

**From the Chair**

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Rt. Hon. Patrick McLoughlin MP  
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11 April 2013

Dear Secretary of State

**Devolution of rail franchising to the Mayor of London / Transport for London**

Following our recent discussions with your colleague Stephen Hammond, I am writing to formally express London TravelWatch's long held support for further devolution of local rail services to the Mayor of London.

We believe that the case has been strengthened by the positive experience for passengers that has been evident since the London Overground concession began operations in 2007.

The improvements to this service are reflected in our appeal casework statistics, measures of passenger satisfaction and the increase in passenger numbers that has resulted from the investment. Passengers have also benefitted from greater local accountability of the concession and the emphasis on customer service and attention to detail. This is backed up by clear specification of contract responsibilities, consistent monitoring of contract requirements and incentivisation of contractors to deliver within budget. Transport for London (TfL) has brought an integration of fares and ticketing policy and marketing to the concession.

For passengers both within London and those outside London served by this franchise, this has resulted in:-

- A service that now 'tops the tables' in terms of passenger satisfaction and reliability amongst London and South East train operators, including in 'value for money' ratings
- Significant investment in stations and trains
- Improved staffing and passenger information at local stations
- Improved passenger security whilst on stations and travelling on trains, including reductions in crime and fare evasion
- Improved interchange with other modes of transport, only possible because of a multi-modal body such as TfL, and which reflects the distinctive use by London users of multiple modes as part of continuous journeys.

- Simplification of fares and ticketing arrangements.
- Streamlining of complaints procedures by cutting out the duplication of roles between TfL and the concession operator.
- Better, more comprehensive and coordinated long and short term planning arising from the inclusion of London Overground in TfL's strategic and operational oversight of London's overall transport needs

We believe that the approach taken by TfL has been instrumental in growing patronage on the network, making London Overground the fourth largest train operating company in the United Kingdom in terms of passenger numbers. In the latest Office of Rail Regulation usage statistics London Overground as a station facility owner saw a 57% increase in passenger numbers at its stations between 2010/11 and 2011/12. Even allowing for the opening of the East London Line this is a significant achievement. Growth in this way helps to reduce operating overheads and costs.

If further devolution was agreed, London and the London economy would also stand to benefit from:

- TfL's ability to make best use of existing rail and transport capacity to cope with the increase in London's resident population and to enable growth in the economy to take place.
- A greater synergy with existing local services such as London Underground and Docklands Light Railway (DLR) as well as the London Overground and (future) Crossrail concessions. Many passengers use these local services in similar ways to London Underground, London Overground and DLR.
- Better co-ordinated metro services outside London which would have a positive knock on effect on services in London.

Further devolution of the parts of the current Greater Anglia and Southeastern franchises that serve the London area and its surrounding commuter belt would further capitalise on the benefits for passengers and taxpayers that have been achieved in the London Overground concession. The advantages of such an arrangement for passengers outside London as we see them are as follows:-

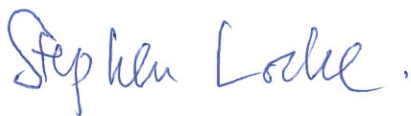
- Passengers would benefit from TfL's ability to work in partnership with local authorities both within Greater London and the neighbouring area on projects of local benefit e.g. with Hertfordshire County Council on the Croxley Link.
- The ability to detach local fares within London from the overall fares baskets of Greater Anglia and Southeastern. This would mean greater flexibility for operators to tailor fares to the local circumstances in these areas. In practice this means that any potential fare increases would be closer to the RPI+1 formula for fares baskets, as these baskets would have fewer fares contained in them and lower total revenues.
- Streamlining of customer complaints procedures by cutting out of duplication of effort between TfL and the train operators, particularly in relation to fares and ticketing issues which form over 44% of our appeals casework relating to National Rail operators.
- The ability to offer a consistent and comprehensive customer service proposition across London transport modes.

All of this would be achievable, whilst protecting the interests of passengers from outside the London area. Network Rail would continue to be the controller of the timetable and TfL would not have any superior claim on train paths over any other operator (including freight). Operators of long distance fast services calling at stations such as Sevenoaks, Broxbourne and Cheshunt would still set the fares from these stations to London Terminals in the same way that London Midland does from Watford Junction.

As the independent watchdog representing passengers in and around London, London TravelWatch believes that further devolution of rail responsibilities would make a significant contribution to the overall objectives of Government policy towards the rail industry and in fulfilling its desire for greater emphasis on the passenger interest in new franchises.

London Travelwatch attaches great importance to the issues raised in this letter. If there are any further points on which we can be of help to you or your officials, we would be very pleased to contribute.

Yours sincerely



**Stephen Locke**  
Chair