

# UNDERGROUND UPDATE

by John Hawkins

## TRANSPORT FOR LONDON SETTLEMENT

The 11-page settlement letter dated 31 October 2020 details the Government's Extraordinary Funding and Financing Agreement with TfL, which applies until March 2021. The aim is to work towards a financially sustainable position by April 2023. This means that TfL will cover from current sources, and potential new sources excluding government grants, all operating costs, capital renewals, debt servicing and repayment, and capital enhancements. This specifically excludes major capital enhancements and renewals (e.g. replacement of life expired rolling stock and signalling) which TfL would not be expected to solely finance from operating incomes. TfL must meet its statutory obligations in relation to a balanced budget over the remainder of the financial year and in future years. The further funding package for Crossrail will be concluded separately. There is mention of the Northern Line Train Services contract, which provides trains from Alstom, seemingly to guarantee payment.

TfL will maintain the current temporary changes to the Congestion Charge, and also to the use of concessionary fares for the over-60's and Freedom Pass holders during peak hours. TfL must prioritise the urgent delivery and operation of a temporary walking and cycle ferry as a replacement crossing for local communities affected by the closure of Hammersmith Bridge, and commit to a contribution of £4m this financial year for the stabilisation and repair of the bridge – although it is not a TfL asset! It must maintain its commitment to tightening LEZ in March 2021, and to create a single larger ULEZ bounded by the North and South Circular Roads with effect from 25 October 2021. Fares are to increase in January 2021 by RPI+1%. Two Government Special Representatives will continue to attend all TfL Board meetings.

The Extraordinary Funding and Financing package comprises £1bn for TfL for the period 18 October 2020 to 31 March 2021, i.e. Extraordinary Support Grant of £905m and additional borrowing by TfL of £95m, based upon passenger demand at 65% of pre-Covid levels. If actual passenger receipts are below this level, then the amount of Grant will increase to compensate. After 12 December 2020, and to the extent that a top-up grant is required, the Government and TfL will enter discussions to determine whether service levels need to reflect those circumstances.

TfL must, by 11 January 2021, produce a management plan with options as to how a trajectory to financial sustainability could be achieved as soon as possible, with a target date of April 2023; scenarios that demonstrate the impacts of reduction in planned expenditure (ranging between nil and 30%) over the period to 2024/25; and an assessment of the impact of demand on sustainability, including modelling of medium-term service level requirements against possible demand scenarios post removal of Covid travel restrictions. This suggests that when Covid travel restrictions end, services must be reduced to match demand levels at that time.

If the Mayor and TfL wish Londoners to continue to benefit from travel concessions and other benefits above those typically available elsewhere in England (specifically free travel for all Londoners aged under 18 and 60-65, excluding statutory entitlements) then the costs of those additional benefits will not be met by central Government funding over the financial year 2021/22, but perhaps by maintaining the congestion charging changes implemented in June 2020, or by an increase to the existing TfL element of the GLA council tax precept from 1 April 2021. Such proposals will be submitted by 11 January 2021 alongside the financial sustainability plan, and a commitment to deliver an additional £160m of savings or income compared to the revised budget.

For Crossrail 2 there will be a priority of route safeguarding and an orderly end to consultancy work. TfL will work with a government-led expert review for possible implementation of driverless trains. *(TfL previously pointed out that London's deep tube lines suggest the need for attended operation which negates most of the staff savings of unattended operation, but it could be noted that these make up only a third of the network, and several such lines have long open sections at each end where perhaps the attendant would not be needed).*

## TfL INVESTMENT REPORT – QUARTER 1 – 1 APRIL TO 1 AUGUST 2020

The contract for the next generation of DLR trains by Construcciones y Auxiliar de Ferrocarriles (CAF) is under way. Preliminary design is complete and final design has started. The manufacture of fixtures

and items for the new trains has begun. A full scale mock-up of the train has been manufactured and is being shipped to the UK.

The Piccadilly Line upgrade saw a six-month deferral to key infrastructure works supporting the new train introduction due to Covid-19 affordability challenges. Trains are now due to arrive prior to infrastructure works being ready to receive them. The forecast date for first train into passenger service is now April 2025 (from October 2024). The preliminary design for the new trains has continued to plan. Collaborative discussions are ongoing with Siemens about the impact of Covid-19 on the train delivery schedule, which has resulted in a forecast four-month delay to detailed design completion, now forecast for completion in February 2021 (from October 2020).

At Bank, all four escalator barrels in the new parts of the station are now completed, and all but one of the additional new cross-passages are now completed. Tunnelling is nearly completed and by Quarter 3 (October – December 2020) the project will have completed all civil and tunnelling works. With tunnelling and secondary lining works that form a new link to the Central Line now complete, work has started on installing the support structures for the new moving walkways. The new station entrance on Cannon Street continues to take shape with interior wall construction and floor screeding completed, and fit out of services has now started. TfL have taken delivery of nine of the twelve new escalators that have been manufactured. These are now undergoing final preparation in readiness for installation in early 2021. Due to the impact of Covid-19, the proposed window for the start of the Northern Line (Bank branch) closure has been delayed to be October 2021 until January 2022. The closure will tie in with commissioning of the new southbound running tunnel constructed as part of the project. *The Battersea branch opening was to follow upon the original scheduled closure.*

## **PROGRAMMES AND INVESTMENT COMMITTEE – FRIDAY 16 OCTOBER 2020**

Elephant & Castle station capacity upgrade will deliver a new entrance with both escalators and lifts to reach new passenger connections to the Northern Line platforms in 2029, with safeguarding for an integrated station enabling the Bakerloo Line Upgrade & Extension (BLUE) project to connect in future to the new ticket hall.

The key recommendations of the Oakervee Review into High Speed 2 (February 2020) affecting London include that Old Oak Common should act as a temporary terminus until Euston station can be delivered (likely to be for two to five years). TfL has confirmed a requirement for 24tph on the Elizabeth Line to ensure sufficient capacity to minimise passenger congestion both at Old Oak Common and across the wider network. This will provide capacity for projected 2031 demand from HS2 services of six trains per hour, as well as demand from Great Western mainline services. *(The Elizabeth Line will open with 24tph in the central tunnel section to Paddington only).* LU Major Stations Programme lists High Speed 2 Euston LU station as 2030-35.

A major milestone for the Northern Line Extension project will be the start of the Dynamic Systems Testing (“Engineers’ Railway”) stage. This stage will see standard tube trains operating through the extension for the first time, to aid completion and testing of the railway systems. The extension will remain a construction site during Engineers’ Railway, which will see the testing of rail systems and signalling technology, as well as safety testing from late-December 2020. This will be followed by Trial Operations from summer 2021, which will be used to demonstrate that the railway is fully safe to operate. Evacuation and other emergency procedures will be fully tested during Trial Operations and the first tranche of Train Operator training will be carried out. The project team continues to strive to achieve the pre-pandemic target opening date window of Autumn 2021. *(Which now precedes the Bank closure of October 2021 – January 2022!).*