

# MAYOR OF LONDON

**Navin Shah AM**

By email: [Navin.shah@london.gov.uk](mailto:Navin.shah@london.gov.uk)

**Date:** 31<sup>st</sup> July 2020

Dear Navin,

Thank you for your letter of 3 March 2020, regarding the Rotherhithe to Canary Wharf river crossing. Please accept my apologies for the delayed response.

I am writing to respond to the Committee's request for information on how Transport for London (TfL) has improved the way it estimates costs for its capital investment projects.

## **Capital Projects**

TfL has made significant strides over the past 18 months to improve its early scheme development and scheme estimating.

A key focus of this work has been to improve collaboration within TfL during early project development. TfL now has a single dedicated Sponsorship function for end-to-end scheme programme management, with TfL's Engineering function involved in the initiation of projects.

TfL's Major Projects Directorate has also set up an Early Engagement and Transfer Steering Group, providing dedicated resource to projects during the feasibility stage of a project. This cross-functional group considers a project's readiness for delivery and includes representatives from TfL's Sponsorship, City Planning, Engineering, Major Projects Directorate, Commercial and Project Management Office teams.

In addition, TfL recently undertook a review of the Capital Lifecycle which has generated a number of improvements to processes, governance and capability. For example, an initiation handbook is being developed to provide guidance to all staff on appropriate project management checkpoints as well as their roles and responsibilities during project initiation. This handbook will be embedded within Pathway - TfL's project methodology system.

Core elements of TfL's estimating practices are reviewed and updated for projects on an ongoing basis. A key outcome of these reviews is the introduction of appropriate estimating and engineering expertise from the earliest development of schemes across the business. This has led

to development of internal guidance being issued to staff to help ensure that robust commercial principles and estimating procedures are followed from planning and early development throughout the project lifecycle. Online and classroom based training is also being delivered to increase staff capability and experience across TfL.

The guidance has been informed by lessons learnt from previous schemes and is designed to promote efficient project delivery, and robust management of project cost, schedule and quality. The updated approach is now in use and is being applied to inform individual project estimating as part of the 2020/21 Business Planning process.

Additional work is currently under development to further improve project initiation, including:

1. Exploring how to better engage TfL's supply chain to manage demand and encourage innovation
2. Developing better understanding of the likely complexity of schemes when initiating, to prioritise resources effectively
3. Undertaking a review of internal skills and capability to identify gaps and ensure appropriate resources are assigned

### **Rotherhithe to Canary Wharf ferry service**

In respect of the proposed Rotherhithe to Canary Wharf ferry, TfL has developed initial designs for the new service including new accessible piers at Rotherhithe and Canary Wharf, new low-emission vessels, and a turn-up-and-go style operating model.

TfL was planning to launch a public consultation on this work and begin the process to procure suppliers to build and operate the scheme this summer. However, our revised budget for 2020/21 means we have had to make very difficult choices about the pace at which the beneficial projects TfL wants to deliver can be completed and this is one of the schemes that will now be paused.

As you would appreciate, we are not in a position to share forecast costs at this stage. In terms of the specific questions you have raised in your letter I have set out the latest position from TfL prior to the coronavirus crisis.

### *Fares/Ticketing*

Before the pandemic, TfL was analysing three fare options - free fares, £1.50 (the equivalent of a bus or tram fare), or £4.40 (the standard London River Services fare). The analysis shows that a free service would attract the highest number of users but would require a higher level of revenue support. All aspects of the proposed ferry will have to be revisited in the context of TfL's current financial situation, caused by the coronavirus, and in light of any funding support TfL receives from Government.

### *Type of Boats*

Work undertaken before March 2020 indicated an emerging preference for:

1. a vessel designed to be attractive for all users, including adapted cycles and cargo bikes
2. vessels with capacity of fewer than 150 persons
3. a propulsion system that is capable of operating in 'electric mode', but with a back-up motor to ensure reliability, for example during periods of intensive use or during

emergency/maintenance scenarios (analysis was being undertaken to consider the trade-off between reliability, frequency and emissions from different propulsion systems)

#### *Service Pattern and Demand*

TfL's demand analysis considered up to three vessels operating in peak periods to provide a 'turn up and go' type service.

Based on the pre-coronavirus analysis, the level of demand and its sensitivity to service frequency means that capacity would not be a constraint for the service (i.e. the boats would leave frequently and before they get full). However, further work would need to be done following a long-term funding package agreed with Government to ascertain the latest demand for the service.

#### *Infrastructure Requirements and Engagement*

It is important to note that the existing service between Hilton Doubletree Docklands and Canary Wharf piers is privately operated and TfL has no commercial, financial or other role in its operation. TfL therefore assumed the need to construct new piers on either side of the river as well as procure new boats and an operator for this new service.

It is likely the requirements for this service would need to be reviewed again in the future.

Longer-term certainty from Government on funding will allow investment in schemes to create the vital shift away from private car use and to ensure London continues to thrive. Across its investment programme, TfL will continue its discussions with Government, being realistic about what will be affordable over the next decade and seeking further funding options.

Yours sincerely,



**Heidi Alexander**

Deputy Mayor for Transport