

## **EDITED PRESS RELEASES**

### **TRANSPORT FOR LONDON / LONDON UNDERGROUND**

#### **TRANSPORT FOR LONDON WELCOMES KEY FINDINGS OF NATIONAL AUDIT OFFICE REPORT ON FAILURE OF METRONET**

**5 June 2009**

Transport for London (TfL) today welcomed the key findings of the National Audit Office's (NAO) report on the failure of Metronet, the Infrastructure company (Infraco) set up to upgrade and maintain two-thirds of the Underground network under the Government's Public Private Partnership (PPP). The NAO study found that a lack of leadership and poor governance were the key factors resulting in the massive overspending by Metronet which ultimately saw the company fail and enter into Administration in July 2007. The report also found that London Underground's ability to identify risks and effectively manage the contracts was repeatedly "hampered by the poor quality of information available from Metronet".

The report states: "Metronet did not provide good quality performance and cost information in the way London Underground envisaged and London Underground did not have a breakdown of Metronet's high level budget on station refurbishment work". This meant that London Underground never had the confidence that programmes and costs were being properly managed and, by design of the PPP contracts, was deprived of the contractual levers to drive improved performance when necessary. Once in Administration however, Metronet was managed effectively by LU, according to the report.

Since Metronet entered administration and was subsequently transferred to TfL work has continued to ensure the protection of the line upgrades, which will deliver the big increases in capacity and reliability which London so badly needs, as well as key stations and accessibility works. Performance has improved, with a 42 per cent increase in track reliability and service disruption reduced overall by 13 per cent.

TfL has also renegotiated a number of Metronet's contracts on trains, track and signalling which did not offer the best value for money, improved procurement, delivered operational efficiencies and revised the programme of upgrade work, saving farepayers and taxpayers an estimated £2.5bn now and in the future.

The report notes that the PPP Arbiter was the external party with greatest access to Metronet's performance data, and that LU did not have access to the same level of information. The NAO estimates that the direct loss to the taxpayer of Metronet's failure is between £170m and £410m. However, this does not take into account work left undone by Metronet which still needs to be completed by LU in future.

# OLYMPIC DELIVERY AUTHORITY

## PERMANENT IMPROVEMENTS AT STRATFORD STATION REACH HALFWAY POINT

4 June 2009

The £100m investment programme to make permanent improvements at Stratford station have now reached the half way point, and are on track to be completed by the end of next year. The work to treble the capacity of Stratford Station will mean that commuters and residents will benefit from the improvements two years before the Games.

Improvements include:

- Widening works and extended canopies on platform 6/8 which is used by services to Shenfield and London Underground's eastbound Central Line trains has provided passengers with more space and greater protection from the weather.
- Platform 'clutter' has been removed, creating more space on the platforms.
- Two new lifts are already in operation.
- Two new London Overground platforms have recently opened which have enabled work to start on converting the old platforms for DLR use. The converted platforms will then become part of the extension being built from Stratford Regional to Stratford International.
- A new platform (3A) which makes changing between lines easier and eases pressure on subways and an extension to platform 10A.
- A new, wider bridge to replace the existing Angel Lane Bridge to the east of the station will allow the creation of more space for pedestrians and improved safety for road users.
- A new loop so that freight trains no longer block much needed platforms as they travel through the passenger station.

The most noticeable change to the station is the bridge which is being pushed across 11 live railway lines to allow spectators, shoppers and residents to cross over to Stratford City into the Olympic Park