains data and variance reports against both baseline and previous quarter costs and schedule performance. IIPAG's Annual Report summarises its findings throughout the year, both on specific projects and systemic issues. In addition its annual benchmarking report covers both maintenance and project works.

Regarding the development of the signalling contract with Bombardier, as well as IIPAG's assessment, LU also sought and adopted recommendations from external experts Halcrow. It is clear therefore that considerable scrutiny was applied to this contract at the time. IIPAG is now making a valuable contribution to the development of the new sub-surface signalling contract.

In July and August 2014, the Finance and Policy Committee considered the Lessons Learnt Review of the contract and the Annual Report of IIPAG. Both papers made recommendations to strengthen the processes employed by TfL in assuring investment projects. I and TfL's Board Members want TfL to aspire to have a robust 'best in class' programme assurance process, led by the Programme Management Office. The Special Purpose Sub-Committee was established to review the assurance and approvals processes for investment projects and programmes. It asked for a thorough benchmarking exercise to compare TfL's programme assurance review process to its peers. The benchmarking exercise was undertaken by EC Harris and has been reviewed by the Sub-Committee. EC Harris's report and recommendations to improve our processes was considered by the Finance and Policy Committee at its meeting on 25 November 2014.

The future vision for the Tube

You refer to a number of work programmes which together will prepare London Underground for the next 150 years of operation. It is because of the success of the investment programme so far that LU is now in a position to make these transformative changes.

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Stations

The transformation of the way stations are staffed is essential to reflect modern travel, technology and customer preferences. The staggering success of the recently launched contactless payment system demonstrates how the world has changed, and the Underground must change with it. The result will be better customer service, with more staff visible and available to help customers. In addition, LU and I have been clear that every station on the Tube network will be staffed at all times. That is a commitment unmatched by any other train operator in the country and something I consider to be essential.

Action 6

In developing its proposals, LU has engaged with a wide range of stakeholders, including the Assembly, relevant London Boroughs, London's business community, London TravelWatch and other groups representing customers – particularly those who are disabled or older. Feedback from these groups has informed the detail of the plans and will continue to do so.

The classification of stations into four distinct types ensures that the operational model at a location is appropriate for the way the station is used by customers. Subsequently LU has undertaken an in depth station-by-station review with the trades unions, and published the proposed staffing levels at individual stations. That information already includes the levels of usage and demand for ticketing services at each station, which were among the key factors in determining proposed staffing levels. Staffing figures will be finalised through further local consultation with staff and trades unions over the coming months and LU will share the details with you once available.

Staff availability to assist customers with accessibility needs will be better than it is now, not worse. 'Turn up and go' services will be maintained and personal assistance prioritised. I understand TfL has previously shared an equality impact assessment with you and is currently updating this to incorporate stakeholder feedback: an updated version will be shared in the coming months. Single staffing is already the norm at a substantial number of stations today, and research that has been shared with you shows that, overall, single-staffing does not affect the satisfaction disabled and older customers express about their journey experience.

Regarding London Bridge and Waterloo specifically, these stations are not classed as 'gateway' stations as they largely cater for regional commuters. Overseas visitors using Gatwick are served by the recently opened Visitor Information Centre at the airport. However, as LU finalises and implements its plans, it will of course continue to monitor the effect on customers, and if necessary consider whether re-categorisation or other changes might be appropriate.

Night Tube

The Night Tube on Fridays and Saturdays from September 2015 will support London's vibrant night-time economy, boosting businesses, jobs and leisure opportunities.

Action 7

LU plans to recruit about 250 additional staff across different operational teams for Night Tube services. The majority of these positions will be train operators and station staff.

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As noted above, the modernisation of the Underground and smarter, more efficient maintenance regimes are improving reliability across the network. The initial Night Tube network has been developed to cover lines that have already been modernised, and which therefore have a requirement for less night time maintenance than other lines. The reduction in available overnight engineering hours is not expected to have any impact on reliability, when compared on a like-for-like basis.

Underground services already operate for 20 hours each day and there are often engineering trains operating overnight. As such, the potential for disturbance from night services on Fridays and Saturdays is expected to be limited. A thorough assessment of noise issues across the network has begun, and prior to the commencement of Night Tube services works will be undertaken to improve the condition of the track. Once Night Tube is operational, LU will of course continue to work with residents to investigate any issues and look at action needed to help resolve the situation. LU is engaging with a number of other metros around the world, including MTA, to learn how they deliver effective 24-hour operations.

The New Tube for London

We are committed to having a fully-staffed Tube network, now and in the future. LU will work with customers, stakeholders and staff to understand how to get the most out of these new trains, including how best to staff them. These trains will be an investment for the next 50 years, so it is right that LU should explore technology that metros across the world are already using to see how it could work in London, benefit passengers and help support London's development and growth.

Action 8

TfL is at the design and initial procurement stage for this new fleet, with the first train not due to be introduced until the 2020s. When the New Tube first enters service, it will be with a member of staff on board.

LU is committed to learning from the experiences of other metros around the world – not only in terms of technology, but also how trains are staffed, and staff supported through change. While some of the programme's challenges are unique TfL recognises that many have precedents elsewhere and in such cases is striving to identify what was successful, what was not, and why.

I trust that the information provided here is useful, and assure you again that both LU and I are fully committed to driving forward the improvement of the Underground.

Yours ever,



Boris Johnson
Mayor of London