

## Rail Delivery Group

Response to:

Department for Transport/Transport for London

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

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# **Rail Delivery Group Response: A new approach to rail passenger services in London and the South East**

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## **1. Introduction**

The Rail Delivery Group (RDG) was established in May 2011. Its purpose is to enable Network Rail and train and freight operating companies to succeed by delivering better services for their customers. This ultimately benefits taxpayers and the economy.

The RDG works with governments to promote the most effective way of delivering passengers services that meet user and stakeholder expectations. The RDG, particularly through the Franchise Strategy Group, is working closely to advise the DfT, and other specifying authorities, on how best value and effective customer-driven outcomes are taken forward.

## **2. Overview**

RDG welcomes the opportunity to respond to the prospectus issued by the Department for Transport (DfT) and Transport for London (TfL) outlining a new approach to rail passenger services in London and the South East. We support the three principles which will guide the partnership's approach and agree that better services, improved reliability and high standards of customer service will support economic growth and passenger satisfaction. Indeed over the last 20 years train services across London and the South East have improved as operators have introduced new rolling stock, upgraded stations, improved customer information systems and increased staffing levels.

Rail use in London and the South East continues to grow and it is essential that the network optimises scarce capacity and continues to adapt to meet demand and passenger needs. The segmentation of passenger services between inner London and longer distance routes can be achieved but there will be risks which need to be identified and mitigated. We commented on the London Infrastructure Plan in October 2014 and included our view on the dense network and limited terminal platform capacity. The partnership approach alone will not provide the additional capacity required to meet the growing needs of passengers and freight companies.

We understand the aspiration to transfer inner London services to TfL control and we are keen to work with all parties to identify key issues and risks. In this response RDG concentrates on the issues which must be resolved to ensure a successful transition to a different contractual framework.

## **3. Key issues and risks**

RDG recognises that there is a great deal of detail to be worked through which is not set out in the prospectus and wishes to outline areas where we would like to see more information.

The proposals have significant implications for the way in which the railway delivers services and meets the performance targets expected by passengers and stakeholders. The impact on other parts of the network and freight in particular must be properly understood. If inner London services transfer to TfL control it is important that the transition is managed to minimise reputational and operational risk to all parties. RDG wishes to highlight the following issues for the DfT and TfL to address:

#### Operational Issues

- Rail use in London and the SE continues to grow and it is essential that the network optimises scarce capacity and continues to adapt to meet demand and passenger needs. The Franchising Authority (DfT or TfL) must ensure that operators facilitate and deliver enhancements to add capacity whilst also achieving good value for money.
- The management of the network must not become fragmented and we will rely on the system operator and regulator to ensure that train paths are allocated appropriately to inner London, longer distance, and freight services. It is particularly important that train planning for freight services continues to be managed centrally by Network Rail in its role of system operator.
- Freight services are vital to economic prosperity within the South East and for the UK and by their nature are not confined to one area or region. The inflow to London of building materials by rail is essential to support both the commercial and house building programmes. In addition the movement of containers from ports including Felixstowe and London Gateway removes freight from roads and supports sustainable growth.
- It is important to ensure that there are not any unintended consequences across the network to passenger and freight services which do not pass through London. This could be caused by changes to the train plan at London terminals or elsewhere within the Greater London Authority (GLA).
- It is not clear which routes will be considered for transfer and there will be a number of operational implications which result from separating services. The resource implications for the loss of synergies are covered below. In addition there will be increased competition for use of the limited depot and stabling capacity in the GLA area.
- The increased service frequencies proposed in the prospectus could result in problems at London terminal stations which have limited platform capacity. There could also be insufficient capacity through key junctions or other pinch points which could impact on overall performance.
- It will be essential that the retail ticketing systems at stations which transfer continue to work seamlessly with National Rail in terms of both the front office offering and back office interfaces. Customers must be able to continue to purchase the full range of tickets from stations that transfer to TfL concessions and similarly travel from outside the GLA without becoming confused about ticket validity.

#### Resourcing Issues

- Separation of services will cause a loss of synergy and have resourcing implications as rolling stock, maintenance depots, and train crew diagrams which are interwoven with longer

distance services, will be disconnected. This will result in a requirement for additional rolling stock and train crew (as happened when West Anglia inner services were transferred to LOROL). Even if rolling stock can be obtained there will be a need for additional maintenance and stabling capacity.

- The consultation discusses the standardisation of facilities and operation of inner London stations. The transfer of terminal stations away from Network Rail control could have an adverse impact on important, long distance, high revenue earning flows which are essential to the GLA economy.
- The aspiration to modify fare levels to align with other TfL modes may introduce anomalies when compared to longer distance routes to London. RDG would be prepared to assist in calculating the potential impact.

#### Transition Issues

- The TUPE of personnel will require careful handling as there are implications for the division of train crew and maintenance depots and the selection of staff to transfer may be resisted or result in excessive volunteers.
- Most of the relevant sections of the Railway Pension Scheme are in deficit and any pension scheme which is receiving staff with accrued pensions will require the transfer to be fully funded.
- Any transfer of services must be carefully planned and implemented to avoid disruption to passengers. It may be preferable to set up separable business units within franchises before the staff and rolling stock transfer to a new operator.

## 4. Detailed response to questions posed in consultation

In this section we have answered the specific questions posed and where necessary have referenced back to our earlier comments.

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?

Passengers should benefit if all stakeholders work together to agree the specification of rail services within London and the South East. RDG favour the use of output specifications which have the benefit of simplicity for all stakeholders.

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

The prospectus doesn't make it clear that the economy of inner London is significantly dependent on the workforce which commutes from outside the GLA. It will be necessary to ensure that longer distance services continue to be improved. It must be recognised that this will mean trade-offs between longer distance, inner London and freight services.

Question 3 - Do you agree with the proposed governance arrangements?

It is not clear how the views of stakeholders including LEPs and Local Authorities will be included in the decision making process. We would like this to be set out in more detail – see Question 4.

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

RDG recognises the importance of engaging with stakeholders but the frequency and type of engagement depends on the resources available and the ability of the stakeholder to add value to decisions. Local Authorities and LEPs should be involved in setting the strategy for routes which impact their areas and the specification of franchises or concessions. They should not be involved in routine contract management issues.

Question 5 - Do you agree with the safeguards for transfer of inner suburban services to TfL, as set out here?

Although the prospectus says that longer distance services will be protected it is not yet clear how Local Authorities and LEPs outside the GLA will be included in setting the specification for concessions and franchises. We understand the desire to provide improved train services within the GLA but currently peak trains are full and standing from locations such as Winchester and Guildford and passenger growth continues. Longer distance services will require additional capacity including infrastructure enhancements on the inner London network and at terminal stations.

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

We would like to see the protection of freight services set out in more detail. As highlighted in the RDG publication “keeping the lights on and the traffic moving” rail freight generates more than £1.5bn a year in economic benefits for the UK through improved productivity and reduced congestion. Freight flows both within and through the South East are important to the economy and the consultation document does not make explicit reference to preserving and enhancing the capacity provided.

For enquiries regarding this consultation response, please contact:

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