

From: [Kumapley Seyram](#)
To: [Brady Colin](#)
Subject: FW: Programme Update - WLO funding study
Date: 11 January 2019 15:53:29

See blue highlighted text (another email nudge?)

From: Veiga Aitor
Sent: 11 January 2019 15:52
To: [REDACTED]
Cc: Kumapley Seyram; [REDACTED] Porter Chris
Subject: FW: Programme Update - WLO funding study
[REDACTED]

After having a quick conversation with Seyram we had a concern that the point below had perhaps not flowed through regarding the capital side of the report.

I just wanted to raise that while we are happy to accept slides as a way to review and provide comments to the work you've done, which we have already engaged in, as a final deliverable TfL requires a technical report format.

We do not expect the report's core content to change from the slides, but we do require the format of the final deliverable to be as described by Seyram in the email below.

I will be on a training course early next week, but feel free to discuss this topic with Seyram, I will be back on Thursday and will be able to pick up then.

Thanks.

Kind regards,

Aitor

Aitor Veiga | Corporate Finance

Transport for London

6th Floor | North Wing | 55 Broadway | London SW1H 0BD

Telephone: [REDACTED]

Mobile [REDACTED]

E-mail: [\[REDACTED\]](#)

From: Kumapley Seyram
Sent: 05 December 2018 12:01
To: [REDACTED]
Cc: Porter Chris; Veiga Aitor
Subject: RE: Programme Update - WLO funding study

Hi [REDACTED],

Thanks for this. These analysis would be useful to tell the full story. However as discussed during our telephone meeting, we would prefer a technical report/note as an output for this study and an update to the slides shared with us last week.

Please let me know if there are any issues with this.

Regards,

Seyram

From: [REDACTED]
Sent: 04 December 2018 07:51
To: Veiga Aitor
Cc: Porter Chris; [REDACTED]; Kumapley Seyram
Subject: RE: Programme Update - WLO funding study
Aitor / Seyram

I've noted the following elements as desirable to complete the Funding study (revenue and cost analysis):

- Update revenue forecasts using outputs from the 'development scenario' Railplan run
- Document further assumptions /detail behind the revenue forecasts (either for technical note, or appendix in slide pack)
- Update revenue benchmark comparison to London Overground by disaggregating orbital routes on LO
- Bolster analysis around impact of Railplan not including fares and consequential routing / demand (high level quantification where possible)
- Further commentary to explain limitation of using LTS matrix aligned to 8tph option for 4tph scenario
- Additional detail regarding potentially lower FTAC payment
- Intergradation of the rolling stock options paper

- Further description /assumptions to backup the profile of cost and revenue (slide 12)
- High level consideration around fares restructuring to increase yield /km on orbital trips

Please let me know if there are other comments.

My intention is to share a simple update of the slide pack end of this week to capture the all-important results of the development scenario model run. Overall my preference would then be to deliver the final output as a slide pack and not a report /note. If we did this, the PPT file update would be more comprehensive and we would add in appendices in order to cover backup / assumptions – much the same content as a note.

Regards

[REDACTED]

From: [REDACTED]
Sent: 30 November 2018 09:11
To: Veiga Aitor
Cc: Porter Chris ; [REDACTED] ; 'Kumapley Seyram'
Subject: RE: Programme Update - WLO funding study
Aitor

Please find attached an updated version of the slides, for use in discussion at 0930. Only slides 9 and 11 differ from the version shared on Weds.

The update addresses Seyram's point 1 below (however this does introduce a different inconsistency in that the operating costs have only been produced for the West Hamstead variant – not a big issue as the cost variance will be small).

Thanks

[REDACTED]

From: Kumapley Seyram <SeyramKumapley@tfl.gov.uk>
Sent: 29 November 2018 10:02

To: [REDACTED]

[REDACTED]

[REDACTED]

Cc: Veiga Aitor <AitorVeiga@tfl.gov.uk>; Porter Chris <ChrisPorter@tfl.gov.uk>; Cadwell Amanda <AmandaCadwell@tfl.gov.uk>
Subject: RE: Programme Update - WLO funding study

Hi Mike [REDACTED]

We've just briefly looked over the slides and a few things look odd. I'm not sure if this is coming from the modelling or just a summary error but thought we should get some answers on this before we look at the slides in more detail. Our comments are for both the funding and modelling studies.

1. I see a 4tph variant – West Hampstead ->Hounslow has been used. Is this because it is Phase 1? Mike has previously confirmed that the preferred 4tph option is Hendon ->Hounslow. Would this be reflected in the funding study work? Otherwise, it seems like we're missing something in the presentation?
2. Why is the Staples Corner (Brent Cross West?) figure (slide 13) lower in the 8tph scenario than in the 4tph? In theory, the level of service at the station in both scenarios is the same but the 8tph figure is particularly low. Even if we were to assume Cricklewood boarders walk there (because they don't have a service in the 4tph option), it's still less!
3. The Harlesden Boarders are quite low. A max of 24 boarders across all scenarios and 3 boarders in the Brent Cross West ->Hounslow scenario

Is there an explanation for the above queries? Can you share the emerging outputs from the runs that have been completed with us + Amanda so we can review this in good time?

Regards,

Seyram

From: [REDACTED]
Sent: 28 November 2018 22:42
To: Veiga Aitor
Cc: [REDACTED]
Subject: RE: Programme Update - WLO funding study
Aitor

Please find attached a set of output (draft, for discussion, with some gaps to be completed) setting out the analysis we have undertaken on operating costs and revenue.

At the current time this uses the standard Railplan scenarios only – the development scenarios are not yet available.

The results overall are likely to be disappointing – using the standard method available, revenue has gone down and costs have gone up vs the previous WSP work. For this reason the concluding slides focus on the lower cost 4tph (Hounslow to West Hampstead) option rather than the 8tph scenario.

In this scenario:

- Annual operating costs are estimated at £13.8m per annum (base year prices, from the TfL analysis). We see some scope for cost reduction against this number, but this is offset partially by missing station operating costs. We have presented a better (currently indicative) alternative costs scenario at £1.5m per annum lower.
- Annual revenue is estimated from the Railplan 2031 outputs (without additional development), giving annual net revenue at £6.7m (this is based on a standard TfL business case method). However, we see various factors that indicate the demand forecast may be low, so show a sensitivity test with 25% higher revenue.
- Even if we use the most favourable numbers above (for cost and revenue), revenue does not exceed cost until circa 2041.

I would be grateful if we could discuss before these outputs are circulated. This pack is only 75% complete, and I'm going to ask the Railplan team to help check the demand outputs.

We also have opportunity from the development scenario outputs – this may be significant. I also believe there is a large range of uncertainty surrounding the demand outputs, as indicated by the benchmarking against the existing London Overground network (I suggest we do a bit more refinement of this).

Sorry this email is late in the day – it has been a very busy week already.

Finally, Seyram – did you get any feedback on the subject of testing alternative fares structures? This is currently not included, and as discussed previously I think we would struggle to consider this fully within time / budget, but we can give this or other areas some attention depending on perceived priorities.

Thanks

[REDACTED]

From: Veiga Aitor <[REDACTED]>

Sent: 28 November 2018 13:23

To: [REDACTED]
[REDACTED]
[REDACTED]

Subject: RE: Programme Update - WLO funding study

David,

Thanks for the update, around when today can we expect to see the findings?

Kind regards,

Aitor

Aitor Veiga | Corporate Finance

Transport for London

6th Floor | North Wing | 55 Broadway | London SW1H 0BD

Telephone: [REDACTED]

Mobile: [REDACTED]

E-mail: [REDACTED]

From: [REDACTED]

Sent: 27 November 2018 20:47

To: Veiga Aitor

Cc: [REDACTED]

Subject: RE: Programme Update - WLO funding study

Aitor

We are now due to issue updated reporting of the capital cost funding tomorrow. In addition, I will also update you tomorrow on the operating costs / revenue analysis.

I hope this slight delay does not cause too much inconvenience, and I look forward to discussing further.

Kind Regards

[REDACTED]

From: Veiga Aitor <[REDACTED]>
Sent: 27 November 2018 16:10
To: [REDACTED]
Cc: [REDACTED]; Kumapley Seyram
<SeyramKumapley@tfl.gov.uk>

Subject: RE: Programme Update - WLO funding study

David,
Can we get an update on the below?
Kind regards,
Aitor

Aitor Veiga | Corporate Finance
Transport for London
6th Floor | North Wing | 55 Broadway | London SW1H 0BD
Telephone: [REDACTED]
Mobile: [REDACTED]
E-mail: [REDACTED]

From: [REDACTED]
Sent: 19 November 2018 13:52
To: Veiga Aitor
Cc: [REDACTED] Kumapley Seyram
Subject: RE: Programme Update - WLO funding study
Aitor

Sorry for the slight delay responding to this. The update is as follows:

- We will issue updated reporting on the capital cost funding by 27th November. This will be complete from our perspective, pending any comment from TfL.
- I will email an update on the operating costs funding tomorrow; we have recently captured the results from the latest Railplan outputs, but we still await the development scenario modelling.

Regards
[REDACTED]

From: Veiga Aitor <[REDACTED]>
Sent: 15 November 2018 18:47
To: [REDACTED]
Cc: [REDACTED] Kumapley Seyram
<SeyramKumapley@tfl.gov.uk>

Subject: Programme Update - WLO funding study
[REDACTED]

Hope all is going well. I was wondering if Motts could provide a programme update on the WLO funding study, it would help us plan how to fit its outputs into the other work going on.

Thanks.
Kind regards,
Aitor

Aitor Veiga | Corporate Finance
Transport for London
6th Floor | North Wing | 55 Broadway | London SW1H 0BD
Telephone: [REDACTED]
Mobile: [REDACTED]
E-mail: [REDACTED]

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