

**Transport Committee
2 February 2011**

Transcript of Agenda Item 7: Upgrading the London Underground

Valerie Shawcross (Chair): Welcome David and welcome Mike. This session is particularly to discuss how things are going on the upgrade of the London Underground; a large and complex and absolutely vital project for London. Perhaps, Mike, if I can kick off by asking you to tell us a bit about what progress Transport for London (TfL) is making in delivering the Tube upgrades since we last saw TfL in June 2010? How are things going?

Mike Brown (Managing Director, London Underground, TfL): Yes, by all means. Thank you, Chair. Good morning everybody. I want to very briefly highlight our key priorities for the Tube at this time, including the progress on upgrades. I will not go into a huge amount of detail because I know you will have many questions you want to raise with us.

Our priorities are set in the context of the Tube carrying more passengers than ever before. In the four weeks in the run up to Christmas we carried 90.6 million passenger journeys in that time period – the most we have ever done in our history. That will lead us to 1.1 billion passenger journeys in this financial year – again, the highest total ever. We are also running very high levels of train service; likely to be over 70 million train kilometres this year. That compares, in context, with 55 million kilometres only 15 years ago.

It is the same story on the London rail networks which, with Ian's departure, I am now also responsible for. Passenger numbers continue to grow there. I would like to take the opportunity of paying tribute to Ian as well for the fantastic legacy he has left for the London Overground and London Rail as part of TfL.

Speaking specifically about the Tube, in one sense we are very proud of these record numbers but it does indicate that we are stretching our current network and our current technology to the limits; stretching the people who work on the system as well. Our priorities are driven to a greater extent by this. Yes, it is about the daily Tube experience and the daily Tube service. I recognise that in the financial period eight – October 2010 into November 2010 – we did not have a good spate, but that should not mask our underlying operational performance which is strong. That gives us the base on which to address our challenges that we have recently faced.

The second priority which you asked me to specifically talk about is the root of those many challenges – the aging asset base – which is stretched to the limit. We have to upgrade the Tube. We have to do it efficiently in a way that not only represents value for money but also causes the least disruption for our customers while we are doing it. The end of the Public Private Partnership (PPP) gives us the opportunity to do just that. In particular, it is worth highlighting the recent progress on the Jubilee line, where we have now introduced the new Transmission Based Train Control automatic operation for most of the line between Stratford and Dollis Hill. The performance and improvement of that technology continues day by day. Yesterday we had our best performance so far with that new technology on the Jubilee line.

The other line where the technology has been delivering is the Victoria line. Again, we had a challenging period on the run up to Christmas. Since Christmas the performance has been much better and is really now at a level where the new trains and new technology is outperforming the old technology by far. We would seek to continue to improve the performance there.

Finally, in terms of the most visible improvements to date, the sub-surface railway with the first of the new 191 in total trains has been delivered. Those five trains now running in service as far as Baker Street on the Metropolitan line and will shortly be running right through to Aldgate on the north part of the Circle line.

Value for money and delivery focus. We have to ensure we have an organisation and an operating model fit for purpose and fit to fulfil the challenge of delivering these upgrades, while keeping the existing network running, and one that is continually responsive to the day to day challenges that we face.

Valerie Shawcross (Chair): Thank you, Mike. That was very rapid.

Mike Brown (Managing Director, London Underground, TfL): Sorry.

Valerie Shawcross (Chair): No, no, it is great that you know your stuff. Can I slow you down a little bit and let's go over some of the lines. The Mayor was recently talking. Both politicians and the public are getting a bit grumpy about this. We knew we would. We do need to start seeing some of the benefits of this upgrade work. Can you give us some more information about when each line upgrade will be completed and what have we got that has improved already?

Mike Brown (Managing Director, London Underground, TfL): Yes, certainly, by all means. Let me start with the Jubilee line because it is the one that is in the thick of where we are at the moment --

Valerie Shawcross (Chair): Yes the Jubilee line top of the list.

Mike Brown (Managing Director, London Underground, TfL): When we acquired the shares in Tube Lines just after I appeared last before this Committee, Chair, I did say that it would take some time to untangle the reality of the programme that was in place and what we were going to be able to achieve. I am delighted to say that, in seven months, we did manage to do that and, not only do that, but we did get to a point over Christmas where we could, with confidence, put in the new signalling system into proper passenger operation on the section, as I said, between Stratford and Dollis Hill. That means that the trains that operate entirely - all trains all day every day - on that section are now entirely controlled by the system, not driven manually by the driver. The driver still has a very important role in monitoring the train and in starting and stopping the train but --

Valerie Shawcross (Chair): Mike, when do you think the Jubilee line upgrades will be complete? We have been told spring.

Mike Brown (Managing Director, London Underground, TfL): The remaining part of the Jubilee line is scheduled for the spring.

Valerie Shawcross (Chair): What does spring mean? Give us a month.

Mike Brown (Managing Director, London Underground, TfL): The reason I say spring, Chair, is because the complexity of the final bit - which is the bit between Dollis Hill and Neasden, is, as I have said before to this Committee and certainly in public - of the interface with the Metropolitan line.

Valerie Shawcross (Chair): What is your most pessimistic projection at the moment?

Mike Brown (Managing Director, London Underground, TfL): I am absolutely convinced it will be the first half of this year, but I am determined that it will be the spring. I am determined it will be the spring. Let me put this in context. This programme was nowhere --

Valerie Shawcross (Chair): April 2011?

Mike Brown (Managing Director, London Underground, TfL): -- when we inherited it. I am absolutely confident that we have turned it around, we have got a confident relationship with the supplier and we will deliver the benefits from this upgrade --

Valerie Shawcross (Chair): I know you are working really, really hard on it, Mike, but we just would like an indication - not so we can punish you if you do not hit it - but are we talking --

Mike Brown (Managing Director, London Underground, TfL): I am doing my very best to give you an indication.

Valerie Shawcross (Chair): April 2011, May 2011?

Mike Brown (Managing Director, London Underground, TfL): That is the spring to my reckoning. April 2011. May 2011. Could be as late as June 2011, but I am confident we will get it delivered.

Valerie Shawcross (Chair): Thank you.

Mike Brown (Managing Director, London Underground, TfL): On the Victoria line. We did have a rough patch before Christmas, no question about that. Again, that was a particular challenge because these trains, under the contract that we were forced to operate with from the previous world, were not fully tested - to my judgement anyway - before they came to London. That is always a challenge when you are introducing new technology alongside old.

The good news is we have done some modifications and the line has settled down significantly. In fact, you may say this does not mean much, but these are now, with the performance in January 2011, the greatest improvement in reliability of any new trains we have ever had on the Tube network.

Valerie Shawcross (Chair): For the January 2011 figures?

Mike Brown (Managing Director, London Underground, TfL): Yes. We are really confident that we have a very good trajectory of improvement here on the Victoria line.

If you then look at the critical milestone for the Victoria line we are talking about May 2011 where we need to have the programme beginning to remove the old signalling technology on the line. That requires us to have enough trains in service by May 2011 to be able to run pretty much the whole line with the new trains. In doing so you then can take away the old technology and it is only in so doing that you are able to then capitalise on the investment and up the service levels to respond to what the new trains and signalling system are capable of.

Anyone who is travelling on the Victoria line at the moment will find, if they are on a new train, that they consistently catch up with the trains in front because they are faster in acceleration; the modern signalling allows them to run closer together but they are still faster than the old trains. That phenomenon will be removed from May 2011 when we have all the trains in situ. The plan then is removal of all the old equipment during the course of the summer and, by the autumn or, at the very latest the start of next calendar year, we will then be upping the timetable to respond to our ability to run more services. That is the timeline for the Victoria line.

On the Metropolitan line the trains will continue to roll out. We will only be rolling them out. The difference in this line is that the trains are being tested extensively on our test track up in Derbyshire so they are really being tested up there in a different way to the way we have had to operate on the Victoria line. Those trains are gradually being introduced to service when we are happy and satisfied that their reliability is at the level that I would expect, so we are gradually rolling out those trains. The aim is to have all the fleet of trains on the Metropolitan line delivered by 2012 and also to have begun the roll out of the next phase of what we call the sub-surface lines, which includes the Circle, Hammersmith and City and District lines.

The next phase will be the pink bit - if I can call it that - from the map perspective: the Hammersmith and City line over the north part of the Circle, including out serving Olympic venues in east London. We will have some of those trains in service by the Olympics in 2012 and a gradual roll out beyond then. The phasing then will start taking on the Circle line after that. Bear in mind these are new longer trains, through carriages, and air-cooled. They will replace the existing six carriages on the Circle line services. Then Wimbledon to Edgware Road and, finally, the core part of the District line.

Coincidentally with the latter part of that delivery programme, we will have the new signalling being introduced on the sub-surface lines in their entirety, which will be, again, an automatic signalling system. This will significantly increase the throughput of trains through individual parts of the network. It is the thing that most increases the capacity and that is set to be delivered by 2018, in its entirety.

The other upgrade which is worthy of discussion is the Northern line. The Northern line we always said would follow directly after the Jubilee. When we inherited Tube Lines it was already way late. However, we have not stopped. We took the opportunity, as recently as Christmas, to do a huge amount of work in the Kennington area, a very complex area. We laid 6.5 kilometres of cables during the Christmas period in that area. We also now have the basis for a proper commercial and delivery strategy from the supplier. That is being reviewed as we speak and I will see the final recommendations of that within the next two weeks. We will have the Northern line upgrade delivered by 2014.

Valerie Shawcross (Chair): Great. Dick, you were particularly interested in that.

Richard Tracey (AM): That is terribly good news. May I, on behalf of my colleagues - some of whom are not here but, as you know, there are colleagues that take a great interest in the Northern line. That is an amazing success rate across the board. Very good to hear the news of the Northern line and of the delivery in the last couple of years.

We will be talking about line closures later on. That is part of our line of questioning. There are always worries when you close, particularly in my case, some of the southern section of the Northern line. Can we have an assurance that you really are getting on top of that? Tube Lines' programme was seriously defective and was causing a lot of angst among my constituents.

The other thing - with the signalling upgrades - I had heard that some of the testing of this, where there were problems found, had to go back to Canada for the contractor to look it over. Are you avoiding that sort of thing now in doing the Northern line upgrade?

Mike Brown (Managing Director, London Underground, TfL): If I can take both those questions in order. The first one, in terms of closures, is that there is absolutely no question we are going to get into anything like the closure regime that we saw on the Jubilee line. That is something that is unacceptable and is not going to occur with the Northern line, nor indeed with any other line upgrade.

There is a difference between closures that you have to take because there is physical - what you might describe as - civils work; if you take up the track and you are fixing the drainage there is nothing for the trains to run on. Therefore, that type of work you have to do. Indeed, one of the things I am very keen to do is ensure we open our minds - and we are opening our minds - much more widely to what you might call accelerated closures - block closures, whatever you will - closures for a period of weeks on certain parts of the network where that is suitable and acceptable in terms of passenger volumes and alternative routes.

For the closure programme for the Northern line, we are really looking at getting it right down to, at the most, single figures in what we need to do. The Northern line also lends itself to individual elements of sequential closing of sections, particularly on the north section with the two branches, or through central London, particularly on the city branch through Bank. There is potential for doing some weekend works with less disruption than, for example, the Charing Cross branch which is very busy at the weekends with all the people out for leisure activities.

On the signalling upgrade work and the reality of where these people are based, in a sense the way computer systems work now, whether they are in Toronto - as they are in this case - or whether they are in Chippenham - as they are in some other cases - or whether they are in London is, frankly, not really here nor there. The simple reality for me is how do you ensure that you have an absolute quick turnaround of new software drops that you can apply where there are identified issues emerging.

That also is one of the reasons why the concept of accelerated and block closures does not necessarily lend itself to the technological side, the signalling side, because you do need to apply software drops and then you do need to try them out in anger. Just closing something for a series of days or weeks and then coming in with a perfect solution - it does not work that way for signalling in the way that it obviously does work for track replacement and drain replacement and the trackside asset stuff.

You certainly have my assurance that the location of the signalling contractor is in no sense a barrier to the fact that I have these suppliers in on a regular basis. I eyeball them, as you would expect, and ensure that they are absolutely mindful of passengers and my own expectations for delivery.

Richard Tracey (AM): I am glad of that assurance.

Joanne McCartney (AM): I want to ask about the Victoria line. I did take the Mayor and Peter Hendy [Commissioner, TfL] to task on this at the last Plenary --

Mike Brown (Managing Director, London Underground, TfL): I had some feedback, yes.

Joanne McCartney (AM): I am glad that you said that the line seems to have settled down because there does seem to have been inadequate testing of the new trains. You said that signalling is to go over to the new system in May 2011. Are you planning to have all the new trains in place by then or is that still a longer term programme?

Mike Brown (Managing Director, London Underground, TfL): That is the plan. Forgive me for not making myself clear. It is the fact of getting the service and being able to operate it entirely by new trains which means that you are running on the one new signalling system and that then allows you to rip out the old stuff.

You might say to yourself, "Why would you bother? Couldn't you just turn it off and would it matter?" The answer is it is a constraint because it does slow down the operation of the new trains. It is designed to do so. We are operating two parallel signalling systems with two parallel

fleets of trains at the moment. Absolutely compatible but you lose some functionality in so doing.

The delivery plan from the supplier - Bombardier - is to get all new trains down in London in service by May 2011 so that we can then embark on the decommissioning and ripping out of the old kit which then gives you the capacity enhancements for the new technology.

Joanne McCartney (AM): Lovely. To confirm, particularly the door sensitivity issues have been resolved now?

Mike Brown (Managing Director, London Underground, TfL): We have done a modification for the door sensitivity issue where the drivers are able to fulfil a special function. It does not cause any safety risk whatsoever. Of course we have fully reviewed that. The activations of these were from inside the train outward, rather than what it was designed to prevent which were any issues of people boarding a train at platform level. All the activations we have seen have been the other way round and we have been able to adjust the technology and enable the driver to adjust the technology so that, if there is an activation, for example, in a tunnel environment, the train is able to keep moving. Previously, as you will well know, that was not the case.

Yes, we are in a hugely better place on that issue.

Joanne McCartney (AM): Thank you.

Murad Qureshi (AM): I well understand the frustration with the Jubilee line. I use it myself to get here. One should remember it is the newest part of the Tube system.

I want to go back to the oldest part, between Farringdon and Paddington. We have not had anything done under the PPP, or subsequently. There has been hardly any works done for decades. I want to be sure there are things afoot.

Mike Brown (Managing Director, London Underground, TfL): There are, absolutely. That is a core part of both the signalling upgrade for the sub surface lines generally because that part of the Circle and Metropolitan lines is an integral part of that. Also, as I said earlier on, that will be a section that will very soon see the new trains coming through.

Murad Qureshi (AM): Simple question. When is that signal box going to be sorted in Edgware Road Tube Station? It has been there since 1928. It should be in a museum, not operational still; the obvious thing to have had done years ago, quite honestly. We just need it done.

Mike Brown (Managing Director, London Underground, TfL): Absolutely. If only we could have done it years ago we would have. The simple reality with that is that we are doing an element of stabilisation work there - as we call it - which means that we are going to add some robustness to that signal cabin's performance. We have to do some work to enable the first delivery of these longer trains which I referred to on the pink line - the Hammersmith and City line. That will see some enhancement at Edgware Road. Edgware Road is trying to cater, as you will know, with a throughput of trains that that old fashioned interlocking system was never designed to cater for.

The overall replacement comes as part of the signalling upgrade. The signalling upgrade is a long and complex process, not least because we have specified in the contracts - and both the remaining bidders are compliant with this request - zero closures for signalling work. The roll out has to be based on that reality. I just do not believe we can lose those sub-surface lines for

any length of time for most of those sections to do this work. That phasing will take us up to 2018.

This stabilisation work at Edgware Road does give some inherent reliability improvements. It prevents any further deterioration of the asset and gives you a bit more robustness to allow these seven car trains to start using the area.

Murad Qureshi (AM): I understand there are similar issues with the Earls Court signal box at sub-surface level. Is that the case and when is that going to be dealt with?

Mike Brown (Managing Director, London Underground, TfL): The equipment there is even older, dating back to the 1890s. I will take you out with pleasure, Murad, to show you that --

Valerie Shawcross (Chair): A Committee visit.

Mike Brown (Managing Director, London Underground, TfL): It bowls me over. Again, it is part of the same process of upgrade.

I do not want to over-dramatise this because these systems are safe and they are a credit to our forebears to keep the thing safe but there are some parts of this equipment that are not really maintainable at the moment. You have to wait for a failure to occur. The reason for that is, not only is every replacement component bespoke in its manufacture, but also some of the condition of the wires and the wiring around these complex signal cabins - Edgware Road being a good example - are so fragile that maintaining them, in themselves, is likely to cause a failure. These things fail safe. Fail safe in signalling terms means a red signal. Not good. We are continuing to drive all our efforts on those critical junctions; Edgware Road being a very critical one for the Circle and Hammersmith and City lines. Absolutely, we will keep on top of that.

Murad Qureshi (AM): Finally, the poor relative of all the Tube lines: the Bakerloo line. I can remember when the Jubilee line used to be the Bakerloo line. It just has not been touched for a very long time. There are a lot of people who are concerned about that.

Mike Brown (Managing Director, London Underground, TfL): It is envisaged to be touched and I do realise the concerns. On the north section of the Bakerloo line the fantastic London Overground service out of Euston is a very useful supplementary service to it. On the core bit of the Bakerloo line we are continually looking at our performance in terms of maintenance performance and everything else. Actually, the Bakerloo line has had a very good run of performance recently; a really good run of performance.

Some line has to be at the end of this particular programme. It just happens that we have got many other lines which are so much older and in a state that need to be replaced so much earlier.

Murad Qureshi (AM): You might think of making the Jubilee line the Bakerloo line again. It might improve.

Valerie Shawcross (Chair): Let us jump out of specific signal boxes and back into the more general overview issue. Jenny, you were going to raise some financial matters.

Jenny Jones (AM): It did perk us all up though didn't it?

Valerie Shawcross (Chair): It did. It is very interesting and it is quite illustrative of the problems that TfL is facing.

Jenny Jones (AM): I was asking Crossrail earlier about its carbon footprint and I would like to ask you the same questions. Your projection of energy use equates to 55 grams of carbon dioxide per passenger kilometre. We heard from Crossrail that its targets are getting tougher as it goes on and it can see more opportunities. Is that the same for you?

Mike Brown (Managing Director, London Underground, TfL): Absolutely. If I could give a couple of very good examples where new technology enables us to reduce our carbon footprint. For example, in the technology around train performance, getting into regenerative braking, which enables a recycling of power from the train. Also, with the new Victoria line when we have all the new Victoria line trains in place, we will be able to introduce coasting on the line. At the moment, with the old technology, you have rapid acceleration and rapid braking, both of which are very energy intensive in the generation or use of energy, but also in the generation of heat, which is another big issue for the Victoria line: regenerative braking.

We have low loss conductor rails that we have been installing on the Victoria line --

Jenny Jones (AM): These must have been part of the original estimate for carbon reduction.

Mike Brown (Managing Director, London Underground, TfL): They are. To give you some assurance that we are not complacent about this we are continuing to review what more we can do. I can write to you with the specific detail of our plans on this --

Jenny Jones (AM): I would be very grateful for that.

Mike Brown (Managing Director, London Underground, TfL): -- by all means. I am not sure I have got all the detail to hand with me this morning. I am more than happy to do that to reassure you it is something that we regularly discuss at my senior executive meetings - our carbon performance. We have initiatives at a lower level but for all our stations where we have energy savings initiatives and we seek to acknowledge staff who are taking a particular leadership roles in this. I was talking only the other day to the so-called champion of these issues on the Central line where there is a huge amount of good work going on.

Jenny Jones (AM): Good. If you could write to us with some more detail because it is fairly technical and perhaps a bit dull for everybody else.

Mike Brown (Managing Director, London Underground, TfL): Of course, by all means.

Jenny Jones (AM): Is there an assumption about the increased rate of renewables coming from the grid in that? Could you include that in your answer because --

Mike Brown (Managing Director, London Underground, TfL): I will include that in my answer, through you Chair. Yes. Of course I will.

Jenny Jones (AM): -- that is, at the moment, going up.

When you were here last May, Mike, you stressed the financial benefits of taking over Tube Lines and you said that you had identified synergies worth £2 billion. Since then, in October last year, the Government's funding settlement came in at £2.2 billion less than expected. My question is how is TfL realising savings in the delivery of the Tube upgrades?

Mike Brown (Managing Director, London Underground, TfL): The first thing to say is that since we have been able to have Tube Lines as part of the TfL family we have been able to save some job posts and we have been able to remove some posts that were fronting up against each other, both within London Underground and within Tube Lines; which is managing the contract. To be honest, there were huge armies of those people. Tube Lines announced a few

months ago that it was going to be able to remove 250 posts from its team. Many of those posts – not all – were exactly those people who were plugging into the formal contractual arrangements with London Underground and TfL. Similarly, on the Underground side, we have reduced the number of posts in our head office back office functions by around 800. Again, some of those jobs are absolutely dependent on that.

We have a continual savings improvement exercise going on within London Underground in parallel with that. I have always made it clear that the medium and long term future of Tube Lines is something I was not going to spend much time and energy on until we had delivered the Jubilee line. My instinct was – and I have made it very clear to the Transport Commissioner and others – that I felt, to create any distraction with Tube Lines about long term structures while we were delivering the upgrade, was not the appropriate thing to do. I stand by that assertion. That is the right decision. We are not quite there yet as we heard earlier on. When we are there other savings will emerge. Whatever the solution is, other savings will be possible.

Jenny Jones (AM): It is a double-edged sword saving money on posts because you are throwing people into unemployment? We care about that in other areas of our work. I supposed I hoped to hear other savings.

Mike Brown (Managing Director, London Underground, TfL): We should not underestimate the scale of those savings because a number of those posts are around that.

We are, as we save posts across TfL, across London Underground – frankly, whether it is in operational roles or whether it is in back office roles – at pains to ensure we look after the individuals involved. When we talk about posts that does not necessarily equate to people occupying all of those posts --

Jenny Jones (AM): I know. If you have got posts with no people in them then you are not saving any money because you are not paying any people in them.

Mike Brown (Managing Director, London Underground, TfL): Yes. If you think about where there are potentials that we would have filled vacancies elsewhere you can redeploy people into roles that they are suited for elsewhere, so there is an overall saving. This is not something that we are doing – if you look at our financial performance overall we are on absolute track to save the money we have committed to both in the business plan and as a result of the comprehensive spending review where it was identified there were further savings required. We will do so.

Jenny Jones (AM): Thank you.

Caroline Pidgeon (Deputy Chair): I would like to pick up some questions with David. He has sat very quietly for a while! The Government gave the next round of funding for the upgrades on the basis of independent and effective scrutiny. That is where the body you chair – the Independent Investment Programme Advisory Group – comes in. What scrutiny has taken place so far by your group of the Tube upgrades?

David James (Chair, Independent Investment Programme Advisory Group): Our position is that we are looking at the whole of the investment programme, not just the Tube upgrades. At present we have some 36 different projects to look at, just under half of which relate to London Underground. There are a number of other projects which are not figuring in that discussion at all.

We are looking at the economy, the efficiency and general value for money of projects that are ongoing both in surface transport and London Underground. We are also looking at what you

might call systemic or generic-type behaviours through the corporation that we think need addressing to move on to more efficient working.

It is a combination of many things but it is not specifically the London Underground upgrade.

Caroline Pidgeon (Deputy Chair): You said about half the work, so about 18 projects, are looking at aspects of London Underground. Are you looking at the Tube upgrades as one of those projects?

David James (Chair, Independent Investment Programme Advisory Group): Yes, they are included. There is an official review process. It is called the gateway process, which I am sure you are familiar with. We fit into those. In a way we were rather unfortunate. We had been appointed at a point where many of the projects have already been established. There is a five gateway process in total and the first four get you to contract award. As an adviser you can make most impression upon those contracts right at the very beginning; A, B, C. But rather unfortunately many of the contracts had gone beyond A, B, C prior to our involvement. We have been getting involved at contract award positions. Then we do what is called a Gateway E which is a review of the final product.

Caroline Pidgeon (Deputy Chair): OK. The Tube upgrade is a huge concern and we have been asking lots of questions to Mike about it this morning. I appreciate, as you say, you have come in at a late stage but, for some of the other upgrades, the Bakerloo line and others, I am sure you will be able to come in at an earlier stage. What advice are you giving to the Mayor on this issue? One of your roles is to report directly to the Mayor --

David James (Chair, Independent Investment Programme Advisory Group): Yes.

Caroline Pidgeon (Deputy Chair): What advice have you been giving the Mayor on Tube upgrades and some of the other work on the Underground?

David James (Chair, Independent Investment Programme Advisory Group): Can I generalise in terms of what we have done and you can see how it applies to the Underground?

Caroline Pidgeon (Deputy Chair): We are focusing on the Underground today so particularly the advice you have given on the Underground to the Mayor.

David James (Chair, Independent Investment Programme Advisory Group): Many of the issues, as I said, are systemic and generic which cover the whole corporate feel of what goes on in the place; so where we came from. We have a team of six. In order to get familiar with what goes on in TfL we interviewed something like 50 to 60 of the staff of TfL: the Commissioner and all levels.

Our first report, presented to the Mayor and the Secretary of State in September last year, recommended five areas of action that we identified through the overall process of looking at projects and behaviours. Of those five areas, number one was benchmarking. That was, effectively, before Tube Lines came on board. We felt that there was not enough attention being given to competitive performance. We commented upon standards and approvals which, in reality, related primarily to London Underground. We commented upon whole life asset management which, again, was a direct comment on London Underground. We commented on project management in general. There are numerous units who conduct project management throughout TfL and we do not consider that to be particularly efficient. The final one was a cultural issue of being more commercially aware than the practices currently being undertaken. We followed that up with considerable discussion with TfL and some actions.

Our second report came out in January 2011. It is fair to say that we have not pulled any punches at all in our reports. We are completely independent. Some of the reactions to our report suggest that they achieved what we wanted them to achieve. You have got to put into the mixture this did not exist before us so there are no procedures in place. We now have agreement that we have a formal meeting with the Commissioner and his senior management team three times a year. We have a formal meeting with Mike and his Executive six times a year. You will know that TfL has embarked upon a reorganisation project called Horizon. We are now going to second one of our people into that to advise on organisational issues and cultural issues. There is serious ongoing discussion now about consolidation of project management into a unit which covers the whole of TfL activities.

There is quite a lot of engagement. It all involves London Underground but it also involves the rest of TfL too.

Caroline Pidgeon (Deputy Chair): It is very interesting to hear that. I do not know whether these reports are available for our Committee to view at all?

Valerie Shawcross (Chair): It would be very helpful, David, if you could provide copies of your reports - and your annual report because I know you are required to do an annual report - directly to this Committee. We would find that very helpful.

David James (Chair, Independent Investment Programme Advisory Group): Yes. Our terms of reference are specific that our reports go only to the Mayor and the Secretary of State. The annual report, you are quite right, will be published in June 2011 and that is for public circulation. I can certainly circulate that but, at the moment, my brief does not allow me to circulate to anybody but the Mayor and the Secretary of State.

Caroline Pidgeon (Deputy Chair): It seems a bit of a shame when you think the public would like to know what things you are advising and how you are making TfL more efficient.

I would like to pick up a couple of things from what you have said and then I will move on to a couple of other questions. You talked about the fact that you are newly established and you have set up formal meetings with the Commissioner and his team and Mike and his team. You did not mention the Mayor anywhere. Do you have regular meetings set up with the Mayor to report on the issues you are looking into?

David James (Chair, Independent Investment Programme Advisory Group): I do not have regular meetings with the Mayor. I have regular meetings with Daniel Moylan.

Caroline Pidgeon (Deputy Chair): The Mayor, as he said to us in this very Chamber, is TfL. He is the Chair of TfL. Is it not surprising when he has to report to you and the Secretary of State that you do not have any regular meetings to discuss the concerns that you are raising in your regular reports?

David James (Chair, Independent Investment Programme Advisory Group): I have had two meetings with the Mayor so far. I am not sure that is regular but that is the situation.

Caroline Pidgeon (Deputy Chair): Have you asked to have more?

David James (Chair, Independent Investment Programme Advisory Group): My personal opinion would be I would not be surprised if he asks to see me after he reads our second report.

Caroline Pidgeon (Deputy Chair): I would love to see a copy of this mysterious report. There are obviously quite serious issues that you have put in it.

Richard Tracey (AM): Transparency.

Caroline Pidgeon (Deputy Chair): Yes, in terms of transparency. TfL is very committed to moving to being very transparent, as we know.

I wanted to pick up the issue of benchmarking because you said that was one of the areas you are concerned about. As a Committee we were always very concerned when you had Tube Lines and London Underground – and Metronet before – that you wanted to be able to compare between the three so we can see who is most efficient and tried to learn from that. One of our concerns before was that London Underground was not always as efficient as it could be. It has learned a lot and Mike has addressed some of that. When are you going to publish your annual report and will it highlight some of the issues around benchmarking for us to look at?

David James (Chair, Independent Investment Programme Advisory Group): Let me tell you the position over benchmarking. Not to present Mike's case but London Underground has been building up a much stronger benchmark capability over the last six months. For our part, we have commented upon that and we have been talking with Richard Parry [interim Managing Director, London Underground] about benchmarking, to the point where there is an acknowledgement that none of the six members of today's IIPAG are benchmarking specialists.

At the last Finance and Policy Committee of TfL we got approval for an additional member to be appointed to IIPAG who will be a benchmarking specialist. We are currently in the market looking for that specialist to be brought in, probably on two and a half days a week. In this first year we see it as a very important appointment, bearing in mind that most of the IIPAG members do one day a week or even a half day a week. Two and a half days a week is quite a serious appointment for our team to work with LU. I anticipate that, over the year, that will bring together the views.

What we found when we looked at Mike's team originally was that it was very keen on comparing itself with international performance and there was not much attention about the internal performance. We are quite keen to turn it round; to have a bit more attention about internal performance and then to begin to judge it against international performance. That is what we are trying to encourage and that is where we are going towards.

Caroline Pidgeon (Deputy Chair): You have got this specialist coming in so your reports will be very different to any benchmarking that TfL currently does. It will be a different approach.

David James (Chair, Independent Investment Programme Advisory Group): We are not going to do our own analysis. We are going to work with the team. We are going to guide it through what will be a senior member of the industry. We will work it together. We are not looking for confrontational positions, which perhaps arose in earlier situations.

Caroline Pidgeon (Deputy Chair): When do we expect to see some kind of benchmarking report published? Do we have a schedule for when --

David James (Chair, Independent Investment Programme Advisory Group): I would like to think that we will have a report in our annual report in June 2011.

Caroline Pidgeon (Deputy Chair): In June 2011. Lovely. We get to see your annual report so that will be very welcome. It is very interesting, what you are saying, and I have been fascinated by it. You are new to this, you are looking at it, and your team of people are independent and are really trying to look at TfL. Before we used to have the PPP Arbiter for the London Underground bit and we used to very much value his contributions to our Committee. Is your office based with TfL?

David James (Chair, Independent Investment Programme Advisory Group): We are based on the 16th floor of Windsor House. We have our own separate area. In January 2011 we got approval to have some full time staff to support us and we are currently in the market looking for those too.

Caroline Pidgeon (Deputy Chair): I wanted to clarify because, before we came down today, I was looking up about your group. It says, looking at your interests, that, until recently, you were a member of the Executive Committee at Balfour Beatty. Balfour Beatty, only in December 2010, had been awarded a £110 million track renewal and maintenance work contract. Looking at your interests you still declare Balfour Beatty down. Could there be any concerns that you, and other members of your IIPAG group, have interests in the industry that could mean that you are not as independent as everyone would like you to be?

David James (Chair, Independent Investment Programme Advisory Group): No, not at all.

Caroline Pidgeon (Deputy Chair): There is absolutely no conflict there; that you have Balfour Beatty on your interests and they have received huge contracts through London Underground?

David James (Chair, Independent Investment Programme Advisory Group): I have no influence and no knowledge of those at all.

Caroline Pidgeon (Deputy Chair): That is reassuring.

David James (Chair, Independent Investment Programme Advisory Group): Just to clarify, on behalf of my colleagues in IIPAG, we are all long, long term professionals. Longer than perhaps some of us wish we were perhaps! We have lived with supposed conflict right through our careers. We are nearly all consultants of some sort. We have lived with the possibility of conflict right through our careers. We understand what it means. You do not get on in this industry if you conflict. We all understand that and they are utterly professional about it. They will withdraw, rather than get involved.

Caroline Pidgeon (Deputy Chair): That is really reassuring. Thank you very much. I look forward to you coming back before our Committee again in the future.

Valerie Shawcross (Chair): David, thank you very much. We appreciate your professionalism on this.

Can I pick up this issue about the publication again? As Caroline said, the previous Independent Arbiter - different role but similar functions - published his reports and actively wanted them to be understood and discussed and came here. We have been looking at the terms of reference for the group that you Chair. It says, "To publish annually a report to the Board of TfL on the overall delivery of the investment programme". I am sure that will be an open report, from what you said. It says, "The group may also publish additional reports throughout the year, as it sees fit, after consulting the Mayor and subject to appropriate obligations relating to confidentiality and conflicts of interest". You can publish them.

Our request would be that we would, as a Committee, like to see your reports. If that requires that you have to request approval from the Mayor and TfL Board then we would be grateful if you would seek that approval. I can probably say, on behalf of the Committee, if it is necessary for us to sign some kind of confidentiality agreement so that we see them in private, then Members would be willing to do so, if they felt that the content was justifiably confidential.

These are, as you say, vast amounts of public money that are being spent. The public would expect their elected representatives for London to be conversant with what is going on and to understand your really important analysis and commentary on the investment programme. Do you think that is fair, David?

David James (Chair, Independent Investment Programme Advisory Group): I think that is very fair. I repeat: I have terms of reference. I am happy to take it back to the Mayor.

Valerie Shawcross (Chair): That would be very helpful. Thank you indeed. We will take it up with him as well.

Richard Tracey (AM): I wanted to follow up one point that Caroline started on. I do not think you answered or she pursued this particular bit. Precisely one year ago the PPP Arbiter came in front of us and told us that, since Tube Lines handed over to Metronet, he had not seen any improvement or any savings. Is that still the case or do you believe now that some improvements have been made as a result of TfL running the upgrades in a different way from the way Tube Lines did it?

David James (Chair, Independent Investment Programme Advisory Group): I do not think we have enough information to comment technically on that at this moment, quite frankly, because we have not done any major reviews as yet. We certainly have not done any major reviews on the Tube Lines situation.

What I should say, to give you a bit of reassurance, is I have worked with London Underground from the supply side for the last ten years or more. We delivered the Kings Cross upgrade the year before last, you may recall. It gets it now. It gets that there are problems. I believe, through Mike in particular, there is change afoot. It talks change. We are being used as an instrument of some change because we are there and we bring a fresh view on things. I know that is happening. Hopefully it will happen sooner than some of it does and we can move on.

Richard Tracey (AM): Right. You will presumably cover it in one of these reports that we hope to see. Thank you very much.

Valerie Shawcross (Chair): Thank you very much. We should move on.

Murad Qureshi (AM): A new area to cover under the upgrade. It is really the line closures beyond June 2011. Can you give us some details, Mike, of what is being proposed at this moment?

Mike Brown (Managing Director, London Underground, TfL): I touched on that earlier on but happy to give some more detail of our thinking. Last summer we had an accelerated closure, a blockade piece of work on the Hammersmith branch of the Hammersmith and City line, which went very well. That work was around some really quite big civils programmes and projects to lengthen platforms and to do some enabling work for stability of the area around there to enable them to take the new longer trains that I described earlier on will be coming in on that branch.

This summer we have a plan in place to have a similar period of time where we will be taking out the top left hand corner of the Circle line between High Street Kensington and Edgware Road for a number of weeks to enable a more efficient delivery of works on that part of the network. Doing that particular piece of work at Bayswater - where there are good alternatives with Queensway being nearby, Edgware Road will still be served and Notting Hill Gate will be served by the Central line - in a block way saves of the order of £6.5 million, just in base cost of preventing the loss of value you get from starting and stopping either every night or every weekend.

Where we can do this, our philosophy for this major civils work is very much to apply that model - the learning that we have put in place from Hammersmith last summer and from Bayswater this summer - going forward for the upgrade programmes ahead.

As I say, it is very important to re-emphasise the difference between that civils work where you were doing major track work or tunnel infrastructure work or drainage work or trackside equipment work. Quite different from where you are doing computer-based signalling technology software drops where that same criteria does not apply and the value you get from longer term closures is not evidenced, from what I can tell.

The Northern line is a very good case in point with work in progress at the moment. Absolutely, part of the commercial and delivery discussions that we are having with the contractor in reconfiguring that programme, is about this trade off and balance between doing some closures for slightly longer than a weekend or over a period of time in school holidays and other times on parts of the line. As opposed to doing, for example, a number of early evening closures. Members will recall that the very first thing I did, literally in the first hour of having control of Tube Lines, was I stopped the future work on the Northern line for weekends and early evening closures because I was not convinced it was the right methodology to apply.

I am absolutely determined to get this right. I have also, since I was last in front of the Committee, put in place a consortium of business leaders, including TravelWatch - who you are seeing later on - but other business and user groups, that help advise me on closure philosophies. That group has met now four or five times and has given some very constructive advice as to what other factors we need to consider from both a business and an individual passenger perspective.

Murad Qureshi (AM): I am glad you wandered into that area because that is one of the things we wanted to be sure about. Given the Committee has been advocating the consideration of line closures in blocks, rather than weekends, because it is less of an inconvenience. What lessons have you learned about the inconvenience it does cause though when they are closed? When the line between Hammersmith and Paddington was closed it really stopped the movement between Paddington and North Kensington completely. We took it for granted that we could get down to North Kensington but it was more difficult. I want to know what you have learned from that which will be applied in other instances.

Mike Brown (Managing Director, London Underground, TfL): In every single one of these cases we have to get very specific feedback and have our own people out there seeing what the experience is like and getting feedback from passengers about what it means. That is why for every single part of the network that you consider for this type of closure you have to look at very specifically on its merits.

The Northern line is a great example. For example, the area north of Finchley Central would potentially lend itself to something of that order. It is equally inconceivable that you would imagine it in the section between Kennington and Morden. There are logistical and operational reasons for that, not least 40% of the trains live at Morden every night and have to get fixed there but just in terms of the sheer lack of alternative routes, either on an already very busy A24 in the case of the south of the Northern line, a very congested road network because of the sheer volume of traffic that road takes, and the lack of viable alternatives with any latent capacity that you could divert people to. It very much has to be done on individual merits.

The learning from Hammersmith. It is very interesting what you say and I would be very grateful if you have any more specific detail on that that I perhaps have not yet had sight of. Our overall perception was that people did manage through that and the feedback was it was better doing

it that way rather than the tens of weekends we would have to cause disruption for people as an alternative.

Murad Qureshi (AM): What happened there was that people used the buses instead of the Tube line - City and Hammersmith - between the two places. They were not using the rail replacement ones, they were using the ordinary service. I want to be reassured that you are working with your colleagues on the buses to make sure we have got the additional bus service to do that. The rail replacement service was going to each station but that is not the way people think Hammersmith, North Kensington and Paddington are linked.

Mike Brown (Managing Director, London Underground, TfL): You have my assurance that we are absolutely working with our bus colleagues. Not only them. Sometimes I do not read every single blog that may refer to the Underground, as you might imagine. In the context of bus replacement services or enhanced normal bus routes some of the blogs are exceptionally useful in giving some real feedback. You should rest assured that I have my team pursuing, with bus colleagues, any improvements we can make to alternative provision.

Murad Qureshi (AM): Coming to the one you are proposing to do this summer between Edgware Road and High Street Kensington, you are quite right, there are loads of alternatives. We want to make sure the alternatives can deal with the pressure.

Mike Brown (Managing Director, London Underground, TfL): Absolutely.

Murad Qureshi (AM): There are some signalling things that can be done. One of the confusions I have always found is the proximity of Queensway to Bayswater. If you look at the Tube map it is not there.

Mike Brown (Managing Director, London Underground, TfL): We will be taking that on board.

Valerie Shawcross (Chair): Murad, if you will forgive me, because time is running late, some of the more detailed things we are going to have to take up outside of this meeting.

Murad Qureshi (AM): I will do that.

Valerie Shawcross (Chair): We do need to move on. Quite a few Members have indicated that they do need to get away at 12.30pm. There are a couple of wrap up questions on that section, Caroline.

Caroline Pidgeon (Deputy Chair): I wanted to pick up on the block closures. Mike, in our report we did we said a couple of years ago that block closures in some cases, with the right complementary measures, could be beneficial for passengers. We did not say, "This is the option for every single upgrade". In the response that Richard Parry or someone gave us at that time it was really rather aggressive and trying to knock what we said as a Committee. What you are saying now is there are significant benefits to using this in certain conditions and you have given us some very good examples. Do you accept that the work we did on that and in proposing that was sensible and you are going to use it in that way in the future?

Mike Brown (Managing Director, London Underground, TfL): My words hopefully speak for themselves in that context in terms of my view of this and also the things I have done since I arrived in this position. The context was very different previously because, where you had Tube Lines in position where it could dictate the closure regime that was being operated with, under the PPP arrangements there was no possibility of us interfering other than if the whole network was going to fall apart. As a result the contract did not allow us to get involved in a level of detail. The opportunity of the world moving on and us being in a very different situation means

that we absolutely are able to look afresh at the very helpful recommendations from this Committee.

Caroline Pidgeon (Deputy Chair): Thank you very much, particularly your last line. When will you be publishing details of the line closures beyond June 2011?

Mike Brown (Managing Director, London Underground, TfL): We are working on that as we speak. It is dependent on the comments I gave in earlier answers around the absolute delivery dates of the Jubilee and the Victoria line upgrades in particular, because those are two very critical dependencies given their line of route, particularly the Victoria line.

Assuming we have confidence - which we will get in the next very few weeks - in the ability of the supplier to provide the trains to programme for the Victoria line - which, as you will recall, then allows us to start ripping out the old equipment - then that will be a feed for the other closure programmes that we would or would not set around that. I said within two weeks I would get the full report on the Northern line and where we are going on that. This is not very far away.

Caroline Pidgeon (Deputy Chair): In March 2011 you might be told?

Mike Brown (Managing Director, London Underground, TfL): March 2011 would be my aim.

Caroline Pidgeon (Deputy Chair): That is helpful.

Mike Brown (Managing Director, London Underground, TfL): I understand people like to plan ahead. I absolutely understand that.

Caroline Pidgeon (Deputy Chair): It is very helpful. Very helpful indeed. Just quickly, the TfL Closures Advisory Panel that you talked about earlier. What alterations have you made in light of its work, for some of the closures planned?

Mike Brown (Managing Director, London Underground, TfL): Bayswater is an example of something that we probably would not have been as open minded to had we not had its very clear steer, guidance and direction. I do want it to be a genuine engagement process. This is not something that I get a group of very important people together for any kind of ceremonial purpose; this is really important to me. I would not have invested the time and energy in ensuring it was set up. I know colleagues in the business community would not have done either if they did not think there was some value. I would hope, in all the conversations it has had with me, that there is some value in that process.

Caroline Pidgeon (Deputy Chair): Good. Thank you.

Valerie Shawcross (Chair): We have had a pretty good airing of all of the updates and so forth. I would be intending to bring this completely to a close now unless there are any really burning questions that anybody wanted to ask.

Richard Tracey (AM): Mike has mentioned the technology of the signalling. I have to ask the question --

Valerie Shawcross (Chair): You want to ask about driverless trains? Of course.

Richard Tracey (AM): Indeed. Mike, you have talked about the signalling potential on three lines at the moment. The Northern line would also apply as we move forward. The Mayor himself spoke at the Mansion House two or three weeks ago about the potential for driverless

trains. Can I ask you to say, from your position, what is the scope for the driverless train? TfL obviously has to be supportive of the research into this for the Mayor. The Mayor said he is the Chairman of TfL. Can you give us your view on the scope for driverless trains?

Mike Brown (Managing Director, London Underground, TfL): Chair, through you, the reality is that all the new trains we are currently procuring and which are arriving in London - whether it is on the Victoria line and on the sub-surface lines - do have train cabs where a driver will be. My absolute focus is to ensure delivery and operability of those trains in the best way possible, aligned obviously with the new signalling systems.

If you look in the wider part of my domain now and look at the DLR and other parts of the system there are examples where different solutions have been proposed and operated.

Richard Tracey (AM): And in many parts of the world.

Mike Brown (Managing Director, London Underground, TfL): And in many parts of the world. Where I come from this in this is very simple. The role and confidence that having a properly trained and fully fledged member of staff on our trains throughout the Underground network brings to passengers, the ability to keep things moving when things might get delayed, dealing with passenger and other safety issues is really important. Any debate on this, going forward, as to what we might do hypothetically in any future train procurement process, has to have that very much at the centre of our thinking. It will do so.

Richard Tracey (AM): Is the rumour true that the Mayor has had the experience of standing in a driving cab where the driver is, effectively, not driving the train?

Mike Brown (Managing Director, London Underground, TfL): I am not sure I am best placed to talk about the Mayor's rumours. I do know that the Mayor was out and about, as he is most days, on the Tube network and he was out and about on the Jubilee line yesterday in a driver's cab with one of our drivers. Indeed, I believe he made a public address announcement saying, I am happy to say, there was a good service on all Underground lines.

Richard Tracey (AM): Very good; very promising.

Valerie Shawcross (Chair): We want a safe Tube network, Mike! That pretty much brings it to a conclusion. Thank you so much for coming today and answering the questions. Particularly grateful thanks to David. We thought your contributions were really useful and very much appreciated.

David James (Chair, Independent Investment Programme Advisory Group): Thank you.

Valerie Shawcross (Chair): Mike, you have from time to time written to the Committee, via me, with updates and information. That is used and much appreciated. If it is possible you could perhaps follow up, if you have time, with a letter giving as much information as you have got about the forward closure programme - I appreciate the problem there - and more detailed completion dates for the programmes? That would be very helpful. We did not mention the Piccadilly line today. It was the only line that did not get an airing. It would be helpful to hear the latest on that, given the cost saving programme. We will, to both of you, be following up this issue of our access as a Committee to the IIPAG reports which sound as though they are really very, very useful and insightful. We would like to have access to that.

Jenny Jones (AM): And the carbon footprint information.

Valerie Shawcross (Chair): There was carbon footprint information that Jenny requested. I do not know if you would like us to send you a shopping list of information?

Mike Brown (Managing Director, London Underground, TfL): No, I think I have got that. Some people around me I am sure are writing these things down.

Valerie Shawcross (Chair): There are lots of people writing notes. Thank you very, very much for coming today and thank you for the work that you are doing. We very greatly look forward to the Jubilee line being absolutely up and running. Thank you.

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