



London Overground AQTr Symposium



12 February 2019



Arriva Rail London

About Us

- Arriva Rail London (ARL) is the train operating company responsible for running the London Overground network under a concession agreement with Transport for London (TfL)
- ARL is part of the Arriva group, a leading provider of passenger transport in Europe that employs 60,000+ people and delivers over two billion passenger journeys across 14 countries each year
- Arriva is part of Deutsche Bahn (DB) with a global reach operating high-speed, metro, tram and integrated transport services from California to Canberra



Managing Director

Will Rogers

Performance Director

Matt Pocock

Customer Experience Director

Stella Rogers

Human Resources Director

Oli Gant

Fleet Director

Kate Marjoribanks

Finance Director

Steve Best

Transformation Director

Alicia Andrews



London Overground Success Story

Since 2007, the London Overground network has grown from a series of fragmented and under-used lines to a highly successful network

- 640k customers per weekday / 200m per year
- Serves 23 out of London's 33 boroughs
- ¼ Greater London population and jobs within a 15-min walk from a London Overground station
- 1,500 train services every weekday using a fleet of 98 trains
- Employs more than 1,300 staff
- Serves 113 stations

This success has been delivered through TfL investment and an operator working across organisational boundaries



London Overground Brand

The 'Tube' roundel is an internationally recognised symbol of London, and the London Overground brand is equally important to TfL

- Symbolises regular frequency offered
- Demonstrates integration with TfL family and network
- Represents service quality and reliability
- Signifies transformation of an undervalued railway into a renewed high quality service

Investment has brought London Overground up to the consistent standards that customers expect from other TfL branded services



TfL's Vision

TfL's Vision: to be world class

Defined by four priorities:

1. Safety and reliability
2. Maximising capacity from existing network
3. Growing the network
4. Customer service

Concession Objectives

- Excellence in safety and sustainability
- Continual improvement in performance through working with industry partners
- Continual improvement in customer satisfaction through innovation
- Enhancing London Overground brand
- Reducing operating subsidy without compromising quality
- Integration of West Anglia services
- Introducing new rolling stock and resulting train service enhancements
- Managing and accommodating growth

Concession Scope – Service Enhancements

TfL will continue to invest in the London Overground network over the next decade. Schemes currently under consideration for inclusion in the next concession:

Watford-Euston

- Extend evening & weekend services
- Introduce new trains
- Increase service frequency to 4 trains per hour
- HS2 works at Euston

Gospel Oak-Barking

- Electrification completed
- Extend evening & weekend services
- Introduce new electric trains
- Increase service frequency to 5 trains per hour in peak
- Extend services to Barking Riverside

Richmond-Stratford

- Increase service frequency to 5 trains per hour in peak
- Introduce a new station at Old Oak Common



West Anglia

- Station enhancements
- Introduce all night running on New Year's Eve
- Introduce new trains
- Increase service frequency
- Introduce a new service between Stratford and Angel Road

East London Line

- Extend evening and weekend services
- Introduce all night running on New Year's Eve
- New station at Surrey Canal Road
- Increase in service frequencies
- Introduce all night running on Friday and Saturday nights

Clapham Junction-Stratford

- Extend evening and weekend services
- Introduce a Boxing Day service
- Increase service frequency by 2 trains per hour
- Introduce a new station at Old Oak Common
- Introduce all night running on New Year's Eve

All schemes remain subject to business case appraisal.

A Complex Multi-Party Railway

Track Infrastructure

- Two Infrastructure Managers: Network Rail and TfL
- Control arrangements covering multiple routes and mixture of AC and DC rail electrification
- Direct interfaces with five other train operators and multiple freight operators
- Eight depots, operated by Bombardier (3), ARL (2) and other train operators (3)

Station Infrastructure

- London Overground serves 113 stations with varying responsibilities for operation and asset stewardship presenting a challenge for facilities management

82	Stations managed by ARL
49	Regulated lease with Network Rail
9	Unregulated lease with TfL
24	Underlease with TfL

31	Stations managed by others
14	London Underground on national network
2	London Underground on tube network
15	Network Rail or other operators



TfL Concession Model

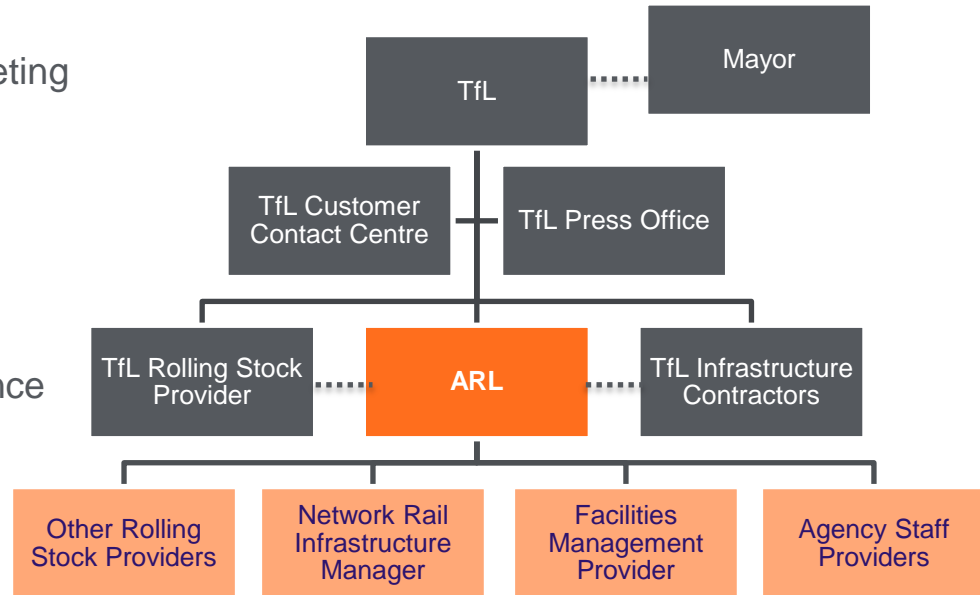
Unlike conventional rail franchises there is much closer alignment between TfL and its operators where TfL retains all revenue and responsibility for all matters that influence demand

TfL lead on:

- Fares policy, advertising, retailing and marketing
- Pre- and post-journey customer services
- Infrastructure projects
- Management of new train fleets
- Press and stakeholder engagement

Concession Agreement

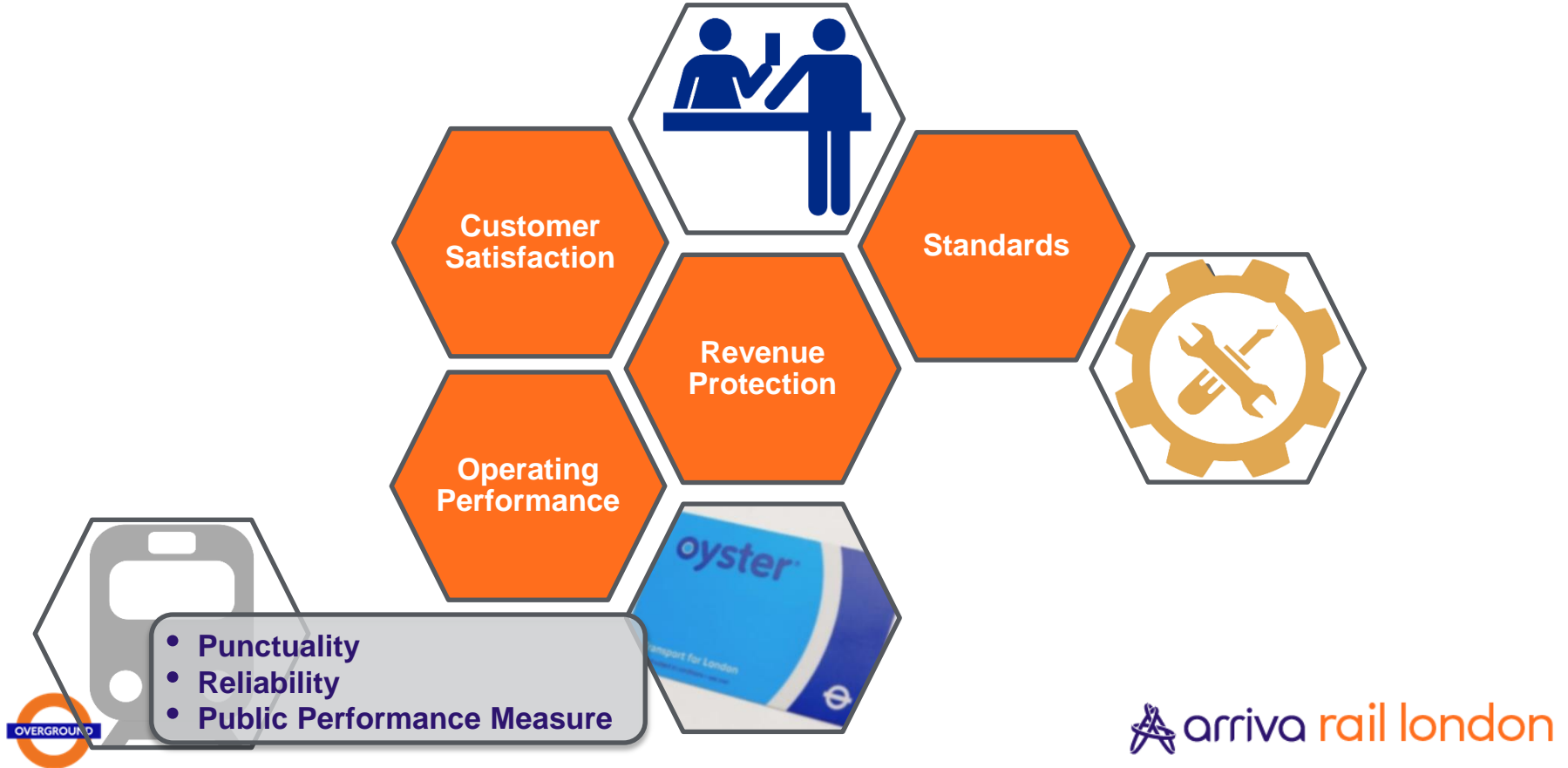
- TfL specifies the train service and performance and service quality standards
- ARL paid a fixed payment with adjustments (bonuses and penalties) based on performance against specified standards



Performance Regimes



Performance Regimes



Performance Regimes



Performance Regimes



Performance Regimes



TfL - ARL Relationship

TfL has a concession management team, which is co-located with ARL to help establish a close strategic and working relationship

The teams are structured to enable functional dialogue on operational and commercial matters as they arise

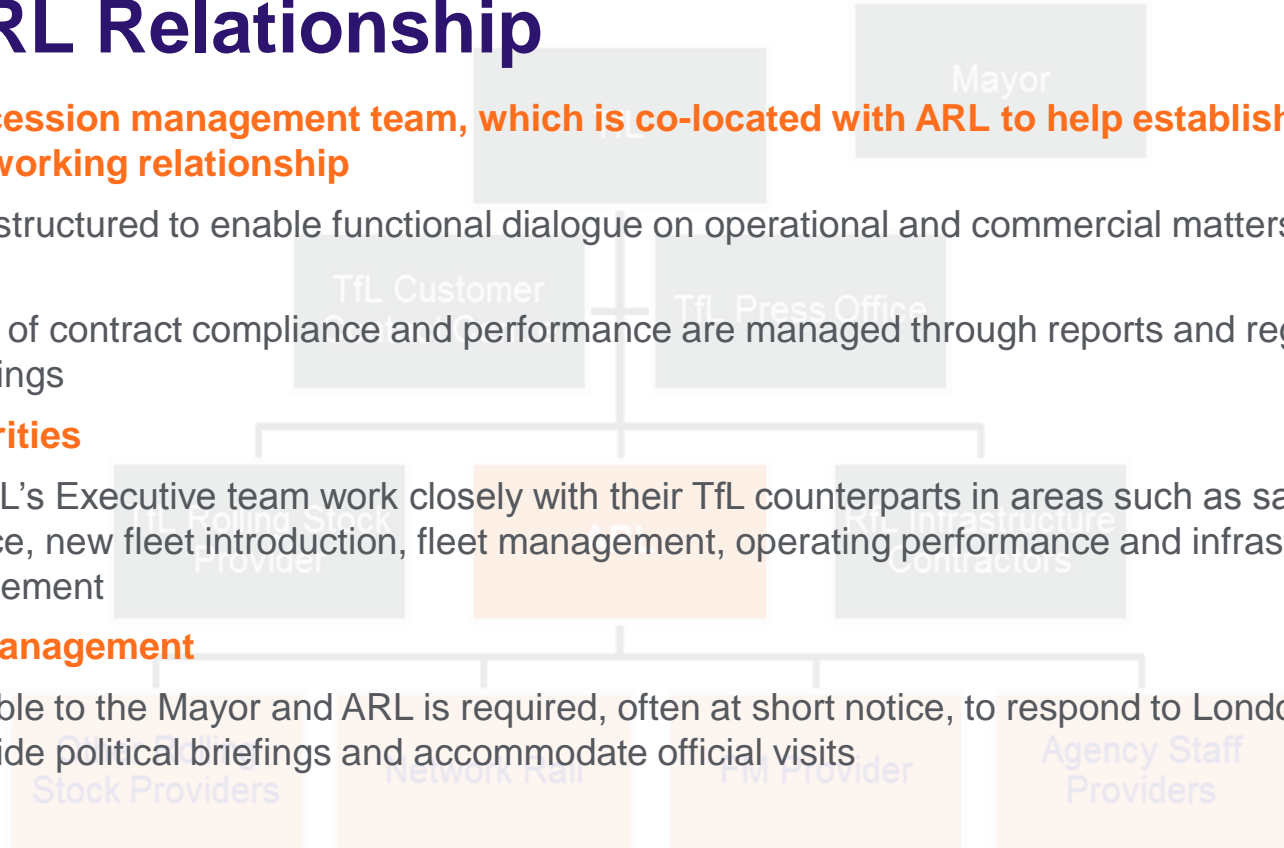
Formal aspects of contract compliance and performance are managed through reports and regular functional meetings

Business Priorities

Members of ARL's Executive team work closely with their TfL counterparts in areas such as safety, customer service, new fleet introduction, fleet management, operating performance and infrastructure & facilities management

Stakeholder Management

TfL is accountable to the Mayor and ARL is required, often at short notice, to respond to London Assembly questions, provide political briefings and accommodate official visits



Contractual Interfaces

There are multiple direct and indirect contractual (and non-contractual) interfaces between ARL and TfL across a wide spectrum of business activities as illustrated below

Activity	TfL Role	ARL Role	Comment
New Train Introduction	Contract management of supplier	Interface with TfL's supplier	Operational and commercial discussions via TfL
Customer Journey Modernisation	Endorse programme and brief Mayor	Engage and consult with staff and trade unions	Programme scope has become politicised
Customer Communications	Handle all 'off network' customer messaging	Deliver all 'on network' customer comms	Customer messaging overly 'softened' for political reasons
Rolling Stock Supply (TfL fleet)	Contract management of supplier (30-year deal)	Manage daily fleet availability and servicing	Lack of contractual leverage over TfL supplier can hinder progress

Contractual Interfaces (2)

Continued...

Activity	TfL Role	ARL Role	Comment
Station Asset Stewardship	Landlord at 31 stations / Investor in other stations	Tenant and facilities management	Balancing repair vs renew requirements with two landlords
Infrastructure Projects	Investor in station, track and depot schemes	Interface management and/or 'elected client'	Seeking opportunities to invest for mutual benefit
Commercial Development	Implement plans to grow non-farebox revenue	Facilitate delivery of projects at stations	TfL strategy focussed on large footfall stations only leaving gaps
Train Service Planning	Specify services that meet strategic aims	Devise deliverable plans to operating constraints	Business cases that balance risks: revenue vs performance

Change Management - LOTRAIN Project



The London Overground network continues to evolve with several exciting transformation projects being delivered. However, projects are susceptible to changes in scope and programme

A case in point is the delayed LOTRAIN project: TfL's £350m investment 45 x 4-car electric trains

Current Status

- 31 trains built / 6 trains at Willesden for testing
- Significant software development issues leading to missing functionality, some critical
- Joint approach to developing mitigations through a rigorous safety validation process
- Given compressed timescales the amended fleet introduction plan is far from what would be considered best practice approach

Risk	Mitigation
Continued concerns with instability of software where operational / safety impacts cannot be verified	ARL directly involved in software testing to provide invaluable 'end user' perspective on what issues can (and cannot) be tolerated
Missing functionality impacting scope of driver training programme	Reforming and adapting course programme to reflect evolving functionality ('a train is better than no train')
Misalignment between driver competency and train configuration management	Release of new functionality to be delayed until stable position reached, some flexing in course programme to accelerate where possible
Lack of trains to operate services where new trains now later than handback date of existing fleet	Transport contingency plans: extending leases, reforming trains amending performance regimes to reflect stretched fleets
No firm date for new trains required for committed service enhancements	Adopting flexible approach to 'slot' in new trains when they arrive (within rigid timetable process) subject to driver training

Tripartite Relationships: Fleet

TfL has **Manufacture & Supply and Trains Services agreements (MSA/TSA)** with **Bombardier** for the **Class 378 and Class 710 fleets**

Tripartite agency agreements allow TfL to delegate certain of its rights and obligations to ARL
However, the arrangements are complex and can lead to 'blurred lines' of responsibility...

	Responsibility	TfL	ARL	Bombardier
MSA	Testing & Commissioning	Design assurance, engineering acceptance, platform works	Support platform-train interface testing, place units into service	Design and build units to spec, organise testing, secure approvals
	Training & Simulators	Informed	Provide drivers for instructor training, lead driver training	Provide and maintain simulators, instructors and training materials
TSA	Handover / Handback	Monitor performance and oversee procedures	Collect and deliver units for service *	Prepare and make units available for service
	Maintenance & Overhauls	Procure stabling sites, approve additional services	Identify faults and allow access to units for repairs *	Exams / overhauls, rectify faults and damage, remove graffiti
	Cleaning	Accountable for train aesthetic condition	Daily interior and turnaround cleaning *	96-hour exterior wash and periodic heavy cleaning

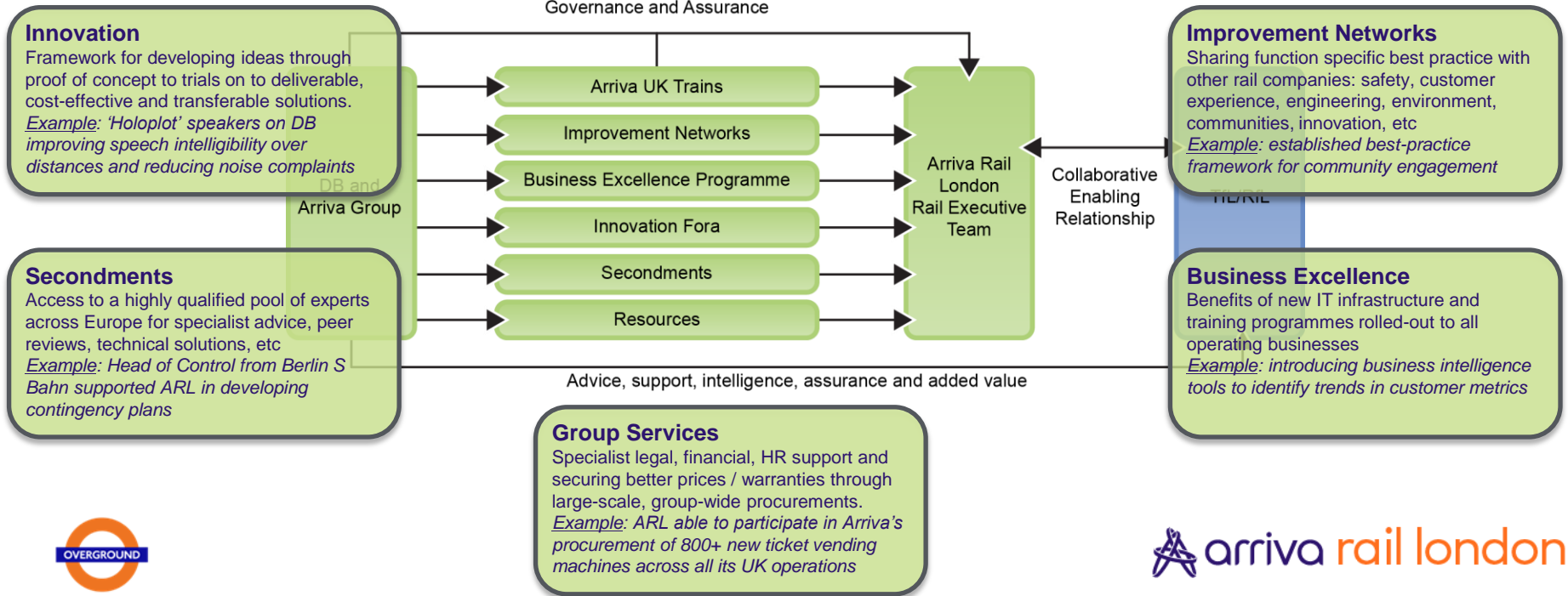


* Delegated under the Agency Agreement



Harnessing Group Expertise

At ARL we are able to reach back to Arriva Group for support in meeting strategic challenges and opportunities



Summary

The concession model has enabled TfL and ARL to meet many challenges, opportunities and changes in a collaborative manner. It's not a typical client-supplier relationship...

Achievements since Nov-16

- Introduction of Night Overground
- Extended weekend and evening services
- Public Performance Measure 8% higher than national average
- Concession best T-3 operating performance on some routes
- Continually improving safety record
- Various London Transport Awards

Looking Ahead for 2019/2020

- Introduction of LOTRAIN and planned service enhancements
- Completion of Customer Journey Modernisation programme
- Setting ourselves up for success to deliver the Mayor's Transport Strategy



Mayor's Transport Strategy 2018

See it on the Mayor of London's website



Questions?