

'A new approach to rail passenger services in London and the South East'

Consultation Response



# Question 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.

The huge growth in population and economic activity, and associated increases in congestion, pollution and overcrowding makes it essential that all modal forms of transport are integrated and working as effectively and efficiently as possible in the capital. Devolution in itself however is no panacea for the failures of a discredited franchised system.

However we very strongly believe that integration of public transport and giving communities and devolved institutions a greater say about transport can only be best achieved through a nationally integrated railway operating under public ownership. A vibrant publically owned and operated network in London will equally have high passenger usage, show strong growth and have a high market share of all trips made in the region. It can focus on ensuring it delivers high levels of customer satisfaction, has the appropriate capacity to meet that demand, has robust service infrastructure and operates an appropriate, modern and accessible fleet. Moreover by not being motivated by dividend payments the service can offer good value for money with its leaders and staff having a clear vision for the future, with the appropriate governance structures and strategic plans to support growth within a public service ethos.

believes that the maximum level of contract specification must be used for all the services and stations, so as to prevent the operator, especially if it is not publically operated, from sweating the assets, ticket prices and by reducing services, staff and safety critical jobs to increase profit.

Station services should be determined based on their economic and social value, and ultimately passenger need (including security and safety), not on cherry-picking by train operators or retailers.

believes that all existing current services should be re-examined and quality assessed in terms of safety, service needs and satisfaction and then fully specified within the franchise agreements. Any changes must be jointly agreed by all internal and external stakeholders, including the trade unions.

Furthermore believes there should be a specified minimum number of staff on every train and this must, as an absolute minimum be a Driver and a Train Guard with a safety critical operational role. believes that drivers should focus only on driving the train.

There should be no Driver Only Operation (DOO), Driver Controlled Operation (DCO) and Driver Door Operation (DDO) specified within franchise documentation.

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

Before we simply embrace the existing TFL model as the best way forward, let us reflect on the fact that the real success story in London is London Underground. The disastrous experiment with privatisation has thankfully ended and we currently have a world class public sector company that runs the Tube completely on behalf of passengers. A public sector company that has consistently improved as a result of being in public ownership and last year transporting a record 1.3 billion passengers.

London Underground	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Passenger journeys (millions)	1,305	1,265	1,229	1,171	1,107	1,065
Kilometres operated (millions)	80.3	76.2	76.0	72.4	68.9	69.4
Percentage of schedule operate	ed <b>97.6</b> %	97.5%	97.6%	97.0%	95.6%	96.6%
Excess journey time (Mins weighted)	4.6	5.2	5.3	5.8	6.5	6.4
Customer satisfaction (score)	84	83.0	83.0	80.0	79.0	79.0

London Overground Rail Operations Ltd (LOROL) who currently run the Overground service is actually owned by the public. Not the public in Great Britain however as it is a joint venture owned by the German Government's Deutsche Bahn and Hong Kong public authorities MTR Corporation. It operates as a commercial profit making organisation. Since LOROL started operating eight years ago Gross profits have been recorded of just under £150 million to the 31 March 2015. Over £120 million of that was then paid out in 'administration expenses' although it is unclear from the accounts as to what this actually reflects. Believes that whatever the exact figures are, all profits and dividends are money that a GB public sector company, run on the 'not for profit model' of London Underground, could reinvest in services in London for future generations.

Between them these companies are paid 10% of all London Overground's Passenger Income. This income has been used to support dividend payments which estimate in the three years from 2012-2014 could have been used to fund an average 6.5% year on year fare cuts. That would be completely in line with current TFL adverts seen on the Tube but are instead being used to subsidise rail services in Hong Kong and Berlin.

#### Question 3: Do you agree with the proposed governance arrangements?

clearly believes in one integrated transport system that when aligned with other services would deliver better accountability to public bodies, better public planning opportunities and as a common brand would stress their role as part of an interconnected

network rather than a bunch of disparate opaque operators that neither work with each other or other modal forms of transport.

Franchising, however you structure it, is a fundamentally unsuitable way to deliver rail services. As a model tainted by the profits from rail franchises going to private or foreign state-owned shareholders, not into improved rail services or benefits to passengers, then only by changing the system will real improvements be made. The lessons of the rail industry is that rail managers deliver best when they have stability, a close and positive relationship with the public body which funds the service and a manageable sized business operation.

Good public transport systems around the world are easy and convenient to use, fast, safe, clean and affordable. The overall key feature is that they integrate multiple technologies, such as metro rail, light rail, Tube, Tram, Bus Rapid Transit, basic bus services and cycling. A common ticket or fare card serves all the systems, making it easy for passengers to transfer from one mode to the other. Passenger information systems enable users to know when the next service is due and to understand the routes easily, and high frequency of service reduces the hassle of a long wait for the next bus or train. London still has some way to go before being such a system.

### Question 4: What form do you think the input from Local authorities and LEPs could take?

The biggest obstacle facing the type of devolution favoured by (and many others) is the need for legislative agreement for TfL to be able to run a public sector train operator in the capital.

London will soon have less devolved powers than those in Scotland and proposed for Wales and the option to be able to run services directly should be sought from government as a fall-back position if not immediately progressed. The interests of train operating companies to be able to extract the profits from the system will also be a strong lobby in deciding future arrangements and need to be challenged through the maximum level of contract specification covering all services and stations. Services should be determined based on their economic and social value, and ultimately passenger need (including security and safety), not on cherry-picking by train operators. Believes that all existing current services should be maintained and fully specified within the franchise agreements unless jointly agreed by all internal and external stakeholders, including the trade unions.

There are countless examples from continental Europe that reinforce that lesson, not least in Germany and France.

Franchising, however you structure it, is a fundamentally unsuitable way to deliver rail services and it is tainted by the profits from rail franchises going to private or foreign state-owned shareholders, not into improved rail services or benefits to passengers. We want the fullest possible input from local authorities in the context of a national integrated publically owned railway.

## Question 5: Do you agree with the safeguards for the transfer of inner suburban services to TFL as set out here?

is concerned that fares are already detrimental for many passengers and concerns have been expressed that TfL will improve services for London at the expense of long distance services. This is a potential risk but long distance trains are still vital to the London economy and cannot be ignored. Non London residents who work in the capital, tourists and business meetings are all essential elements of London's success and must be considered in any future planning for devolution. The protocol previously accepted by TfL to ensure all essential passenger interests are taken into account, regardless of where they are travelling from or to, would seem to be an appropriate starting point to ensure there must be no adverse effects or negative impacts.

An additional key safeguard should be no Driver Only Operation and for TFL to keep all the ticket offices in the stations open.

#### Question 6: Are there any other outcomes you would want to see achieved?

The success or otherwise of these proposals will have implications for the future of franchising and contracting for rail services generally.

is clear that it should all be brought back under public ownership in recognition that rail is a public service and that there is a strong role for central and local government to ensure that people are able to afford and access quality services. However in the absence of the above approach we believe it is essential that the following criteria for deciding the shape and nature of future rail contracts is taken on board by the client involved in letting any contracts:

- i) All services should be detailed and highly specified and run tightly as concessions, management contracts or gross cost contracts, in contrast to the current main inter-city service franchises, where the scope for action by train operating companies to grow the revenue is huge.
- ii) Timetables should be strategically planned by including accountable public bodies that facilitates more transparent decisions on priorities between different types of rail services (local, long distance, freight etc.) and other modal forms of transport.
- iii) All of the above depends on funding not being immediately cut once the responsibilities are devolved and whether or not the money is ring-fenced.
- iv) Lessons must be learnt from best practice on revenue protection, station management, safety, accessibility and all other aspects of service quality. This is important as RMT believes that incorporating service quality measurement in the letting and monitoring of concessions can and should vary, depending on local circumstances, and the voice of unions and passengers should be sought and heeded on this. This is especially important on franchises still being let and managed under the discredited DfT model.

The long term success of any public service also has to be about trust and confidence: trust by the public in the service, for example on reliability, cleanliness, safety, staffing, capacity, fares and changes to timetables; trust by train operators in the contracting authority, and vice versa; and trust by the workforce in terms of being treated as valued partners, for example when introducing modernisation or new work patterns.

We believe that such an approach has to be fully at the heart of delivering continued growth in quality rail modal share relative to private transport, so as to both reduce congestion and help the economy and the environment by cutting carbon emissions.

Whilst there is no single measure of the effectiveness of a rail system believes a vibrant public sector network will have high passenger usage, show strong growth and have a high market share of all trips made in the region. However, it must also ensure it delivers high levels of customer satisfaction, has the appropriate capacity to meet that demand, has robust, safe services and infrastructure and operates an appropriate, fully staffed modern and accessible fleet. Moreover, the service must offer good value for money, and the leaders and staff of the service must have a clear vision for the future, with the appropriate governance structures and strategic plans to support growth within a defined public service ethos.

