

# TRANSPORT

## Briefing

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## Delays to TfL capital investment spend explained

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A 1% cut in London transport fares could reduce the money available to Transport for London for capital investment projects by £340m over 10 years.

The figure features in a letter from transport commissioner Peter Hendy shown to the London Assembly's Budget and Performance Sub-Committee. It was confirmed on Tuesday (16 October) by TfL's interim chief finance officer Andrew Pollins who appeared in front of the panel.

Pollins stressed that any decision by Mayor of London Boris Johnson to announce a fares cut when he sets out his 2013 fares package shortly could jeopardise planned enhancement projects such as lengthening trains on the London Overground network during Control Period 5. He confirmed that the government has agreed to underwrite train fare rises in the capital in line with the decision to reduce the January 2013 increase in national rail fares from RPI+3% to RPI+1% - announced at the Conservative party conference earlier this month (TB 8791). Pollins said this commitment was equivalent to around £68m which, should he choose to cut fares by 1%, would leave the Mayor to find a further £272m over 10 years.

Explaining TfL's £65m underspend for the first three periods of the current financial year, forecast to top £404m over the full year, Pollins said the bulk of the surplus was a result of planned investment being reprofiled into future years.

Giving examples of why this had happened, he cited issues with the new S-Stock being introduced on the London Underground sub-surface lines. As a result TfL asked Bombardier to slow down the delivery of the new trains while technical issues were resolved. This means payment of £54m for the new trains will be made later than previously envisaged.

Further examples are said to include the Victoria Station Upgrade project where TfL has held discussions with main contractor BAM/Vinci about the location of sewers and associated piling. This has postponed spend of around £42m. On the Paddington Integrated Project, where a new ticket hall has been built for the Hammersmith & City line station, there have also been delays spending the money budgeted.

"At Paddington station, for example, there have been some genuine delays because of the design - agreeing that with Crossrail," said Pollins. "And that impacted the programme by £16m - that's a real bit of slippage. However on the investment reports they are highlighting that they do not perceive this to be a risk to the overall programme."

TfL's interim chief finance officer said the decision to suspend engineering works during the Olympic and Paralympic Games had led to delays



*Paddington Integrated Project: delay spending £16m following LU/Crossrail design discussions*



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spending between £13m and £30m on the Bakerloo/Central/Victoria Underground lines. He said between £17m and £20m of the estimated £404m underspend was a result of one-off efficiency savings.

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