



## **ASLEF's Response to the East Coast Franchise 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. ASLEF have about 350 members working on the current East Coast Franchise.
2. ASLEF shares the Department for Transport's aspiration for a railway that offers greater value for money with better punctuality and improved customer satisfaction. However, the union feels that many of the elements within the consultation are misguided and may exacerbate the existing inefficiencies within the franchise and the wider rail network.
3. The consultation explains that it 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.
4. ASLEF is concerned that the rail unions are not a formal consultee in this process. There are two significant reasons why the recognised Unions should be consulted formally. Firstly it is our members that will be mostly affected by changes to the franchise. Transport workers are the very people who deliver the services that the document discusses, 7 days a week. Any changes to someone's working life should always be discussed with their representatives.

Secondly there would be a great deal of benefit to the DfT. The workforce is a much underused source of expertise in the railway. Those who deliver services are very often the people who are best placed to come up with logistical improvements rather than those who sit in the boardroom.

5. It should be noted this this response was written following consultation with our members and activists who work for the franchise and ASLEF feels that this knowledge should be automatically sought by the DfT.
6. ASLEF appreciates that the DfT is only using a 10 to 12 year franchise rather than the preferred 15 year model used on the other recently re-let franchises. This is to allow for the potentially large changes that HS2 could impose on the East Coast Mainline.
7. Beyond this, the union struggles to see many benefits from a longer franchise following this 10 to 12 year contract. Transport Scotland's recent publication "Rail 2014" stated, "there is no conclusive evidence that longer contracts will increase the level of investment from train operating companies."
8. ASLEF notes research on franchises by KPMG which found that 'our comparative analysis of UK train operating companies (TOCs) has provided no conclusive evidence of the impact of contract length on performance across the sample of operators that were studied'. It also suggests that longer term franchises might lead to 'increased financial risk' affecting the agreement because bidders cannot foresee changes in economic circumstances. Nonetheless should the DfT opt for a 15 year franchise, ASLEF would advocate robust breakpoints to ensure that TOCs are meeting their obligations, although the Union would caution against the inevitable additional costs associated with this. It should also be remembered that a supposed benefit of privatisation was the impact of competition. Passengers and taxpayers were told that such a step would lead to greater efficiency and lower costs. Franchises of this length would however lead to a reduction of competition.

9. ASLEF understands the desire to have local people and local bodies having a greater say in transport provision. Communications between national decision makers and local authorities as well as Local Transport Authorities are essential. However this must all be done in the context of a national rail network. As previously mentioned, it is the opinion of both the McNulty Report and ASLEF that fragmentation of the British Railway has led to a lack of leadership, responsibility and inefficiencies. Handing responsibilities to local bodies could lead to varying standards and once again a lack of overall responsibility. ASLEF therefore has reservations when the consultation states, “views are being sought on whether improved outcomes for passengers and transport users might be achieved in some cases if more decisions on local rail services were made closer to the communities they serve.”
10. Regional rail services are used by people from across the country. For this reason it is always essential that ultimate responsibility remains with the Department for Transport which is led by the Secretary of State. Only then can rail remain truly democratically accountable.
11. Asking those responsible for track and train to work closer together makes sense. However the creation of a formal alliance with a single board would be of great concern given Network Rail is a not-for-dividend company with a different structure. ASLEF is concerned that an alliance with a TOC would introduce an element of profit making back into the maintenance of our rail infrastructure and would also mean yet more fragmentation. This may in fact lead to a series of mini Railtracks. The union therefore believes it essential that infrastructure remains under the control of one not-for-profit organisation.
12. Alliancing also raises some interesting questions with regard to regulation and fines resulting from delays. Under the new system, operators would pay track access charges to the Alliance and the Alliance would still be responsible for delay attribution penalties to the TOCs and FOCs. Given that the finances of the alliance will be between Network Rail and the relevant operator and that any profits will go to both companies, it would, in effect, mean if delays are the fault of either company there will be no penalty as they will be paying it to

themselves. There is also a concern that should the franchise winner join in an alliance with Network Rail to run the line, they will prioritise their passenger services over freight services.

13. ASLEF is concerned by the change in policy towards service specification.

The consultation states that “franchise operators should have the commercial freedom and flexibility to develop the train service to meet the needs of passengers. The Government intends to set the train service specification so that operational and timetabling decisions are devolved to TOCs to the greatest extent possible.”

14. ASLEF is greatly concerned by this proposal. The union believes that many necessary and vital services for local communities and economies are not commercially profitable services and should be judged as part of the public service ethos of the railway.

15. The consultation states that “We see potential advantages in giving the new franchisee greater involvement in station management and matters such as how maintenance, repair and renewal programmes are delivered. This outcome could be achieved either by revising station leasing arrangements or through an alliance between the franchisee and Network Rail.” Once again there appears to be a contradiction between commercial motives and long term investment. In the consultation on the Great Western refranchising, the DfT notes, “significant station investment is rarely commercially self-financing.” ASLEF believes it contradictory to give maintenance responsibility to a commercial company rather than keeping it with a not-for-dividend organisation that will have much longer term interest in the stations.

16. The union is calling for consideration to the extension of safeguarded staff travel facilities to non-safeguarded staff. For too long we have operated a railway that has an inequitable two-tier workforce which leads to division, a sense of exclusion and frustration.

17. It is inexcusable that two drivers with exactly the same role, salary and job description can have such a significant disparity in their travel facilities. It is also bizarre for non-safeguarded to have greater facilities across the whole of Europe than they enjoy in the country where they supply such a vital service.
18. The travel facilities given to our members here in the UK are inferior compared to those enjoyed by drivers in the rest of Europe. ASLEF fails to see any logical reason why this should be the case. The extension of travel facilities would offer a significant benefit to staff at a limited cost to the Train Operating Companies and Freight Operating Companies. It would create a harmonious content workforce and most importantly, would give non safe guarded staff the facilities they deserve. The sense of frustration that these members express to the Union should not be underestimated. ASLEF calls for the winning bidder to support the extension.
19. ASLEF is concerned that the consultation makes very little reference to services to Glasgow despite mentioning services to Inverness and Aberdeen. Does the DfT plan to continue these services or cut them as has previously been suggested? The Union would strongly oppose this service reduction.
20. Transparency relating to performance and reliability is always welcome and ASLEF would support any extension of this by the DfT. However the current method of measuring PPM is by using the passenger arrival time rather than the Working Timetable (WTT). Considering that the WTT is very often 5 minutes earlier than the passenger timetable and that intercity services are only considered late if they arrive over 10 minutes after this time, this can mean a service can in fact be 15 minutes late without being registered on the PPM. This is inaccurate and far from transparent.
21. The consultation explains that “there is scope to reduce the number of journey opportunities on any individual weekday provided that the Monday to Friday total is broadly consistent with the current level of service.” In short, this means that during the week, it may be possible for the new franchise to cut services. ASLEF has two major concerns over this. Firstly many mid-week

services that are not necessarily revenue earners do fulfil an essential public service function. Often off-peak midweek services have very empty first class coaches but are extremely busy in standard class as people take advantage of the more affordable advanced tickets made available to fill the service. Therefore whilst the company may decide to cut such trains for revenue purposes, this would lead to a major reduction in affordable services for many passengers.

22. In addition it has always been a strength of the British rail network that we have a clock face timetable. To change the timetable for each day would over complicate and confuse passengers. The union therefore feels that whilst it will directly reduce services, it will also have a negative effect on passenger numbers as they feel that certain services are unreliable.
23. In principle, ASLEF sees that transferring in new short distance services from the current Thameslink franchise could have advantages. However it is essential that this is not used as a justification to reduce service levels.
24. It is also important that it is not used as a method for increasing Driver Only Operation. ASLEF would categorically reject any attempt to impose DOO on any more services than those that currently utilise it. The consultation mentions that services could be transferred to the new East Coast franchise. Those which are currently not DOO must not become so just because they transfer to the new franchise. ASLEF would see this as an extension of Driver Only Operation and oppose it strongly.
25. ASLEF believes that there must be closer co-ordination in introducing ERTMS and the IEP. According to the consultation, the roll out of ERTMS will begin in 2018, yet the IEP will begin introducing the fleet in 2019. It seems completely illogical to introduce new infrastructure that will require new technology on rolling stock that will then be replaced the next year. Joined up thinking and a logical approach is needed to facilitate ERTMS and the union hopes that the DfT demonstrate this.

26. It is important that the IEP is planned so that it maximises benefits to the franchises. It is important that the rolling stock is designed according to the needs of services and isn't simply a one size fits all. For example space for luggage must be considered as this can have a major effect on capacity.
27. The most significant question ASLEF would like to raise however is what benefit there is in the DfT returning this franchise to the private sector. Figures published by Directly Operated Railways demonstrate that under public ownership, the East Coast Mainline has been a success. In the financial year ending in 31 March 2011, East Coast paid track access charges of £43,524,000. In addition, the publically owned company paid the DfT premiums of £170,700,000. Of course privately owned TOCS pay track access charges and also premiums back to the DfT. However East Coast made a profit after tax of £4,058,000. This money would ordinarily be given to shareholders as a dividend. However as East Coast is publically owned this money can be reinvested into the railway on behalf of the tax payer or returned to the DfT. This profit has increased from £1,153,000 in 2010 and given a longer franchise period with a longer term plan, there is no reason this success couldn't continue and increase returns to the railway and taxpayer rather than the money leaking from the industry.
28. ASLEF feels that it makes sense for the East Coast to remain in public hands, not only to keep more money within the industry but also to act as a comparator to the privately owned franchises to ensure that the DfT and therefore the taxpayer is receiving value for money.
29. Keeping the franchise in public ownership would certainly be popular with the public. A poll undertaken by GfK NOP on behalf of ASLEF in September 2012 found that 70% of people believe that UK rail should be returned to public ownership.
30. The East Coast is one of the two spines of the British Rail network. Its last two owners have tried to take as much money from it as possible and when they have realised that they have over stretched on promises they have simply

handed back the keys. The DfT must make sure that this does not happen again as it is the taxpayer who picks up the bill for this failure. The most successful ownership for the East Coast Mainline in recent years has been public ownership. We would therefore encourage the DfT to consider this and allow the franchise to reward passengers and the taxpayer rather than shareholders.

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