



The voice of London transport users

London TravelWatch response to the Williams Review call for evidence



London TravelWatch is the independent, multi-modal body set up by Parliament to provide a voice for London's travelling public. This includes users of rail services in and around London, all Transport for London (TfL) services (bus, Tube, DLR, trams, taxis) and motorists, cyclists and pedestrians using London's strategic road network. We are funded by and accountable to the London Assembly.

Our approach

- We commission and carry out research, and evaluate and interpret the research carried out by others, to ensure that our work is based on the best possible evidence
- We investigate complaints that people have been unable to resolve with service providers. In 2017/18 we had 7,788 enquiries from transport users and we investigated 2,468 cases with the operator because the original response the complainant had received was unsatisfactory.
- We monitor trends in service quality as part of our intelligence-led approach
- We regularly meet with and seek to influence the relevant parts of the transport industry on all issues which affect the travelling public
- We work with a wide range of public interest organisations, user groups and research bodies to ensure we keep up to date with passenger experiences and concerns
- We speak for the travelling public in discussions with opinion formers and decision makers at all levels, including the Mayor of London, the London Assembly, the Government, Parliament, and local councils.

Our experience of using London's extensive public transport network, paying for our own travel, and seeing for ourselves what transport users go through, helps ensure we remain connected and up to date.

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

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Part 1

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Executive Summary

The review invites written contributions to inform its work on any or all of the review principles, as set out in its terms of reference, with the ultimate aim of recommending the most appropriate organisational and commercial frameworks to support the delivery of the government's vision for the railway. London TravelWatch welcomes this review and the invitation to contribute written evidence on the review principles.

We support

London TravelWatch agrees with the need for a root and branch review of the rail industry. In particular we support the objectives of the review to:

- increase integration between track and train
- improve transport services across UK regions and devolved nations, including exploring options for devolution of rail powers
- improve value for money for passengers and taxpayers

We welcome

London TravelWatch welcomes the broad scope of the review. We will provide specific insight to the London passenger experience, and how this should be taken into account when considering options for reform. This response reflects the agreed stance of our board on key rail related issues.

We recommend

In relation to the review's terms of reference, London TravelWatch recommends:

1) Commercial models for the provision of rail services that prioritise the interests of passengers and taxpayers

- **Devolve rail powers to TfL** London TravelWatch takes the view that TfL are the competent body to deliver rail in the Greater London region. Local accountability and local management is preferred, as it has proven to provide a better service to customers. The existing centralised model for delivery in which the DFT runs the franchising process can be improved and TfL would be better placed to deliver rail services in London. The London Overground model of concession / franchise letting has proved to

be a very effective means of raising the standard of rail operation in London, which we believe should be emulated in future devolution of rail powers to London.

- Passenger satisfaction and passenger numbers have risen significantly since 2007 on the routes covered by this concession, which previously was regarded as a very poor operation. This difference in outcome for passengers is attributable to the different incentives and contracting arrangements that the devolved London Overground concession uses, rather than conventional franchise arrangements. It does this by ensuring that the concessionaire concentrates, and is incentivised to focus, on the delivery and development of services, with the setting of issues such as fares policy and forward policy being dealt with by TfL centrally, and the commercial risks associated with ticket and other revenue are also borne by TfL rather than the operator.

2) Rail industry structures that promote clear accountability and effective joint-working for both passengers and the freight sector

- **Partnership and cross-industry collaboration** The joint working between train operating companies and station managers in the management of the rail industry will be essential going forward. Without the effective introduction of contracted working partnerships, London's busiest routes and interchanges will suffer heavily in the coming years. London TravelWatch recommends an integrated and cohesive rail industry that works together rather than as separate entities. A more accountable and collaborative rail industry is essential, and will help build trust and confidence in rail, providing a more integrated and seamless journey experience for passengers.
- A great example of the benefit of establishing such partnerships is the recent Victoria station partnership, which was set up to establish a more integrated service at the busy London Terminal. Prior to the change, the station staff at Victoria were divided into three – workers from Network Rail and the employees of train operators: Southern and Southeastern. Now, staff are aligned in a unitary team - 'Team Victoria'. This change has enabled closer communication, the alignment of goals and setting of common objectives, all of which is improving the experience of passengers at the station. This demonstrates the benefits of closer working relationships and effective partnerships between different actors

within the rail industry to deliver a seamless, integrated and positive service to London passengers.

- **Meaningful engagement: making passengers the priority** We believe that there is a need to combine the above changes to working and management structures of rail operations with a renewed commitment to engaging with passengers. We support the London Assembly Transport Committee’s call for greater communication and engagement with London passengers, to improve understanding and the relationship between passengers and the rail industry.
- **Coherent vision and rail strategy for London** In order to achieve better partnerships and working relationships between various actors within the rail industry, we believe a single, coherent rail strategy for London will help different providers and actors in the rail industry work together to deliver a better experience for passengers. A rail strategy, to be jointly created by TfL and Network Rail, would oblige all parties to work towards implementation. Joint-working of this kind could provide the basis for a more coherent and integrated system of delivery in the capital: seeing London as one whole, integrated rail unit rather than a series of fragmented routes.

3) *A system that is financially sustainable and able to address long-term cost pressures*

- **Sound financial decisions that demonstrate good value for money** A robust and financially sustainable railway is essential in providing a consistent and reliable service for passengers: one which is able to bear the various cost and contextual pressures that may occur. Clear lines of accountability to government funding must be accessible to all. A more transparent and direct way of understanding the value and benefit of government subsidy must be made clear to the taxpayer and farepayer, indicating where government money is being spent on rail, and ensuring that it addresses key service and maintenance issues.
- **Adaptive to changing contexts and cost pressures** Passengers need to be assured that if cost pressures arise – whether it be loss of revenue as a result of declining passenger use, the cost of materials and labour going up for essential maintenance, or rising staff wages – that the

standards of service will be maintained. Government subsidy is unlikely to be decreased, but in uncertain financial times guarantees need to be made to passengers that services will not suffer.

4) *A railway that is able to offer good value fares for passengers, while keeping costs down for taxpayers*

- **Value for money for taxpayers** Government subsidies need to demonstrate more obvious social and societal benefits. Within the current model, the railway has to be commercially sound, but also bears a social and societal responsibility. It is understood that money invested in infrastructure and the railway industry, whether through franchise subsidies or Network Rail, reaps benefits for rail users and the taxpayer. However the benefits need to be made clearer if they are to represent good value for money and good investment.
- **Affordable fares** The setting of fares must be in balance with what passengers can afford. Our *Living on the edge*¹ research (2015) showed the economic consequences of making an unaffordable railway can sometimes be the closing off of opportunity to lower/income residents who then cannot afford to commute to zone 1. Further to this, new research from the ITC² has indicated that the type of job that someone has strongly influences the likelihood of travelling by rail to do that job. The structure of the British economy is a significant factor affecting rail demand, especially for commuting and business purposes, which together make up more than half of all rail journeys. The clustering of employment centres which are only possible to access via expensive rail journeys can have the effect of shutting out those who cannot afford to commute.
- Whilst passengers do not want to see their fares go up, many would be more sympathetic to necessary fare increases if the service provided was reliable and demonstrated good value for money. This is even more important in light of the poor service experienced by many passengers using services in London and the South East in 2018. If the current model is to continue, greater communication and trust between passengers, train operating companies and Network Rail must be established, as in any customer/service-provider relationship.

¹ http://www.londontravelwatch.org.uk/documents/get_lob?id=4100&age=&field=file

² <http://www.theitc.org.uk/wp-content/uploads/2017/05/ITC-Report-Rail-Passenger-Demand-November-2018.pdf>

5) Improved industrial relations, to reduce disruption and improve reliability for passengers

London TravelWatch will not be commenting on this.

6) A rail sector with the agility to respond to future challenges and opportunities

- **Resilient to disruptions and challenges** Economic, technological and industrial shifts as well as a fundamental changes in working patterns and travel behaviours should not rattle the rail industry, but encourage more adaptive and flexible practice. The franchise system must be able to deal with these. The current model does not allow for these trends and changes and does not have enough flexible mechanisms inbuilt – something which should be the priority of future franchise/commercial model design.
- **A more flexible, adaptive franchising system** The franchise system needs to be more flexible: the disadvantages of big, long contracts with little flexibility mean it cannot respond to changing contexts and pressures as and when they arise. If circumstances change, then the terms of franchise agreements must allow for flexibility to adapt and change the new context, to ensure that the service for passengers is not compromised. Enabling franchises to change midway through will better enable the rail industry to be more adaptive and responsive to changing needs and trends.

Introduction

It is widely understood that the rail industry is in need of significant improvement in order to deliver a reliable, affordable and high-quality service to UK rail passengers. The following response draws on evidence from London TravelWatch casework and our own research, as well as external sources. The area that we have made comments about is shown in the diagram below.

Figure 1 - Map of London TravelWatch area



London TravelWatch casework

London TravelWatch is the body to which transport users appeal if they are not satisfied by the response of the transport operator's complaints process.

Details of the last two quarters are available at http://www.londontravelwatch.org.uk/performance_reports

Recent research

London TravelWatch welcomes the opportunity to contribute to the Williams review call for evidence. London TravelWatch has carried out a range of research relating to passengers' priorities when using transport in London:

- Value for money on London's transport services: what consumers think (2013)
- London travelling environment: what consumers think (2014)
- Surface access to airports (2014) and (2019)
- Review of ticket office closures on the London Overground (2018 – 19)
- Small stations – too big to forget: The passenger's view (2017)
- What next for London's transport infrastructure? (2016)
- Review of ticket office closures on the London Underground (2016)
- Living on the edge: The impact of travel costs on low paid workers living in outer London (2015)
- Interchange matters: passenger priorities for improvement (2015)

The above reports are all available on our website: www.londontravelwatch.org.uk.
The exception to this is the ticket office closures review which is available at: <http://bit.ly/2w9o5K9>.

The Williams Review: Issues for London passengers

What are the main issues for passengers using rail in and around London?

With significant levels of crowding, low perceptions of value for money and poor levels of reliability, London's rail network has long struggled to deliver the level of performance that passengers could reasonably expect.

A string of disruptive incidents in the past couple of years have shaken faith in the rail industry, particularly for London rail users. The prolonged period of disruption for users of Southern Fail, the failed introduction of the new Thameslink timetable last May, and a continuous decline in satisfaction in London and the South East provide us ample cause for concern. Reliability across the network is 87% nationally, but lower in the London area. This level of performance has negative consequences on the quality of life for Londoners, through increased stress, less time at home and delays getting to work.

Our recent research *Annual Season Tickets: What price loyalty?*³ (2016) indicated the frustrations of passengers who are paying huge amounts of money for season tickets each year. Annual season ticket holders consider themselves the best customers for public transport service providers, based on their frequent use of services and their perceived spending with these providers. However, this is not felt to be recognised or acknowledged in terms of the relationship between the providers and the consumer. Most of these passengers have no other option but to purchase season tickets – especially those travelling for work - despite the poor service they receive. Many are resentful, and begrudgingly pay for these tickets.

National Rail Passenger Survey – Spring 2018 results

The NRPS is a twice-yearly survey of passengers, aiming to paint a picture of customer satisfaction with rail across the network. The most recent published findings are drawn from fieldwork conducted from January to March 2018.

The Transport Focus NRPS captures the satisfaction of more than 25,000 passengers with their last journey.

The latest NRPS shows that rail passenger satisfaction in London and the South East has seen a significant decline in passenger satisfaction in recent years⁴.

³ http://www.londontravelwatch.org.uk/documents/get_lob?id=4438&field=file

⁴ Transport Focus National Rail Passenger Survey (NRPS) June 19th 2018

The main issues for London and the South East:

- **Train frequency:** 72% passengers rated frequency as satisfactory or good, down 3% from 2017, and the lowest of all four rail sectors⁵.
- **Reliability:** 70% rated the reliability of trains as satisfactory or good, down 5% from 2017 and again, the lowest satisfaction of all four sectors.
- **How train operators deal with delays:** Only 35% of passengers rated how train operators deal with delays as satisfactory or good, down 2% from last year and the lowest of all four sectors.
- **Crowding:** 68% passengers rated crowding levels as satisfactory or good, down 2% from 2017 and again, the lowest of all sectors.
- **Value for money:** Only 41% of passengers thought their ticket represented good value for money – the lowest again of all sectors.

Whilst it is clear London stands out in terms of its low levels of rail passenger satisfaction, these statistics paint a dismal picture for all rail passengers. In the above categories, nearly a third of passengers do not find standards satisfactory⁶.

London passengers are the least satisfied with the value for money of their ticket price, compared to those in other metropolitan areas⁷. This can be attributed to poor train service performance, the higher level of fares paid by Londoners than those in other cities, as well as a higher dependency on public transport, greater levels of crowding, and other environmental factors that affect passengers' perception of this measure. For further details, see London TravelWatch's *Value for Money* report⁸.

⁵ There are four sectors: London and the South East, National, Regional and Long-distance services.

⁶ Transport Focus National Rail Passenger Survey (NRPS) June 19th 2018

⁷ London TravelWatch National Rail Performance Report Q1 2018-19

⁸ http://www.londontravelwatch.org.uk/documents/get_lob?id=4607&field=file

⁸ http://www.londontravelwatch.org.uk/documents/get_lob?id=3734&field=file

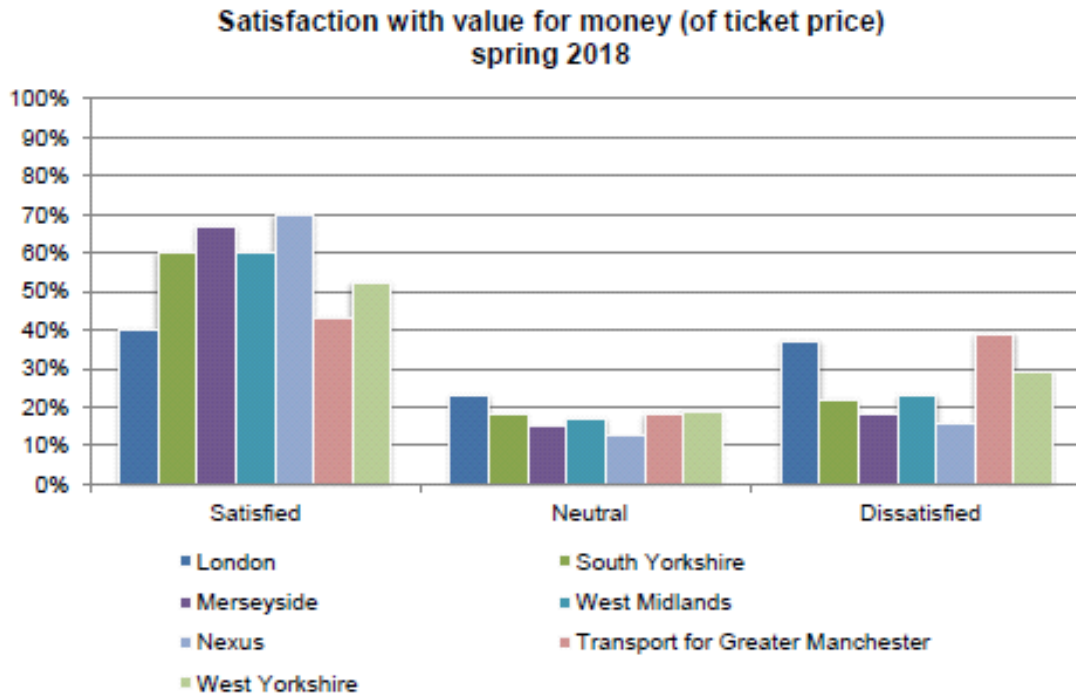


Figure 2 Source: London TravelWatch Performance Report Q1 2018-19

Our research has demonstrated that whilst other issues (travel environment, for example) are also of concern to passengers, it is getting these core expectations of rail service met that is the number one priority. This is supported by findings from the NRPS. A much closer look at industry structure and practice, which so far has failed to deliver consistently or a high enough quality of service for passengers and taxpayers, is certainly needed.

What do passengers expect from the rail industry?

Passengers are buying a service from the rail industry. Taxpayer contributions are distributed across the rail industry in various forms of investment and subsidy, but the experience of an ordinary passenger is not in terms of the whole system. Passengers do not expect their rail experience to be fragmented and patchy: they expect a consistent and integrated network which flows and operates seamlessly. Whilst within the rail industry the separation of roles, responsibility and service is understood, this does not relate to the passenger. For the rail user, the railways should be one integrated, fair and coherent system. For this reason, the closer working together of Network Rail and Train Operating Companies would help achieve this.

What do London passengers want to see from any new industry structure?

As indicated above, the rail industry is failing to provide on some of the very basic criteria passengers expect to see. At the very minimum, passengers should be able to expect punctual, reliable services. In light of a 13-year low for rail punctuality, poor performance and disruption in 2018 and the 3.2% fares rise this January, not meeting this essential criteria is unacceptable.

London is unique and key in any review of the rail industry. With 63% of rail journeys starting or ending in the capital⁹ - and 70% from the wider-London region - the rail industry has to carefully balance the needs of a complex and highly integrated urban network, as well as the long distance functions at its cross-country terminals reaching far across the country. The London network is congested, expensive and fragmented. It is essential that London passengers are at the heart of any commitment to change.

With a view to addressing the terms of reference as set out in the call for evidence, the following evidence should be considered on behalf of London's rail passengers:

1. Commercial models for the provision of rail services that prioritise the interests of passengers and taxpayers

London TravelWatch recommends:

Devolution of Rail powers to TfL

We have long been supporters of the principle of devolution of rail franchising to the Mayor/TfL, especially in light of the achievements that the London Overground model of an operating concession has delivered for passengers. Devolution is not a 'cure all' for the shortcomings of National Rail services in London, but does enable a strategic, long term approach to be taken by integrating such services with the rest of those provided by Transport for London (TfL). London's rapid growth in population and economic activity, and the associated increases in congestion and crowding, makes such an approach essential. In turn the National Rail network must be used as effectively and efficiently as possible.

In 2012 we responded to the DFT's decentralisation consultation, in which we put an argument forward in favour of fully devolving rail powers to London. We have

⁹ Rail Factsheet December 2018

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/761352/rail-factsheet-2018.pdf

since given evidence to the London Assembly Transport Committee¹⁰ in support of devolution of rail powers to London. London TravelWatch still stands by this position, and believes it would be of great benefit to London passengers and the rail industry:

- The London Overground model of concession / franchise letting has proved to be a very effective means of raising the standard of rail operation in London. Passenger satisfaction and passenger numbers have risen significantly since 2007 on the routes covered by this concession, which previously was regarded as a very poor operation, with trains and stations similarly in a relatively poor condition. However, since then the investment in London Overground has transformed the railways concerned into a model operation, with growing numbers of passengers, modern trains, clean and presentable stations, significantly reduced fare evasion and crime. This is a network which the public is proud to associate itself with.
- Evidence supporting this is clear. The most recent data indicates the continued success of the London Overground concessionary model, and our quarterly report on rail performance also makes a strong case for a concessionary-style model for London rail. These recent figures demonstrate the consistently good performance results for London Overground since 2007 are maintaining these standards.

In our most recent report¹¹, London TravelWatch brings together, in a single place, a wide range of data from different sources and shows how things have been changing over time for passengers, on the rail network in London and the South East (L&SE) during the first quarter (April to June) of 2018-19.

The analysis uses information from various sources including the Office of Rail and Road and Network Rail. To this data, we have added our independent assessment of each operator's performance from the passenger perspective.

Train operating companies performances are assessed using various measures; Public Performance Measures (PPM), Cancellations and Significant Lateness (CaSL), and Right Time Arrivals (RTA).

¹⁰ To see the evidence we put forward in favour of devolution:

http://www.londontravelwatch.org.uk/documents/get_lob?id=4015&field=file

¹¹ http://www.londontravelwatch.org.uk/documents/get_lob?id=4607&field=file

London Overground consistently demonstrates strong performance across a range of categories:

- London Overground had the **highest PPM of any L&SE operator in the first quarter of 2018-19, (95.2%)**

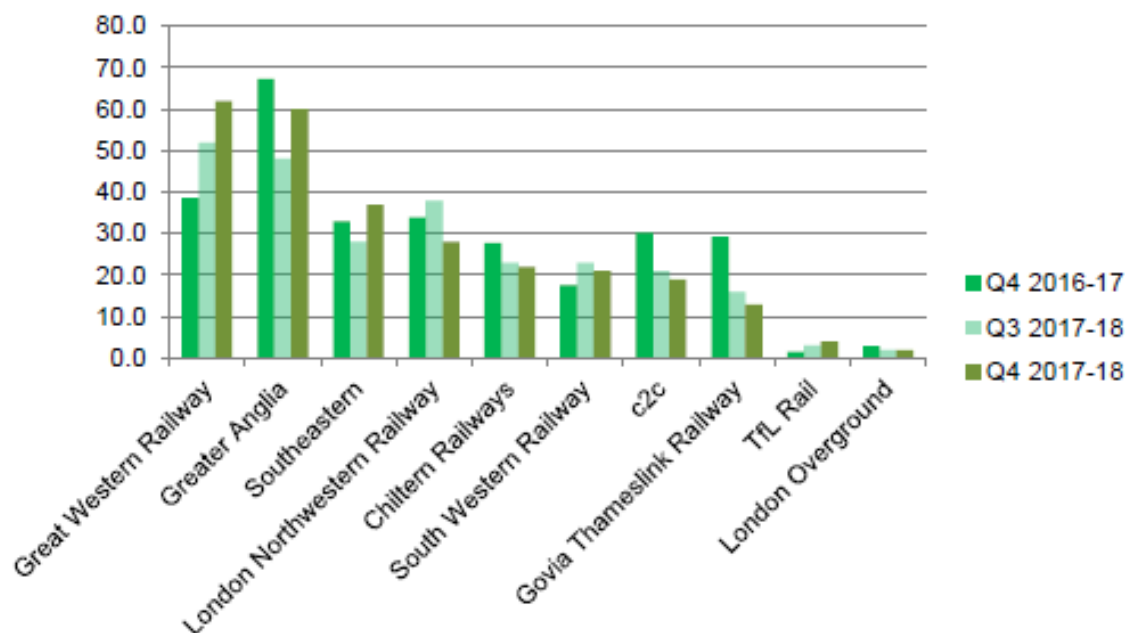


Figure 3 Complaints per 100,000 passenger journeys by train operating company, Q4 2016-17, Q3 2017 - 18 and Q4 2017 - 18

- **London Overground and TfL Rail had the lowest complaints rate in Q4 2017-18 with two and four complaints per 100,000 passenger journeys respectively. Both operate a metro style service and are managed by Transport for London.**
- The performance of c2c, Chiltern, Greater Anglia, TfL Rail, London Overground and Southeastern has been on a **stable or upward trend over the three-year period.**

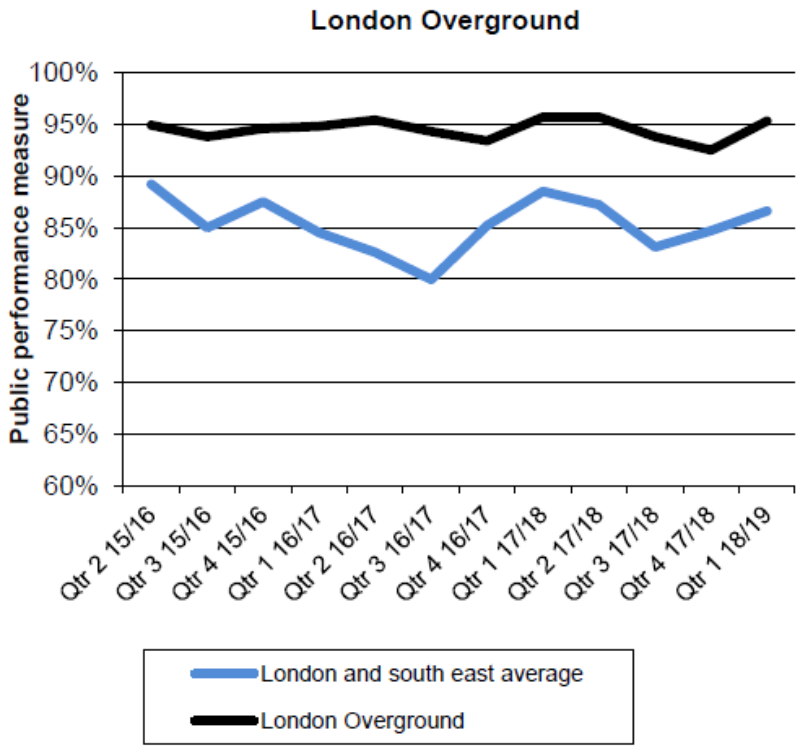


Figure 4 All trains performance

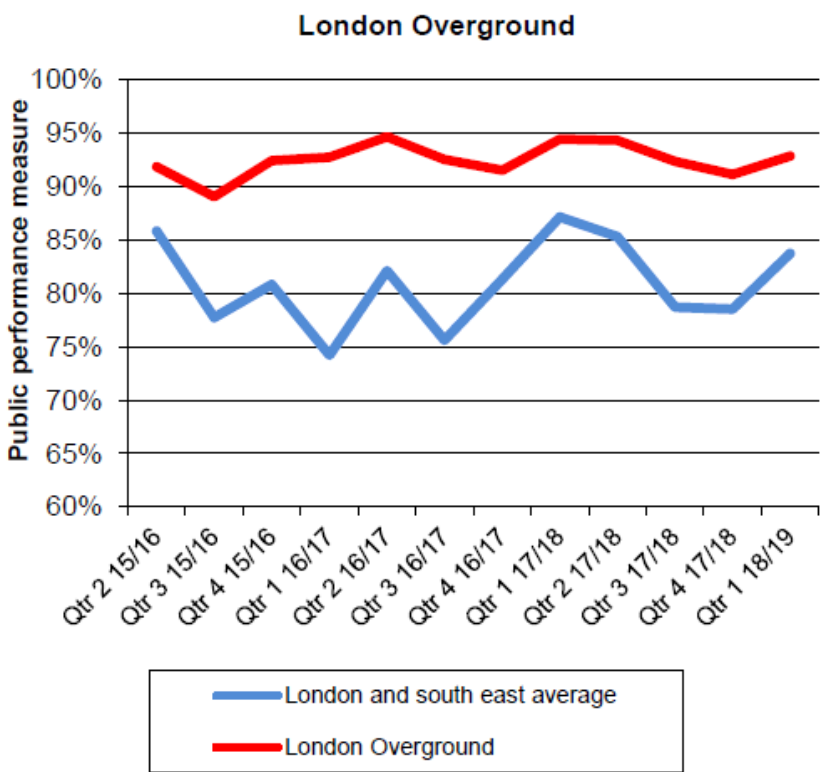


Figure 5 Peak trains performance

TfL rail also demonstrates the benefits of a concessionary model for service and performance. In Q1 2018 – 19 TfL experienced a slight dip in its performance, as faulty rolling stock and infrastructure failures had an impact on service.

The service has recovered and TfL rail continues to demonstrate the same positive performance results: TfL services are less likely to be late and receive the lowest number of complaints by far. The below graphs further show the higher performance of TfL managed services as compared to other franchises in the London and south east region.

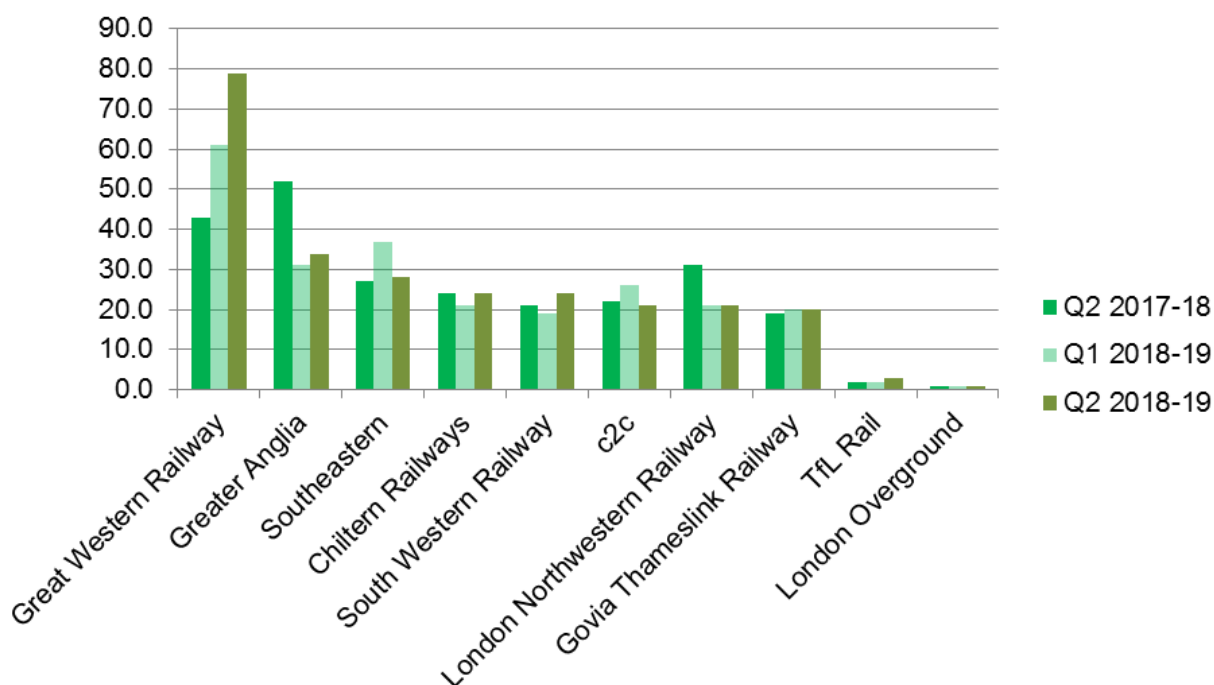


Figure 6 CaSL (Cases of significant lateness) Q3 2018-19

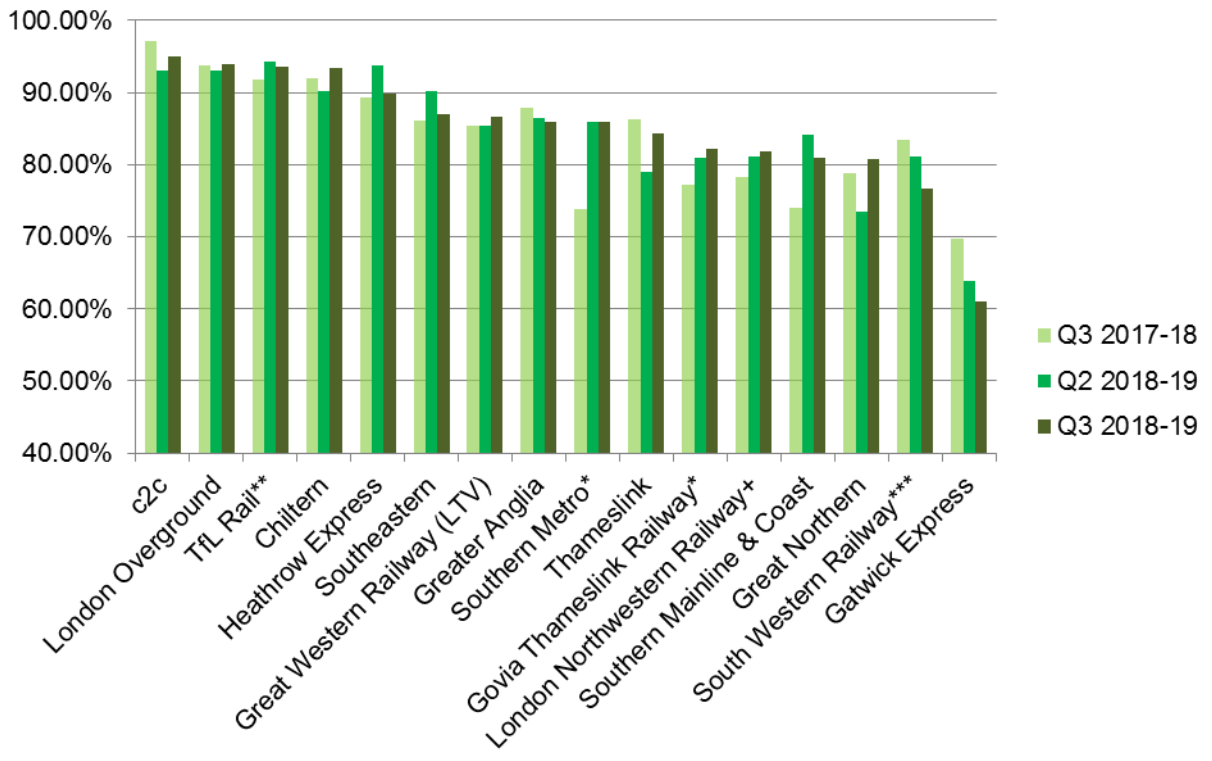


Figure 7 PPM Q3 2018-19

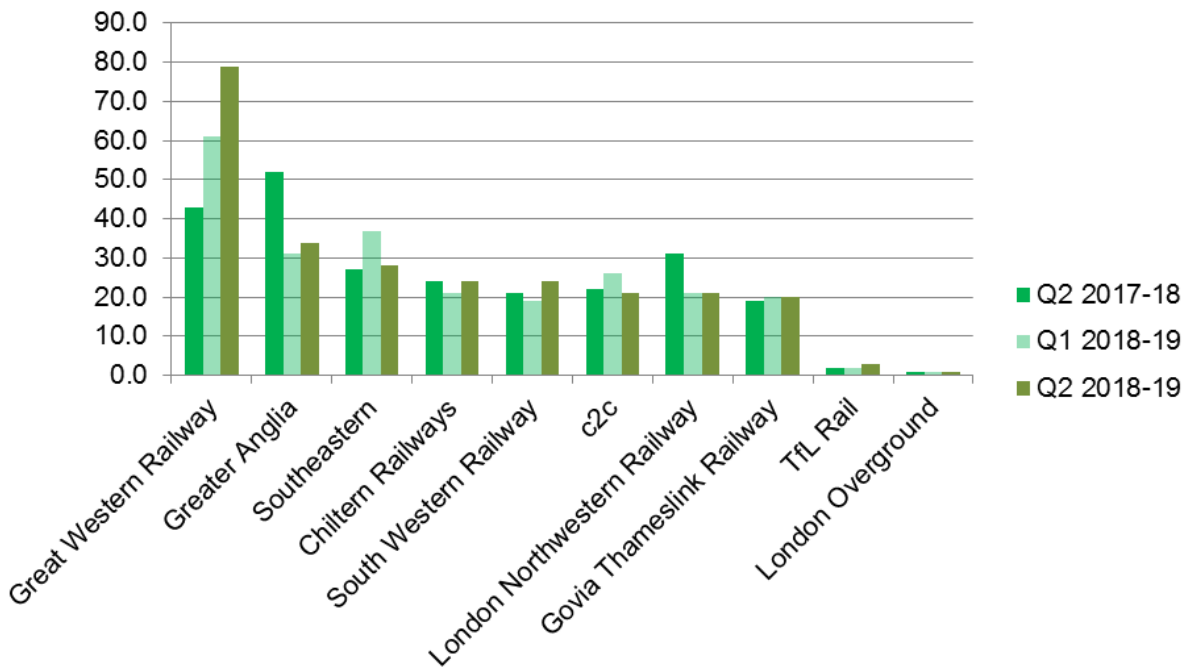


Figure 8 Complaints data ORR London and the South East Q2 2018-19

How has this been achieved?

The successful London Overground concessionary model has been achieved by a clear and concise contracting mechanism and decision making processes taken at a local level.

This difference in outcome for passengers is attributable to the different incentives and contracting arrangements that the devolved London Overground concession uses, rather the conventional franchise arrangements. It does this by ensuring that the concessionaire concentrates, and is incentivised to focus, on the delivery and development of services, with the setting of issues such as fares policy and forward policy being dealt with by TfL centrally. The commercial risks associated with ticket and other revenue are also borne by TfL rather than the operator.

TfL set out in its contract what it wished the operator to provide and achieve, with penalties and rewards for failure or success. Their contract was informed by the long standing aspirations by local stakeholders and users for improvements over a period of over 30 years. London TravelWatch has long been campaigning for this too. There was significant local support for what was proposed and subsequently as services were improved.

Recommendations

- In London, London TravelWatch believes that responsibility for letting and managing franchises should rest with the Mayor of London / TfL. track access rights should operate within the existing regulatory framework with Network Rail operating as a neutral decision making body on whether to grant access rights or not. However, all stakeholders whether 'track' or 'train' should be working much more closely together to deliver a good rail experience to Londoners.
- Fares should be set by the Mayor, subject to public consultation. The Mayor / TfL should also have the ability to specify the branding and marketing of local services within London. Fares regulation at most out-boundary stations, served mainly by other train operators would remain the responsibility of the lead operator rather than TfL – as is the case at Watford Junction today.
- There is still a great deal of inequality in the London rail network. South London is disproportionately affected by poor rail transport access, for example, as it has much more limited access to Underground, Overground or DLR services. If TfL were responsible for fares, it could introduce a coherent fares scheme across a new 'metro' rail network. Fares ought to reflect ability to pay and making National Rail options more expensive is

not fair on those with no other choice. Having more localised responsibility is essential for passengers satisfaction to improve.

- It is likely that this devolution of responsibility to TfL would have benefits for routes extending out beyond London too. For example, Long-distance operators will be able to focus on running intercity services, whilst suburban and urban lines will become the responsibility of TfL. Focusing solely on that long-distance market would be better for those passengers, as it would for London passengers with more localised planning and service provision.
- For further detail on London Travelwatch’s case for rail devolution, please see evidence we put forward to the Rail devolution scrutiny submission to London Assembly¹².

2. Rail industry structures that promote clear accountability and effective joint-working for both passengers and the freight sector

London TravelWatch research has shown that passengers wish to see an integrated and cohesive rail industry that works together rather than as separate entities. A more accountable and collaborative rail industry will help build trust and confidence in rail, and hopefully provide a more integrated and seamless journey experience for passengers. Government policy in the last six or seven years has been working towards this aim, particularly in regards to the working relationship between train operators and Network Rail. This was most recently laid out in the Department for Transport’s *Strategic vision for rail*, published in November 2017, which proposed a ‘joining up’ of track and train. Importantly, these proposals sought to introduce a single accountable face of the railway for passengers: with joint teams and a joint culture.

Our own research has highlighted the difficulties faced by passengers, particularly when interchanging at London stations, and the confusion they experience in the face of a disconnected and non-cohesive railway. Our *Interchange matters: passenger priorities for improvement*¹³ (2015) highlighted issues for passengers at London stations, and made a case for improving the station management agreements in the franchise system to allow for a more integrated, seamless service by consolidating all staff under one management system. We made similar suggestions in our *What next for London’s transport infrastructure?*¹⁴ (2016) regarding practical changes that can be made regardless of whether future infrastructure is secured or not.

¹² http://www.londontravelwatch.org.uk/documents/get_lob?id=4015&field=file

¹³ http://www.londontravelwatch.org.uk/documents/get_lob?id=4040&field=file

¹⁴ http://www.londontravelwatch.org.uk/documents/get_lob?id=4254&field=file

In particular, our evidence has suggested the following would be valuable for London's passengers:

Partnerships/cross-industry collaboration

- Over the coming decades, many of London's routes will be at maximum capacity in terms of train frequency and length. Smoothing the service with a focus on dwell times, interchange quality and sufficient staff on platforms will be some of the only remaining interventions that can realistically be achieved other than entirely new lines or modes of travel being used. A greater number of strategic interchanges are being developed, and the quality of them being such that passengers are happy to use them, will relieve some of the pressure on the London terminals.
- The performance of individual train companies is partially dependent on the ability of Network Rail to deliver railway infrastructure on which their trains can operate reliably, and operators managing the service elements (such as rolling stock and train crews) for which they are wholly responsible. The balance between the responsibilities of different parties has been a major ongoing issue.
- The joint working between train operating companies and station managers in the management of stations will be essential going forward. Without the effective introduction of collaborative working partnerships London's busiest routes and interchanges will suffer heavily in the coming years.
- A great example of the benefit of establishing such partnerships is the recent Victoria station partnership, which was set up to establish a more integrated service at the busy London Terminal. Prior to the change, the station staff at Victoria were divided into three – workers from Network Rail and the employees of train operators: Southern and Southeastern. Now, staff are aligned in a unitary team - 'Team Victoria'. This change has enabled closer communication, the alignment of goals and setting of common objectives, all of which is improving the experience of passengers at the station¹⁵. This example demonstrates the benefits of closer working relationships and effective partnerships between different actors within the rail industry to deliver a seamless, integrated and positive service to London passengers.

¹⁵ 'Infrastructure and train operations work together at Britain's second busiest station' Josh Spero, Financial Times, Wednesday 2nd January 2019

Meaningful engagement: making passengers the priority

Building on the above, we believe that there is a need to combine changes to working and management structures of rail operations with a renewed commitment to engaging with passengers. We support the London Assembly Transport Committee's call for greater communication and engagement with London passengers, to improve understanding and the relationship between passengers and the rail industry.

*'Changes to the rail network need to be informed by meaningful engagement with passengers. The rail industry needs to revisit how it engages with passengers. Engagement with specific station user groups at each London station would provide an accessible and local means for passengers to engage with the rail industry.'*¹⁶

Recommendations

In order to achieve this, we argue that a similar approach to that recently taken at Victoria Station would help put passengers at the centre of developing the Williams Review recommendations.

In our response to the London Assembly Transport Committee's devolution paper¹⁷, we established a list of essential passenger safeguards to ensure successful and fair devolution of rail services, which would help guarantee clear accountability and effective joint-working for passengers. We believe these recommendations would provide useful guidelines for this review when considering how to establish better relationships with passengers:

- 1. Guaranteed even handedness in track access** between continuing Department for Transport franchises and any devolved concession operations so as to ensure that the needs of all passengers are catered for equitably.
- 2. Guaranteed interavailability of ordinary tickets over common routes** irrespective of operator.
- 3. A commitment to work together with other operators in providing seamless information to passengers**, especially during times of disruption and at interchanges between services provided by franchisees and the concessionaire.

¹⁶ https://www.london.gov.uk/sites/default/files/broken_rails_-_a_rail_service_fit_for_passengers_final_report.pdf pg.5

¹⁷ http://www.londontravelwatch.org.uk/documents/get_lob?id=4015&field=file

4. A commitment to an operational agreement to work together in the best interests of all passengers, sharing resources at times of disruption and where separate provision is not justified, to maximise efficiency.

5. Separation of the formulae for setting fares between franchises and concessions, to ensure that political or commercial decisions in either do not have unintended negative or anomalous consequences for the other.

6. A commitment to regular and meaningful consultation by all parties with London TravelWatch and Transport Focus on all issues affecting passengers. This should be inclusive from the tender design stage by TfL (in a devolved model) through to day to day operation by the concessionaire, and should at a minimum be comparable to that currently required of train operating companies under the existing franchise arrangements and licensing regime.

7. A commitment to regular and meaningful dialogue with passengers and user groups on issues affecting them.

8. A commitment to work with local authorities, both inside and outside London, to ensure a better whole journey experience, by means of improved interchanges and through ticketing schemes with local public transport operators.

9. A commitment to transparency of data, on items such as delay attribution and service performance.

Rail Strategy for London

Finally, in order to achieve better partnerships and working relationships between various actors within the rail industry, we believe a single, coherent rail strategy for London will help different providers and actors in rail industry work together to deliver a better experience for passengers.

The LATC recently published a report – to which we submitted evidence - looking at options for improving rail service in London¹⁸. A recommendation was made for the creation of a Rail Strategy to be jointly created by TfL and Network Rail, which all parties must work towards implementing. In lieu of TfL gaining full control over franchising or concessionary arrangements in London, joint-working of this kind could provide the basis for a more coherent and integrated system of delivery in the capital: seeing London as one whole, integrated rail unit as opposed to the current more fragmented set of routes feeding in separately.

¹⁸ <https://www.london.gov.uk/about-us/london-assembly/london-assembly-publications/broken-rails-rail-service-fit-passengers>

A rail strategy would help stakeholders move towards a rail network that works for Londoners by:

- reducing fragmentation
- encouraging closer partnership working
- helping to identify priorities for investment

'the move towards greater track and train integration is welcome, but again in the case of London due to there being several different routes, there is a risk of fragmentation. A rail strategy would allow the industry to look at London as a whole, as well as London as a commuter terminus for the southeast and as a rail hub to much of the rest of the UK and Europe.

*A rail strategy would encourage closer partnership working between stakeholders in London. The capacity to create a rail strategy is already there. Network Rail and TfL already work in close partnership. In its written evidence to us, Network Rail outlined that it is developing a London freight strategy in partnership with TfL. We welcome this strategy as an opportunity to review freight routes in London, but also as a good example of strategic partnership working between Network Rail and TfL. There are of course a number of other key stakeholders who would need to be engaged in the process of producing a rail strategy, including the DfT; the Rail Delivery Group; Train Operating Companies; London Boroughs; County Councils surrounding London; Transport for the South East; passenger groups; and rail unions.'*¹⁹

3. A system that is financially sustainable and able to address long-term cost pressures

A robust and financially sustainable railway is essential in providing a consistent and reliable service for passengers: one which is able to bear the various cost and contextual pressures that may occur. London TravelWatch suggests the following:

Sound financial decisions that demonstrate good value for money

- Taxpayers wants to see good value for money decisions being made that represent good investment. For this reason, it is important that subsidies are clearly defined and make clear why it is good for the general taxpayer to support it.

¹⁹ https://www.london.gov.uk/sites/default/files/broken_rails_-_a_rail_service_fit_for_passengers_final_report.pdf pg.28

- Government spending on rail comes in two forms. The first is in the day to day subsidy provided to train operating companies, which ensures that services with a social benefit - i.e. if a service couldn't normally run without subsidy – remain operational to the benefit of the rail user. The second is government investment in infrastructure, maintenance and improvement works via Network Rail. In both cases of spending, clear lines of accountability to government funding must be kept open. A more transparent and direct way of understanding the value and benefit of government subsidy must be made available to the taxpayer and farepayer, wherever government money is being spent on rail. These investments must clearly address key service and maintenance issues, and provide tangible evidence of their value. Having a direct link to the services which benefit from government subsidy makes it easier to hold those responsible for services accountable. More transparency will demonstrate effective and beneficial investment choices to passengers and the taxpayer.
- The decision-making process for franchising subsidies, as with Network Rail grants, must also be clear and transparent. The investment and subsidy choices must be justifiable to the public, representing good value for money for both taxpayer and farepayer.

Adaptive to changing contexts and cost pressures

- Passengers need to be assured that if cost pressures arise – whether it be loss of revenue as a result of declining passenger use, the cost of materials and labour going up for essential maintenance or rising staff wages – that the standards of service will be maintained. Government subsidy is unlikely to be decreased, but in uncertain financial times guarantees need to be made to passengers.

4. A railway that is able to offer good value fares for passengers, while keeping costs down for taxpayers

Value for money for Taxpayers

- Government subsidies need to demonstrate more obvious social and societal benefits. Within the current model, railway has to be commercially sound, but also bears a social, economic and societal responsibility.
- Daytime services are generally the most commercially viable. Services for unsocial hours (evenings and weekends), however, need to be subsidised. The allocation and size of these subsidies need to be made accountable

to the public, and spending these subsidies appropriately and on the right franchises is important in value for money too.

- Trust in the franchising system as an efficient and effective system of managing the rail industry for public good needs to be improved if it is to be regarded as good value for money for the taxpayer and farepayer. It is understood that fares may need to go up, but this can only be supported by passengers if it represents good value for money.
- Money invested in infrastructure and the railway industry, whether through franchise subsidies or Network Rail, reaps benefits for rail users and the taxpayer. The benefits need to be made clearer if they are to represent good value for money and good investment. There needs to be demonstrable value for the taxpayer and farepayer, whether this is evidence of social benefit or improvements in services and journey experiences. This should also be appropriately balanced in terms of costs – neither should be bearing the brunt of costs for the rail industry, and fares/taxpayer contributions should be appropriately balanced with private sector investment.

Accessibility and travel environment

- Improving accessibility would bring the most benefits to Londoners. Accessibility improvements benefit all users of the network in different ways and at different times, but obviously provide a huge benefit to those with accessibility needs who otherwise could not use the network at all. Our 2013 research on what passengers felt about value for money on the transport network showed that accessibility improvements were considered to bring about a positive impact on value for money perceptions – and this was from all users including those who felt they did not directly use such improvements.
- Small interventions that can improve the experience for all – and again, this must be a shared responsibility between all operators/service providers, that is included in the price of using the railways. Small interventions have a large impact on passenger perceptions of value for money.

Affordable fares

- Many passengers would be more sympathetic to necessary fare increases if the service provided was reliable and demonstrated good value for money. This is even more important in light of the poor service experienced by many passengers using services in London and South

- East in 2018 and recent years. If the current model is to continue, greater communication and trust between passengers, train operating companies and Network Rail must be established, as in any customer/service-provider relationship.
- The setting of fares must be in balance with what passengers can afford. Our *Living on the edge* research²⁰ (2015) showed the economic consequences of making an unaffordable railway can sometimes be the closing off of opportunity to lower/income residents who then cannot afford to commute to zone 1 and central London in general. The qualitative research among outer London residents showed that, almost without exception, travel costs were perceived as very expensive. This view coloured much of the discussion, particularly where the high costs do not marry with the service being provided, and especially during peak hours. The quality of provision is perceived as poor value for money due to the unpleasantness of the journey associated with peak hour congestion.
 - The London Overground has been successful in proving a cheaper rail option for Londoners without travelling in zone 1: demonstrating the economic benefits of enhancing/extending rail in London option. This would make it a more accessible network for Londoners commuting to more central areas, again supporting our case for further responsibility to move to TfL **as this could provide a more balanced and equal fares system across all London zones.**

5. Improved industrial relations, to reduce disruption and improve reliability for passengers

London TravelWatch will not be responding to this area.

6. A rail sector with the agility to respond to future challenges and opportunities

Resilient to disruption and challenging situations

- It is likely that there may be changing trends with people changing and adapting their travel behaviours, such as when and how often they travel. Economic, technological shifts as well as a fundamental change in working patterns and travel behaviours should not rattle the rail industry, but encourage more adaptive and flexible practice. The franchise system must

²⁰ http://www.londontravelwatch.org.uk/documents/get_lob?id=4100&age=&field=file

be able to deal with these. The current model does not allow for these trends and changes and does not have enough flexible mechanisms inbuilt.

A more flexible, adaptive franchising system

- The franchise system needs to be more flexible: the disadvantages of big, long contracts with little flexibility mean it cannot respond to changing contexts and pressures as and when they arise.
- If circumstances change, then the terms of franchise agreements must allow for flexibility to adapt and change the new context, so as to ensure that the service for passengers is not compromised. Enabling franchises to change midway through will better enable the rail industry to be more adaptive and responsive to changing needs and trends.

Appendix A – Glossary

Term	Definition
DfT	Department for Transport
NRPS	National Rail Passenger Survey
ORR	Office of Rail Regulation
TfL	Transport for London
LATC	London Assembly Transport Committee

Part 2

April 2019

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1. The evidence papers set out the key themes and broad scope of the evidence on which the Rail Review will draw in the subsequent phases of our work. Are there other themes or areas of evidence that we should consider? If so, what are they and what evidence exists?
- London TravelWatch outlined in its official response to the Williams Review's initial call for evidence in January. The evidence papers outline key areas of research and insight which will inform the Review decision-making process in regards to recommendations. Whilst the papers do not make an argument or judgement for or against any particular model, there is a greater focus on making sure the railway works for passengers. We fully support this focus and the need to put passengers at the heart of changes in the industry.

Other areas not considered/which need more consideration

- **Non-users:** If it is the government's aim to encourage greater use of UK railways – particularly utilising the railway at non-congested times and on off-peak services – then the railway needs to become an attractive and affordable option for those who do not currently use it. As the 'Users of the railway' paper identifies, non-users are the most distrustful of the railway and the most unlikely to shift to rail. Many of the most high-profile problems associated with rail centres on the congested, unreliable and poor-performing peak services – primarily serving commuter journeys. It is essential that these journeys are improved, but there is also benefit to be drawn from focusing on the less high-profile journey-times and services too. In an urban context such as London, there is much to be gained from approaching rail as but one mode in a whole transport network: one component of multi-modal journeys. Understandably the rail review cannot consider everything but there would be significant social and economic benefit to better integrating rail into local, regional and urban transport networks, encouraging greater rail use more widely. The London Assembly Transport Committee published its 'Broken Rail' report in November 2018 which details this approach – which they term as

- 'metroisation'²¹. We also refer to this in our initial call for evidence response, which was submitted in January.
- At the Rail review London event on the 24th April, it was noted that rail comprises 55% of government transport spending, but only 4% of all journeys made. As such, it is important to appreciate the function and value of rail in a much broader scope – hence its heavy subsidization. If rail, therefore, is being funded by taxpayers, it should serve far more people than it does. More needs to be done to engage non-users.
 - **Better connected London:** Whilst the basic economic and social benefits of a better railway have been explored, further emphasis could be placed on considering how rail is a key component of planning communities, towns and cities. Rail plays an important role in enhancing the connectivity of existing urban communities in London, and facilitating better transport links for all Londoners, particularly in South London which has historically poor rail and tube access. As we noted in our original response, the success of London Overground in connecting communities and increasing ridership could be replicated in the rail network of London as a whole. Better integration with other policy areas would potentially enhance the user-friendly/community role of the railways and enable the smooth running of operations as a whole, and in relation to the transport system as a whole. We recommended the best way to achieve this in London's case is to devolve rail powers to TfL, as this would bring suburban rail services into a wider, more comprehensive transport and planning policy framework, with consistent fares and more logical services better serving outer London communities. Whether or not this is possible or recommended by the review team, an effort to address this lack of joined-up thinking and planning regarding the rail network in London - through more effective commercial and strategic frameworks – is essential.

2. Has the Review identified the right areas in the proposed high-level objectives?

Comments on High Level Objectives:

Passengers: We support the prioritisation of passenger satisfaction and needs in the High level Objectives. The move towards a 'customer focused' railway with

²¹ https://www.london.gov.uk/sites/default/files/broken_rails_-_a_rail_service_fit_for_passengers_final_report.pdf

Network Rail's new direction is welcomed. We would add that passengers are not one homogenous group. The needs of passengers vary greatly according to journey type and length, frequency of travel, personal and mobility needs and this needs to be appreciated.

Taxpayers: Ensuring the railways represent good value for money is very important. The question is how this is achieved. One way to create more tangible value for money is by increasing the democratic accountability, giving more input to local communities and transport authorities. This has the benefit of ensuring transport decisions are informed by local knowledge and an awareness of which services are required and when. It provides easier and more logical means of raising funding – through local business and local tax-raising powers – that can provide more direct and relatable transport investment which is responsive to local needs. London TravelWatch suggested that devolution of rail powers to TfL would be the most effective way to improve value for money for taxpayers.

Wider Society: Consideration of wider society is also an important objective, and goes hand in hand with ensuring value for money for the taxpayer. The evidence papers usefully identify many of the wider social and economic benefits of investing in railways, outlining the much larger contribution they make to the UK. This can be done at both a local, regional or urban scale, as well as national: for example when considering the contribution of rail to the UK economy. Utilisation of the network – through freight as well as passenger services – will ensure that investments go as far as they can.

3. Has the Review identified the key issues constraining the success of the railway? What relative priority would you place on each of the issues raised?

1) *The rail sector too often loses sight of its customers – both passengers and freight*

London TravelWatch represents passengers using the transport network in and around London. We therefore place this issue as the number one priority of the review recommendations. In order to improve the experience and service provided to passengers the rail industry must ensure its passengers are at the heart of change.

2) *It has become fragmented and accountabilities are not always clear*

London TravelWatch research has shown that the fragmented and confusing industry structure often feeds back to the passengers, who often have little understanding of the various divided roles and responsibilities of different industry bodies. One accountable face is needed, but this unified front must go deeper than merely presenting a unified façade to the public. We wish to see greater vertical integration and clarification of responsibilities that ensures accountabilities are clear, both to passengers and within the industry.

The remaining three problems are equally important and play a role in the delivery of a better railway:

3) Over recent years it has come to lack a single strategic direction

It is often unclear to the public and to industry what the DfT is trying to achieve. In the decades since privatisation and the evolution of the franchising system it is still not clear what the railway means to modern Britain. The evidence paper 'the role of railways in Great Britain' draws a good, rounded picture of how the railway is used, but does not give a clear judgement on the balance between its ideological drivers: clarifying the balance between the railway as a public service and as a private enterprise.

To an extent this is a political question and must be decided by government. However it has long been debated and in the meantime passengers suffer. If strategic direction is to be achieved, the questions of how much are we expecting of the railway - and whether this is realistic – must be answered. The extent to which the government wants this to be a public service - therefore prioritising taxpayer interests – or private – the customer – must be addressed. These goals need not be mutually exclusive, but the ideological purpose of the railways needs to be clearly articulated in order to generate strategic direction which is balanced and fair.

3) The sector needs to be more productive and tackle long-term costs

Productivity and efficiency come hand in hand with clarifying roles and accountabilities. Each actor involved in delivering the railway must have clear parameters of responsibility and clear parameters for their relationships with other actors. Only through this will the railway industry be able to represent good value for money for taxpayers and passengers.

Likewise, the various actors of the railway need to be clear on what portion of financial and systemic risk they are responsible for. Reassignment of risk to the private sector is historically a key incentive for governments to privatise public industries. However this may not always be possible in a high-stake industry

such as rail, which is susceptible to economic fluctuations and changes. For example, the recent decision to ban Stagecoach from the tendering process over pensions risk indicates that there is tension between actors within the industry – the government and franchisees – over who should be responsible for such requirements. Again, the parameters of what is expected from franchisees and other private sector actors, and whether this is fair or realistic in the wider economic context, need to be re-evaluated and decided upon.

3) *The sector is struggling to innovate and adapt*

Whilst there needs to be a 'strategic direction' the railway is diverse in its needs and trends and patterns of travel. The rail sector needs commercial and structural parameters that reflect the different rail markets and allow them to thrive, whilst ensuring they appear as smooth and seamless as possible – respecting regions and urban areas as well as the national network as a whole. Different elements of the rail industry will require varying levels of orthodoxy. For example ticketing, passenger assistance and staff conduct must be consistent across the board, but commercial models (e.g. concessionary vs. franchise) should be different for respective markets. By allowing any future model to be flexible and responsive to local, regional, inter-city and urban needs the sector will be better able to innovate and adapt to change.

4. Do the assessment criteria capture the right issues against which the Review should test its proposals? What priority should we attach to each and how should we balance trade-offs? Are there other issues we should consider?

- **'Trade-offs' in the review recommendations:** In recent public updates regarding the progress of the rail review, it has been noted that trade-offs and compromises will need to be made when considering options for change moving forward – particularly the announcement that the review is now under instruction from government to ensure the new proposals will be '*fiscally neutral*'²².
- This is a new development and whilst understandably a priority for government, is concerning as it is likely that change on the scale required may need financial support. Considering too the priority of the rail review –

²² See Appendix

- to move to a customer focused railway – it perhaps needs to be clarified whether the scope of the reviews’ objectives have been scaled back.
- In the assessment criteria document and speech given by Keith Williams at the Accelerate Rail Conference last month, it was noted that ‘trade offs’ will need to be made. This is understood, as not everyone can be happy and compromise is necessary. However, this should not mean further piecemeal change as has occurred following previous rail reviews over the last decade, rather than the more fundamental change promised last September.
 - For example, this need to be ‘fiscally neutral’ should not mean that changes which would require cost (i.e. the transference of rail powers to TfL) should be completely ruled out from the review recommendations. It is, as the review has observed, widely understood that radical change is needed to solve the problems affecting the rail industry. Further, this specific change may take a number of years to implement. However as we recommended in our initial evidence submitted to the review in January, adapting the structure and framework of delivery for London’s rail services undoubtedly involve costs. If not immediately possible due to financial limitations, London TravelWatch would still hope to see recommendations which outline a commitment to shifting to a better model in the future, and the same applies to other recommendations which may face similar limitations.
 - In other senses too the review has a difficult job of weighing different priorities and options which may suit the various markets and regions of the rail industry differently: *‘trade-offs will be unavoidable when I come to make my recommendations - for example, between a systems that delivers a national network and is responsive to local interests.’*²³ In the case of London, this is certainly a challenge and the tension between treating London as one coherent, urban metro network and contrastingly as a terminus for distinct, regional rail markets which extend far beyond the London boundary is appreciated. However in-keeping with evidence based decision-making the benefits of creating more localised, democratic control over rail services – for London, via TfL – outweigh the current arrangement. Whilst difficult, decisions to move towards frameworks which prioritise local, urban and regional transport networks will allow for more effective and demand-responsive services. This will of course need to be balanced with ensuring the whole rail network works as a whole, and therefore to ensure these tensions can be appropriately navigated, this

²³ See Appendix

- change need not happen overnight. Control of suburban rail services in London for example can be devolved to TfL as and when franchises come up for review, over a number of years.
- There will be certain aspects of change that will be harder – and take much longer and more money – to implement. Devolution of rail powers is one of them, as the legal and contractual obligations already in place regarding franchises will need to be honoured. However it is hoped that the review recommendations will not be limited by too great an extent by the new requirement in order to be ‘fiscally neutral’. The level of change required for devolution of rail powers or restructuring of the railways may require very gradual implementation over a longer period of time. This should not mean it is precluded from recommendations.

Ultimately, recommendations should prioritise passenger and taxpayer needs. Further, in any trade-offs passengers should not be set to lose any of the benefits and improvements gained in the decades since privatisation. This may mean that a variety of solutions are required for different rail markets, regions and over the short and long term.

Appendix

Quote from Keith Williams on progress of the Rail Review at Accelerate Rail 2019, Published 19 March 2019, Department for Transport

‘Moving to a customer focused railway won’t be easy and I want to make it absolutely clear that trade-offs will be unavoidable when I come to make my recommendations - for example, between a systems that delivers a national network and is responsive to local interests.’

‘I am firmly of the view that short-term performance or commercial issues should not distract us from the opportunities and challenges we have coming towards us. We need a sector which is incentivised and has the right structures and models to think about and prepare for the future.’

Significant changes in socio-demographics, the economy, clean growth and technology are changing the ways in which we live, work and travel. Although it’s impossible to predict the future with any great certainty, these trends will influence the market for rail both directly and indirectly. While it’s clear that rail is likely to remain a competitive mode for intercity travel and the most efficient

mode for Monday-Friday commuter travel into large cities – there is going to be significant changes to demand patterns and passenger expectations.

Innovations such as enhanced automation, open data and new transport models could also be serious disrupters in the travel market, further impacting future demand for rail.

The integration of modes could deliver massive benefits to passengers and taxpayers. Doing it successfully will rely on the sector’s ability to innovate and collaborate. Increasing the digitisation of ticketing is an obvious place to start – this would support integration, could deliver major benefits for passengers and costs savings for the industry. But rail is a long way behind.’

<https://www.gov.uk/government/speeches/keith-williams-at-accelerate-rail-2019>