

Item 2: Devolution

Informal briefing note to Board members on progress with rail devolution in London

1. Key documents

1. London TravelWatch submission to London Assembly Transport Committee scrutiny.
http://www.londontravelwatch.org.uk/documents/get_lob?id=4015&field=file
2. The London Assembly Transport Committee scrutiny
<http://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=173&MId=5689&Ver=4> and
<http://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=173&MId=5690&Ver=4>

2. Background

As members will be aware, since the May 2015 General Election there has been a noticeable change of attitude towards rail devolution, with interest across the political spectrum and from local authorities surrounding London. Kent County Council in particular has changed its stance and is now agreeable to the possibility of devolved responsibility for Southeastern services in the London Metro area subject to certain conditions being met by TfL.

Given this more favourable atmosphere, the question changes from 'should' devolution take place to 'how and when'.

3. The next franchises

DfT had previously indicated that the Southeastern franchise could be subject to a devolution bid in 2018, and so TfL has been developing its case for this, and it is likely that this could be achieved at the time in 2018 when a new Southeastern franchise would need to be let.

However, a surprise was the recent decision by the DfT to commence the refranchising process for South West Trains in 2017 at the end of the current franchise rather than accept a 'direct award' franchise.

As far as can be ascertained, it seems DfT want to refranchise SWT in its current format as a single franchise. TfL has expressed its desire to discuss with DfT the potential for the Metro element of this franchise to be devolved.

However, it is unlikely that TfL would be in a position to achieve such a transfer on the date set in 2017 for the termination of the current South West Trains franchise. This is

because unlike Southeastern and Greater Anglia there have been no prior discussions as to how to manage the transition to separate businesses covering the London and non-London operations. In the case of West Anglia this process took over two years before the transfer took place to TfL.

The former Greater Anglia operations that transferred to TfL are smaller in volume than South West Trains and were operationally much less complex. Therefore TfL expect that they would not be in a position to take on a London South West concession much before 2018/19.

In addition, as outlined in the separate paper on the reconstruction of Waterloo station, these major works will take place in 2017/18, requiring substantial alterations to services. Operation of all services into Waterloo by a single operator during this period would be better for passengers in terms of service co-ordination and information.

A further complication arises if a decision is taken in the next two years to proceed with the Crossrail 2 proposal that would involve the replacement of some South West Trains 'Metro' services by Crossrail 2.

Both of these factors would suggest that it would be sensible to proceed with a refranchising of South West Trains franchise on a 'like for like' basis from 2017 onward, but with a requirement that the successful operator would facilitate the transfer of the 'Metro' business to a TfL concession part way through the franchise term.

Other rail franchises will be retendered in the next two years: Inter City West Coast; West Midlands; East Midlands; Great Western and Cross Country. However, these with the exception of Great Western do not include any services which might be potentially devolved to TfL.

4. Further action and recommendation

- London TravelWatch should continue to engage with DfT and TfL on the issue of rail devolution for local services within the London area to ensure that the best deal for passengers is obtained regardless of whether services are franchised or subject to a TfL concession. This should include preparing advice for both bodies as to what should be included in their arrangements.
- Dialogue needs to be continued with local authorities and rail user groups outside of the Greater London area to ensure that their needs and concerns are adequately taken account of in rail franchises or concessions.
- London TravelWatch should continue to promote the passenger safeguard protocol produced in June 2013.

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