

This paper is subject to Parliamentary privilege and should be treated as confidential until published by the Transport Select Committee



London TravelWatch submission to the Transport Select Committee inquiry into the Richard Brown review of rail franchising – January 2013

1 Introduction:

London TravelWatch is the official body set up by Parliament to provide a voice for London's travelling public, including the users of all forms of public transport. Our role is to:

- Speak up for transport users in discussions with policy-makers and the media;
- Consult with the transport industry, its regulators and funders on matters affecting users;
- Investigate complaints users have been unable to resolve with service providers, and;
- Monitor trends in service quality.

Our aim is to press in all that we do for a better travel experience all those living, working or visiting London and its surrounding region.

In preparing this response we have liaised with Passenger Focus on issues of common interest.

2 The Inquiry

London TravelWatch welcomes the House of Commons Transport Committee's inquiry, looking at the Richard Brown review of rail franchising.

London TravelWatch submitted a response to the Richard Brown review which can be found at:- <http://www.londontravelwatch.org.uk/document/14252/get>

London TravelWatch was pleased with the recommendations of the review and sent out the following press release on the publication of the review.

http://www.londontravelwatch.org.uk/news/2013/1/passenger_watchdog_welcomes_many_of_the_findings_of_richard_brown_s_report_on_the_government_s_rail

3 Principal concerns

In general terms London TravelWatch is pleased that many of its concerns on behalf of passengers have been taken up by the Brown review and incorporated into its

recommendations. However, it is now crucial that these are now acted upon by government in the interests of both passengers and taxpayers.

For us as a body representing the interests of passengers, the most important recommendations of the Brown review are as follows:-

- Paragraph 1.17. Bids should be explicitly scored on their proposals for improving service quality for passengers and their approach to management.
- Paragraph 1.18. The specification and oversight of franchises should be managed by authorities that are closest to their communities and local economies.
- Paragraph 1.13. The franchise term should be determined by the circumstances and size of each individual franchise.
- Paragraph 1.19. Improved flexibility and change mechanisms should be built into each Invitation to Tender (ITT) and Franchise Agreement.

4 Putting the passenger at the heart of decision making in the rail industry

London TravelWatch believes that the passenger should be at the heart of the decision making process in relation to rail franchises. Too often in the past franchises have sought to reflect the interests of a market in which passengers only play a very indirect part. The result is that the passenger interest becomes subsumed by the interests of the industry or government, which are assumed to be coterminous with that of the passenger. We therefore welcome the proposed weighting (of between 20 and 40%) in the evaluation of franchise bids of proposals that improve the service quality for passengers.

We would welcome the expansion of the National Passenger Survey (NPS) sample sizes, particularly in the London area where around 25% of National Rail stations have never been surveyed, and where local users of train services have been underrepresented in the survey. However, we with Passenger Focus believe that greater emphasis on NPS could potentially, if not balanced by other initiatives, lead to operators concentrating resources at the busiest stations. The NPS is also a survey based on perception rather than an objective set of criteria that can be measured and monitored.

We suggest that a quality standards regime is introduced to ensure that users of smaller stations do not lose out and to introduce greater objectivity. TfL's concession agreement on the London Overground includes their own comprehensive performance regime which is based on measures that are important to passengers. The Service Quality Incentive Regime (SQUIRE) used on the Scotrail franchise is another good example of applying such a mechanism alongside the NPS. SQUIRE is based on inspections against a quantifiable set of agreed standards and outputs (all detailed on the Transport Scotland website). SQUIRE inspectors audit 342 stations and approximately 200 trains every four weeks. Service areas inspected range from graffiti, toilets and timetables to train cleanliness, staff service and the public address system. There are 36 service quality dimensions inspected under this regime.

5 Devolving decision making to authorities that are closest to their communities and local economies

London TravelWatch believes that the most significant improvement for passengers in the London area would be the devolution of further franchises operating wholly or substantially within the Greater London area to the Mayor of London through Transport for London (TfL). TfL has through its London Overground concession for the operation of the former Silverlink Metro franchise and the East London Line, transformed the passenger experience on these lines. Previously Silverlink Metro was a very poor performer in terms of reliability, punctuality and the quality of the trains and stations. Now, the London Overground concession is the market leader in the London and South East and has experienced considerable growth in passenger numbers from 73 million per year in 2007/08 to 104 million in 2011/12, with further growth expected, and in satisfaction in customer surveys such as the NPS. We want to see these improvements realised also for passengers on London's other rail services.

TfL has many years experience of letting and managing franchises and concessions not only for London Overground, but also for Docklands Light Railway, Tramlink, the bus network and the Emirates Air Line. We therefore believe that it is competent and has the capacity to, take on the letting of further rail franchises. We would urge therefore that Ministers make an early decision to devolve responsibility for further parts of the National Rail network within the London area to TfL for the benefit of both passengers and taxpayers. We understand that this could be done without the need for additional legislation.

We were disappointed, however, that the review did not recommend that even where longer distance commuter franchises continue to be specified by the Department for Transport (DfT) there should not be more involvement of local bodies such as TfL in specifying and monitoring such franchises given their importance to localities such as London. In particular the combined Thameslink, Southern and Great Northern franchise which would provide a substantial proportion of local services within the Greater London area, and which has a large number of interfaces with TfL operated services.

6 Franchise terms should be determined by the circumstances and size of each individual franchise.

The demand for passenger rail services is constantly evolving, and the varied nature and transport geography of the rail network means that there is likely to be no one franchise model that fits each and every local circumstance. It is therefore welcome that recognition is now given to the need for franchise specifications to take more account of the local circumstances of the franchise that is being tendered.

7 Improved flexibility and change mechanisms

London TravelWatch welcomes the recommendation to improve franchise flexibility and that, in the case of government initiated change, this to be introduced where it can be shown that the net cost / benefit impact on franchises is neutral. However, we are concerned that such flexibility could leave passengers worse off if there is no protection on items such as timetables and ticket office hours. There should also be a requirement to consult with statutory passenger bodies such as ourselves before such changes are finally decided upon.

8 Conclusions

The Brown review recommendations represent a significant opportunity for the government to make franchising work better for the benefit of passengers.

It is important that the recommendations of the report are acted upon, with the enhancements suggested above. There are crucial interests at stake for the travelling public in London as well as across the UK generally. In particular, failure to devolve further responsibility for rail services in London would represent a lost opportunity to improve the passenger experience and improve the local accountability of transport providers.

Tim Bellenger
Director of Policy and Investigation

26 January 2013