### Subject: Proposal for an Investigation into the State of the London Underground

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<th>Report to:</th>
<th>Transport Committee</th>
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This report will be considered in public

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1. **Summary**

1.1 This report sets out a proposal for the Committee to undertake an investigation into the state of the London Underground.

2. **Recommendation**

2.1 That the Committee agrees to carry out an investigation into the state of the London Underground, with terms of reference as outlined at paragraph 4.15 of the report.

3. **Background**

**Overview of the proposed investigation**

3.1 The aim of this investigation would be to examine the recent performance of the Tube and progress with the programme to upgrade and maintain the Tube network with a view to identifying any actions that the Mayor and TfL should take to realise improvements. In recent months there has been a decline in the performance of the Tube and slippage with the upgrade programme.

3.2 This investigation would follow on from the Committee’s past work on the London Underground. This includes various reports and meetings on the upgrade programme which started in 2002/3. The investigation would provide an opportunity for the Committee to reflect on the performance of the Tube eight years on from the start of this programme and roughly one year on from Transport for London (TfL) taking control of the entire programme. The Committee would identify what has been promised in relation to upgrading each London Underground line and what has been delivered to date.

3.3 This investigation would not revisit in detail the Public Private Partnership (PPP) contracts which underpinned the upgrade programme until June 2010. Instead it would take as a starting point what was due to be delivered under the PPP contracts and then consider in detail TfL’s progress in delivering the upgrades since June 2010 and its plans for the future upgrade programme. This would include examining for each line: recent performance based on TfL information; progress with the upgrade; TfL’s expenditure on this work; and the implications for passengers in terms of disruption and closures. The Committee would make recommendations to the Mayor and TfL for
improvements on any or all these matters with a view to improving the performance of the Tube and the delivery of the upgrade programme.

3.4 This investigation would take place in early summer 2011. The Committee would use its meetings in May and June 2011 to gather views and information before setting out its findings and recommendations in a report.

**Background information on the London Underground**

3.5 TfL is responsible for the London Underground network which comprises 11 lines and 270 stations. This network is more than 140 years old and is the oldest underground system in the world. TfL took over responsibility for the Tube network from the government in 2003.

3.6 Prior to TfL assuming control of the London Underground, the government adopted a PPP structure to secure investment in the Tube. Under the 30 year PPP contracts, three infrastructure companies (infracos) were responsible for the maintenance and renewal of London Underground’s assets, ie its rolling stock, stations, tracks, tunnels and signals. Metronet was responsible for the infraco covering the Bakerloo, Central, Victoria and Waterloo & City lines and for the infraco covering the Circle, District, Hammersmith & City and Metropolitan (the ‘sub-surface’) lines. Tube Lines was the infraco covering the Jubilee, Northern and Piccadilly lines. The PPP contracts required the infracos to deliver a certain level of daily performance and upgrade the lines to increase capacity and improve capability in the long-term.

3.7 The PPP structure ceased at the end of June 2010. At this point, TfL took over Tube Lines following months of wrangling between the two organisations over the cost of works during the next seven year period of the PPP (2010–2017). It followed TfL’s earlier assumption of responsibility for upgrading and maintaining all the other lines after Metronet collapsed in 2007.

4. **Issues for Consideration**

**Recent performance of the London Underground**

4.1 In recent months, demand for the Tube has been high. In the four-week period to 11 December 2010 a new record of 90.6 million Tube journeys was set.\(^1\) It has been estimated that the number of Tube passengers will pass 1.1 billion by the end of 2010/11, beating the previous record of 1.089 billion passengers in 2008/2009.\(^2\)

4.2 At the same time, the performance of the Tube has declined. In December 2010, the overall percentage of total scheduled kilometres operated was lower than target (95.6 per cent compared to 96.6 per cent) and the overall average excess journey time on the Tube was higher than target (6.6 minutes compared to 6.56 minutes). Each London Underground line operated fewer scheduled kilometres than target in December 2010. This included the Metropolitan line where the percentage of kilometres operated was 91 per cent compared to a target of 97 per cent. This was the sixth month in a row where the Metropolitan line had performed below target. Most London Underground lines also recorded an average excess journey time higher than target in December 2010. For the Bakerloo, Central, Victoria, Jubilee, Northern and Piccadilly lines the average excess journey time was higher than target for each month between September –

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\(^1\) TfL Rail and Underground Panel, Managing Director’s report – London Underground, 8 February 2011

\(^2\) ‘Half world’s population’ is crammed on Tube.’, The Evening Standard, 15 February 2011
4.3 There are various reasons for the recent changes in the performance of the Tube. One is industrial action. The RMT and TSSA unions have held four 24-hour strikes since September 2010. TfL has reported that up until December 2010 this industrial action caused a loss of service amounting to some 0.6 million train kilometres or 1.2 per cent of the year to date schedule.\(^4\)

4.4 Another factor is the upgrade programme. In December, TfL reported that the two per cent decline in the overall number of kilometres operated on the Tube in 2009/10 compared to 2008/09 was primarily the result of upgrade work.\(^5\) More recently, however, TfL has been criticised for not revealing the entire extent to which line closures for upgrade works are affecting services. The BBC’s Politics Show London has found that, whilst TfL claimed 95 per cent of scheduled Jubilee Line services ran in 2009/10, in fact only 78 per cent of trains ran in that period if weekend shutdowns are included in the figures.\(^6\)

4.5 There have also been ongoing train, track and signal related failures across London Underground lines. On some lines the frequency of such operating failures appears to be increasing. For example, on the Jubilee line the monthly number of signal and point related delays in excess of two minutes has risen from just over ten in April 2010 to around 25 in December 2010. In September 2010, there were almost 50 such delays on this line.\(^7\) Many such incidents have raised concerns about safety. The serious safety incident involving a ‘runaway’ engineering train on the Northern line on 13 August 2010 has since been followed by other incidents raising issues about safety. For example, in early October 2010, the District line was part suspended after 23 trains were taken out of service because inspections revealed small cracks on their undersides.

4.6 This investigation would provide an opportunity to explore the recent performance of the entire Tube network and each line in more detail. The Committee would examine the causes of the recent poor performance and the steps being taken to address these issues. It would explore the extent to which performance has been affected by industrial action, the upgrade programme and/or operating failures. It would examine this recent performance in the context of the longer-term performance of the Tube over recent years.

**Progress with upgrading and maintaining the London Underground**

4.7 The timetable for upgrading the London Underground has slipped, especially for the three lines formerly under Tube Lines’ control. The Jubilee line upgrade was due to be completed by December 2009; it is now expected to be completed by Spring 2011. The Northern line upgrade was due to be completed by January 2012; it is now expected to be completed by the end of 2014. The Piccadilly line upgrade was due to be completed by 2014 but, as yet, it not clear when this might be delivered. These delays have pushed back the realisation of increased capacity on the Tube. Originally many of these line upgrades were due to be completed by 2014 resulting in an increase in overall capacity of around 15 per cent.\(^8\) By 2020, the entire upgrade programme is due to deliver a 30 per cent increase in overall capacity.

4.8 The slippage has adversely affected passengers who have endured many months of line closures. For example, stations on the Jubilee Line have been shut on more than 100 weekends in the last

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\(^3\) TfL Rail and Underground Panel, Managing Director’s report – London Underground, 8 February 2011  
\(^4\) TfL Rail and Underground Panel, Managing Director’s report – London Underground, 8 February 2011  
\(^5\) TfL’s Travel in London Report 3, December 2010, p.13  
\(^6\) BBC website, London Tube delays will decline as lines upgrades, 20 February 2011  
\(^7\) TfL Rail and Underground Panel, Managing Director’s report – London Underground, 8 February 2011  
\(^8\) TfL, Business Plan 2009/10 – 2017/18, November 2008, p. 20
When TfL took over Tube Lines, it also reported that it was confident of generating substantial savings in the delivery of future upgrades. Peter Hendy stated the buy-out would leave TfL cash positive within four years and save hundreds of millions of pounds by 2018. Subsequently, in October 2010, the Government provided a funding settlement for TfL until 2014/15 which allowed for the upgrades to proceed but left TfL with an overall shortfall of £2.2 billion in its transport grant. TfL has yet to issue a revised Business Plan which addresses this shortfall. However, it has announced some plans for savings. These include saving £300 million by delivering the upgrades more efficiently, “together with further paring back of cosmetic works at stations and the deferral of non-essential civil works.”

This investigation would provide an opportunity to explore in detail the progress to date in delivering the upgrade to each line. It would examine how much extra capacity on the Tube has been realised since the start of the upgrade programme in 2002/03 and by when the further capacity is likely to be delivered. It would explore, in detail, how the future upgrade work will be delivered, the likely impact on passengers in terms of line closures and the steps being taken to mitigate any adverse impact. It would also examine TfL’s expenditure on the upgrade programme in the last year and what it is planning to spend in future including how it will realise savings.

Past Committee work on the London Underground

The Committee would draw on its extensive past work on the London Underground to inform this investigation. Further details of all this work can be found online at: http://www.london.gov.uk/who-runs-london/the-london-assembly/investigations/tube-upgrades

The past work includes Committee reports such as Too Close for Comfort: Passengers’ experiences of the London Underground (December 2009). This report included various recommendations to help alleviate overcrowding for Tube passengers and minimise disruption through line closures. This included that block closures (closures of lines for a continuous period of days rather than over many weekends) could, in some cases and with the right complementary measures, be beneficial. Recently TfL has indicated that it is now looking at the potential for block closures. It reported to the Committee that with its take over of Tube Lines the situation had changed and it was now able to “look afresh at the very helpful recommendations from the Committee.” This investigation would provide an opportunity for the Committee to follow-up this and its other recommendations, as appropriate.

The Committee held three meetings on the Tube in 2010/11 which would also inform this investigation. On 26 May 2010, the Committee heard from and questioned Mike Brown,
Managing Director, London Underground and London Rail, TfL, about the end of the PPP. On 9 September 2010, the Committee heard from and discussed with TfL the incident involving a ‘runaway’ engineering train on the Northern line. Most recently, on 2 February 2011, the Committee heard from and questioned Mike Brown about TfL’s progress with upgrading and maintaining the Tube. At this meeting, it also heard from and questioned David James, Chair of the Independent Investment Programme Advisory Group (IIPAG), about IIPAG’s role in providing independent scrutiny of TfL’s expenditure and performance in upgrading the Tube. IIPAG provides advice to the Mayor about the upgrade programme and produces reports for the Mayor on this issue.

4.14 Following its meeting on 2 February 2011, the Committee requested further written information about the Tube that may be relevant to this investigation. It asked TfL for details of the proposed closures programme for each line upgrade beyond June 2011 and IIPAG for copies of its past and future reports to the Mayor relating to the Tube. This investigation would use this information once provided and would, as necessary, pursue any issues it raises further.

Proposed terms of reference

4.15 The proposed terms of reference for this investigation are:

- To explore the recent performance of the Tube and TfL’s progress with the upgrade programme including for each London Underground line; and, in light of the findings
- To identify any actions that the Mayor and TfL should take to improve the performance of the Tube and the delivery of the upgrade programme.

Key stakeholders

4.16 The following will be asked to contribute views and information in the ways listed. Further details about the information that will be sought and how it will be analysed are set out in Section 5.

a. Mayor and TfL – in writing and/or at a meeting;
b. IIPAG – in writing and/or at a meeting;
c. Unions i.e. RMT and TSSA – in writing and/or at a meeting;
d. Business representatives – in writing and/or at a meeting;
e. Transport commentators/academics – in writing and/or at a meeting;
f. Relevant representatives bodies e.g. local residents associations/transport groups – in writing and/or at a meeting; and
g. Tube passengers – in writing and/or possibly through other ways of engagement.

5. Timetable and methodology

5.1 The proposed timetable for this investigation is as follows:

- Agreement of terms of reference and scope: 9 March 2011;
- Desk-based research/gathering written views and information: March 2011 onwards;
- Formal meetings to gather information: 17 May 2011 and 14 June 2011; and
- Produce findings: July 2011.

5.2 In advance of its meetings, the Committee would seek relevant written views and information from the Mayor and TfL about the performance of the Tube and progress with the upgrade
programme. It would also seek written views and information from other organisations which have previously contributed to its work such as relevant trade unions and businesses. For example, O2 Ltd, Excel Ltd and Harrods provided written information and attended a meeting for the investigation into passengers’ experience on the Tube. This previous investigation also involved a survey of Tube passengers and detailed research from an external company into Tube passengers’ experiences. The scope to engage passengers in this investigation to gather their current views and experiences of the Tube which are relevant to the focus of this investigation will be explored.

5.3 The Committee would draw on information about the Tube already published by TfL for this investigation. This includes the regular reports on the performance of the Tube and expenditure on the service and upgrade programme which are provided to TfL’s Board and its panels and committees such as the Rail and Underground Panel. The Scrutiny Team’s Budget & Performance Adviser would review this information and produce detailed findings and analysis on trends in performance and expenditure to inform the discussion at the Committee’s formal meetings and its subsequent report.

5.4 The Committee would also seek information on the performance of underground systems in other cities and any best practice from upgrading such systems elsewhere. This would follow on from the Committee’s previous investigation into Tube passengers’ experiences which included input from representatives of Metro de Madrid. It would enable the Committee to explore the issue of benchmarking TfL’s performance and expenditure on Tube upgrades. This is now a matter for the IIPAG. The Mayor has reported that the IIPAG will oversee the publication of annual and quarterly benchmarking reports on the London Underground.16 The former PPP Arbiter previously produced such information. Any detailed technical information obtained during the investigation would be shared with relevant transport experts for their views and advice.

5.5 The Committee would hold two formal meetings for this investigation. The first would involve hearing from and questioning representatives of unions, businesses, transport commentators and other representative organisations as appropriate. This might include a representative of TfL’s closures advisory panel. This panel comprises representatives of business groups and London TravelWatch and has been set up by TfL to provide advice on future line closures. The second meeting would involve hearing from and questioning representatives of the Mayor and TfL, drawing on the written views and information received, the analysis of performance and expenditure by the Budget & Performance Adviser, any views and advice from transport experts, and the discussion at the first meeting.

5.6 Following its second meeting, the Committee would produce a report setting out its findings on the state of the London Underground and any actions that the Mayor and TfL should take to improve the performance of the Tube and the delivery of the upgrade programme in the short and longer term.

6. Legal implications

6.1 The Committee has the power to do what is recommended in this report.

16 Mayor and TfL answer to question 69/2011 from John Biggs AM, 19 January 2011
7. **Financial implications**

7.1 There are no direct financial implications arising from this report. Any costs incurred during the completion of this investigation will be covered by the scrutiny budget for 2011/12.

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**List of appendices to this report:**

None

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