



ASLEF's Response to the Department for Transport Rail Decentralisation Consultation

1. The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK's largest train driver's union representing approximately 18,000 members in train operating companies and freight companies as well as London Underground and light rail systems.
2. ASLEF understands and supports the idea of local bodies and people having more of a say over how their transport system functions and operates. Communications between national decision makers and local authorities as well as Local Transport Authorities are essential. However the British Railway must always be considered a national entity.
3. The consultation explains that the DfT seeks to improve value for money in keeping with the McNulty Report. ASLEF agrees with many of the causes of inefficiencies that are identified by McNulty. McNulty explains that fragmentation has led to a lack of leadership in the industry. The report also suggests that fragmentation is the first barrier to efficiency. Unfortunately, the report then goes on to suggest greater fragmentation. ASLEF would therefore caution against this approach being taken by the DfT and fears that many of the proposals detailed will in fact lead to splitting up of the industry and more inefficiencies.
4. You cannot find solutions to problems caused by fragmentation by splitting up the industry even more. Whilst enabling local control has certain benefits, if done within the current franchise system, it will prevent strong

leadership in the industry and with even more bodies involved in delivering the service, it will enable blame shifting and a lack of overall responsibility. ASLEF therefore strongly opposes many of the elements within this consultation. Handing responsibilities to local bodies could also lead to varying standards.

5. ASLEF is glad that the DfT is looking at possible changes due to the substantial growth in demand in recent years and acknowledges that growth looks likely to continue. The increased passenger numbers are both a success story and challenge to the railway in the UK.
6. Whilst the DfT is correct in making the assertion that local decision makers are well placed to recognise trends in usage and demand as well as local developments such as new housing or employment patterns, it must also be remembered that the railway is a large and complex network and must be integrated. Whilst it may be easy for PTEs to control local bus services which are self-contained within the region and simply use local roads, the rail network is unique in its operation. Therefore it may be a far more complex issue to deal with and requires expert opinion beyond that available to local decision makers. This is especially the case when dealing with a whole franchise.
7. It should also be pointed out that the current situation still enables local decision makers to influence provision of rail services. The DfT consults widely prior to an Invitation to Tender being issued for franchises and there are many times when specifications have in fact changed due to responses from local authorities. If these changes are not accommodated, PTE's and local authorities are given the opportunity to fund additions to base specifications.
8. In addition local decision makers are given the opportunity to seek Local Major Transport Scheme funding if a scheme is considered a high priority.

Therefore whilst local interaction is important, the current situation should not be perceived as a railway only directed from central government without the opportunity for communities to have any input.

9. ASLEF notes that the consultation was written with the Northern and Great Western franchises in mind. The Union has concerns over any changes to the rail structure that considers the situation in just two of the nineteen franchises that operate in the UK.

10. It is important to remember that many responsibilities have already been devolved from the DfT. For example, the Scottish Government already has almost complete control over the Scotrail franchise which covers 95% of rail journeys in the country. Within Wales, the Welsh Government are responsible for the primary management of the Wales and Borders franchise. In addition control has been devolved to a varying extent in Merseyside and London.

11. There is great concern over the DfT's decision to hand over almost all operational and timetabling decisions to franchises. The DfT explains that the Government's policy is to be less prescriptive and give operators more responsibilities. But previously the department has acknowledged that purely commercial decisions may not fully reflect the economic benefits and connectivity provided by many services.

12. It therefore seems contradictory to "give more responsibility and flexibility to bidders (and subsequently train operators)." ASLEF calls on the DfT to be very careful in discarding many areas of prescribed minimum provision. Often necessary and vital services for local communities and economies are not commercially profitable. It must be the big picture that is worked towards. Not just the profits of the franchise winner.

13. ASLEF would also be concerned over greater responsibility over fares being taken at local levels. Dealing with road congestion and climate change is a national issue. The UK Government has legally binding targets regarding carbon emissions and has a policy of promoting rail travel to achieve this as well as reduce road congestion. Fares policy is an important tool in achieving this. It will always be a temptation to increase fares in order to increase revenue. This is short sighted. Pricing people off of the railway will in the long term reduce revenues and lead to more car journeys. It is therefore wrong to give too many powers regarding fares to local bodies and regulated fares must be a matter for the Department for Transport. It would be wrong to have a postcode lottery in this regard.

14. ASLEF does not support the assertion that that these changes are needed because “the system is complicated.” Whilst the Union agrees that the current system is complicated, the involvement of even more layers of bureaucracy and agents in the railway system will only add to the complication. Not resolve it.

15. ASLEF support every single objective that the DfT is trying to achieve. ASLEF believes that reducing costs and increasing value for money is vital. Local people should feel like stakeholders in a railway that brings benefits to passengers as well as supporting and stimulating growth and helping reduce carbon emissions. The way to achieve this however is where ASLEF’s agreement with the DfT ends.

16. ASLEF and the other rail Unions; RMT, TSSA and Unite have published a research paper, “Rebuilding Rail”, that demonstrates the key reasons for the increase in the cost of the railway include higher interest payments in order to keep Network Rail’s debts off the government balance sheet; debt write-offs; costs arising as a result of fragmentation of the rail system into many organisations; profit margins of complex tiers of contractors and sub-contractors; and dividend payments to private investors. For example, the

cost of interfaces between TOCs and Network Rail is approximately £290 million a year. Increasing the amount of interfaces and organisations involved in delivering the network will only increase this figure.

17. This is not to say that ASLEF oppose devolution of power and responsibility for rail to regional representative bodies. When looking at the European railway models, it is clear that strong regional involvement is the norm and highly beneficial. However these are all in the context of a unified train operator. This system is highly successful.
18. The “Rebuilding Rail” report points out that from the European evidence, three overarching generalisations emerge. Firstly, bodies with geographical remits are best placed to define, represent and negotiate the needs of passengers within their catchment as well as ensuring integration with other modes of transport.
19. In addition these bodies are far more likely to succeed in achieving their aspiration when they have financial strength. Whether this is in terms of money raised from within their catchment area or simply from the national budget. This is the case in France and Spain when dealing with a single nation operator, or in Germany where the context is a single national operator competing against other operators.
20. Finally it should be noted that European rules allow these types of relationships without the need of a competitive tender process. *‘Competent authorities may decide to make direct awards [i.e. without tender] of public service contracts where they concern transport by rail’.*
21. It is therefore clear that devolved powers to regional authorities with financial clout are a success story and one that should be repeated in the UK. The key difference however is that the examples of France, Spain and Germany all have a single national rail operator. Local bodies are therefore

not dealing with an already deeply fragmented system and a whole rail franchise is not their sole responsibility.

22. ASLEF therefore supports a decentralised railway. However not within the context of the current franchise system. Prioritising decentralisation whilst the United Kingdom continues to have a fragmented franchising system that wastes about £1.2 billion a year is entirely pointless. The only real benefits of decentralisation will come around when local bodies have influence over a single train operator. Otherwise it may simply exacerbate the current causes of waste in the network.

23. Amongst the suggestions for measures which can be examined in order to reduce costs are changes to employee terms and conditions. ASLEF strongly oppose any weakening or reduction in the terms and conditions of railway staff to make up for the inefficiencies of the privatised railway. £1.2 billion is squandered every year including £434 million leaving the industry in dividend payments. Fragmentation itself costs £581 million every single year. It is therefore wrong for the people who deliver the service to pay for such waste from their pockets. It would also be wrong to attack staffing levels whether on platforms or trains. It should be remembered that UK productivity, as measured by train-km per employee remains higher than Germany, Italy, France, Austria, Czech Republic and Poland. It is only behind Netherlands, Spain and Switzerland. Reducing staff may also make passengers feel unsafe. This could lead to a reduction in passengers as vulnerable people could decide to take other modes of transport.

24. There are concerns over the consultations citing of examples where local authorities have used other transport modes as replacement for rail to reduce costs. This could well be an area where local policy making fails to see larger nation picture. An example of this is the St Albans Abbey to Watford Junction Line which is being converted from heavy rail to light rail. The change may allow for short term savings for Hertfordshire County

Council. However it has been a long term ambition that this line should connect to the West Coast Mainline. This would create a new fast route between London and the stations along the route. To downgrade the line to light rail would make this impossible to achieve in the future and prevent any direct services from St Albans Abbey ever becoming a reality.

25. There are also many difficulties to overcome when dealing with decentralisation and the current structures of PTEs. Existing rail services are not aligned with local authority areas. Train services have developed over decades to meet passenger needs. It would therefore be wrong to restructure rail to fit existing local authority borders. Any organisation being given new powers must therefore be built around the railways geographical structure. Not the other way round.

26. The consultation states “that some train services are primarily of national strategic importance and therefore should be specified and procured centrally, while other services are of greatest significance to more local interests, and might therefore benefit from being locally specified.” ASLEF would urge caution in taking this approach. While this may be true to some extent, the rail network must be fully integrated with many journeys requiring mainlines as well as local lines to arrive at their destination. The Union would also caution against any steps towards a network with two tiers.

27. Decentralisation could have a significant effect on freight. Rail freight is of national importance but often uses regional lines. Freight however does not win votes and whilst areas with ports and terminals may directly benefit from it, the many benefits to the rest of the country may be less obvious. Getting more freight on rail brings enormous benefit to the UK in terms of CO2 emissions, road congestion and road safety. Local authorities however may see it merely as an inconvenience to regional services and therefore their electorate. We therefore call on any changes to ensure that

rail freight its safeguarded and allowed to continue to grow to the benefit of the country.

28. ASLEF agrees that a restructuring of the railway is necessary and that it would be beneficial for regions and devolved administrations to have a greater role in the running of the network. However with the current franchise system, this would be counterproductive. Local authorities should have a larger role in dealing with service provision. Not with the contractual and business side of a regionally based franchise. Therefore for a truly devolved and decentralised railway, changes must coincide with the creation of a single unified passenger operator. Then the problems of fragmentation will be alleviated and the benefits of regional input would be able to come to the fore.

Mick Whelan
General Secretary
ASLEF
77 St John Street
London
EC1M 4NN