

Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

4 September 2015

Dear Chancellor

HM Treasury Spending Review 2015 submission by London TravelWatch

London TravelWatch is the independent consumer body responsible under a series of statutes for representing the interests of all who use public transport in and around London and the network of roads managed by Transport for London. We are grateful for the opportunity to make this representation regarding the Spending Review 2015.

The major challenge for London's transport providers in the next 20 to 30 years will continue to be to meet the needs of a rapidly expanding and changing city, particularly a growing population and economy. This is also a vital consumer issue for London residents and visitors alike. Users of London's transport services are already suffering the impact of capacity shortages through congestion, delays and overcrowding. Failure to keep pace with future demand will cause further serious detriment to millions of people in their day to day lives.

London TravelWatch recognises that much of the cost of running services will continue to be raised directly from users and that transport budgets are not protected from reductions in government spending. However, in our view, it will not be possible to fund much needed improvements in the efficiency of London's transport networks and maintain the existing infrastructure in the capital without major long term public investment. It is also important that there should be a stable and continuous stream of funding that will make it easier for transport providers to negotiate better terms with their suppliers – thereby facilitating value for money and locking in significant future savings.

Meeting the transport needs of a growing population and economy

London's population and economy are growing rapidly, even more so than was forecast in the London Plan 2010 and the Mayor's Transport Strategy.

New housing and employment sites are needed to meet the demands of this growth and a range of plans and developments are already under way. But many of these are in areas where access is poor or where capacity is already tightly stretched, especially in east London. Areas identified for growth will require improved transport capacity.

It is also vitally important to transport users that the current programme of upgrades to the National Rail, Underground, Docklands Light Railway and Tramlink networks is continued. Better signalling and greater network reliability are essential if passengers are to benefit from the best use of current capacity.

In the longer term, plans for Crossrail 2 must be progressed, as a crucial enhancement to the network. There is a similar need for new rail links to give better access to and between London's airports so that full advantage is to be made of current and future airport capacity.

Improving the efficiency of London's transport networks

London's public transport services now make much more efficient use of available networks than they did a decade or so ago. Underground, Tramlink, Docklands Light Rail and some National Rail services are operating at greater frequencies and with additional carriages. The major works at London Bridge will help this process still further. However, more needs to be done to further extend train lengths and improve frequencies, particularly on National Rail in south London. Electrification of the London area's remaining diesel operated rail lines is also important as a mechanism for improving efficiency and capacity gains across the network as a whole.

Buses have been a success story of recent years, carrying more passengers than any other public transport mode in London. They are the only fully accessible mode that operates throughout London, 24 hours a day, seven days a week, and that can respond flexibly to changes in demand. Bus services have generally improved in terms of reliability, but there have been some worrying recent declines and much remains to be done. Too many bus services operate at too slow a speed. Turning this round will require continued investment in bus priority measures.

As well as investment to improve bus service efficiency there remains a need to keep fares affordable to the widest section of society as possible, particularly for people doing the lower paid jobs which are essential for London's economy. Thus revenue support, the bus grant, for bus services in London must be maintained and targeted where it provides best value for money.

Efficiency savings

London TravelWatch is not opposed to savings but these should focus as far as possible on efficiency improvements, such as through smarter operations and with standards of service maintained. In this context we have not been opposed in principle to innovations such as cashless buses and underground ticket office closures provided effective safeguards are in place. We recognise that efficiency savings can be made by running services differently to make better use of existing infrastructure.

One key way to achieve this is to devolve further power over surface rail to the Mayor of London. This would allow Transport for London to use its operational expertise and experience to squeeze the maximum value out of the existing network. Experience with the London Overground has shown, for example, how the introduction of ticket gates has significantly reduced fare evasion. Transport for London is also able to use its operational expertise and bargaining power in managing contracts with suppliers that maximise value to the passenger and taxpayer.

Services in London have benefited from substantial levels of investment in recent years but it is imperative for all transport users in the capital that this momentum is maintained, and that London's transport infrastructure is able to keep pace with the growing demand for public transport. We would be very happy to talk to Ministers/Civil Servants about the key issues we raise in this submission including the impact that any efficiency savings might have on passengers.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Locke". The signature is written in a cursive style with a large initial 'S' and a long, sweeping underline.

Stephen Locke
Chair, London TravelWatch