

[REDACTED]

Rail Partnership Engagement
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Dear Sir/Madam,

Rail Passenger Services in London and the South East

Please find below the response from [REDACTED] which we hope will assist you with regard to proposals for a new working partnership for specifying and managing rail services in London and the South East.

Questions

1 Do you agree with the principle of a partnership to better integrate the specification of rail passenger services across London and the South East?

A partnership approach between TfL, the DfT and the LSE TOC's is essential to deliver a consistent and integrated product for the customer. This hasn't happened historically and as a result, this has meant that the TOC model has been under funded centrally, creating an imbalance of investment between the TfL model and the TOC model leading to inconsistency of service quality. The partnership needs to be three way and of equal balance in the decision making process going forward, to ensure that customers across the South East all get a fair deal and a high quality service, regardless of which franchise or concession structure and funding source applies. It is unacceptable for one franchise model to generate massive investment for stations and services, whilst another leaves passengers without an equitable level of investment and service improvement. Either we fund all services to the same high level and specification or we decide that affordability constraints mean that the specification is slightly reduced, but then is applied equally to all services and routes.

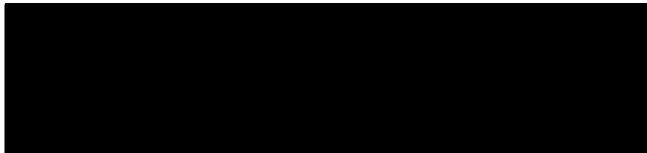
2 Do you agree with the principles that the partnership will work to? Are there any specific issues that have not been captured?

Broadly the principles are right in that we agree there should be consistency in the quality of service and performance across London and the South East. The solutions are not in the sole gift of the TOC community by any means; government policy and funding needs to be aligned to facilitate this vision as fare policy and station services are governed by this. The key enabler is transparency and parity in funding so that both service consistency and value for money (the public purse) are realised.

3 Do you agree with the proposed arrangements?

No we do not agree with the governance arrangements as they do not provide assurance on effective delivery of the vision set out or value for money. The proposal commits the industry to further devolution without any robust financial or operational analysis. The document contains superficial evidence and in certain cases misleading evidence to this effect in relation to claims of improved service as a result of historical devolution. A robust and transparent analysis needs to be conducted well before the proposed strategy is further developed and the document sets no process out to enable this. The strategy should also consider timing of devolution as this will increase significant inefficiencies with delivery of the operational services and creating greater complexity and increased costs for the industry to carve out rail passenger services across London and the South East. For example if services currently operating under the South Western franchise were to be devolved, this should happen once Crossrail 2 is in place. Parity between TfL and TOCs should also be given with regard to property development 'air rights' in order that stations can be developed on a proper commercial basis with retention of some key sites within the Greater London area for TOCs.

[REDACTED]



4 What form do you propose the input from local authorities and LEPs could take?

There needs to be robust and formal consultation with these bodies at regional level and in a way that does not present a fait accompli. This consultation needs to be in line with principles and possible outcomes agreed between TfL, DfT and the LSE TOC's. It then needs to result in an agreed way forward through which services are specified and funded in a equitable manner, as well as the processes by which local authorities and LEPs can input and, where practical, invest in or fund further service enhancements. There should be opportunities both to meet and submit written proposals and comments. **5 Do you agree with the safeguards for transfer of inner suburban services to TfL, as set out here?**

No - we do not. There is no process set out for risk analysis, financial analysis, and value for money or operational bench marking. It assumes that devolution is the best answer but is unsupported by any fact. The risks such as concentration and widening of union power, further subsidisation of the TfL model, the evaluation of ROI on each model and the potential for wage inflation and cost escalation are not catered for in the proposal. Nor does it address the fundamental inconsistency in the way different parts of the LSE rail network are funded.

6 Are there any other outcomes you might expect to see achieved?

The key outcome we do expect to see is a balanced and robust analysis that provides clarity on what is best for the customer from a financial, operational and quality of service perspective, which assures the tax payer that value for money is being delivered and ensures that station, service and rolling stock investment is equitable across the LSE region. There also needs to be an agreed, higher minimum specification which applies across all services for station standards, frequency, rolling stock quality, customer facilities, etc. to prevent the position which has developed in recent years, where some routes have seen tens or hundreds of millions invested across a small LSE route, in contrast to a fraction of that amount being invested in some other, wider, larger LSE networks.

Future engagement

| We are happy to engage with the Review in whatever way is sensible and appropriate, including attending meetings or being part of working groups which help re-define the investment, funding and specification framework to create a better, balanced and more effective approach, with clear and consistent benefits for customers and communities across the LSE region

Yours sincerely

