



## **ASLEF's Evidence for the London Assembly Transport Committee - The Case for Rail Devolution in London**

1. The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK's largest train drivers' union representing approximately 20,000 members in train operating companies and freight companies as well as London Underground and light rail systems.
2. ASLEF is pleased to have this opportunity to submit evidence to the London Assembly Transport Committee on rail devolution. ASLEF understands and supports the idea of local authorities, 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. One of the biggest drivers of inefficiency and high costs in running the rail network in Britain is the network's fragmentation. This was something highlighted in the McNulty Report. 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 clearly opposes any further fragmentation.
4. For this reason, the union is cautious when devolution is discussed within the current framework of the UK rail network. This is not to say that ASLEF opposes devolution of power and responsibility for rail to regional representative bodies. When looking at 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.

5. ASLEF and the other rail unions; RMT, TSSA and Unite have published a research paper, "Rebuilding Rail", which 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 area as well as ensuring integration with other modes of transport.
6. 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 national operator, or in Germany where the context is a single national operator competing against other operators.
7. Finally it should be noted that European rules allow these types of relationships without the need for 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'.
8. 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.
9. ASLEF therefore supports a decentralised railway, however not within the context of the current franchise system. Devolution should not lead to

further fragmentation. The best way to maximise the benefits of decentralisation is to give local authorities influence over a single train operator.

10. There are lessons to be learnt by the alternative type of contract used by TfL on its London Overground services. One of the many problems created by the franchise system is that rather than creating competition or leading to quality provision for passengers it simply leads to line specific monopolies. As long as people have little option other than to take a specific rail service to commute to work, the Train Operating Company (TOC) will continue to get the passengers' fares. The key difference with London Overground's contract is that TfL keeps fares revenue and takes revenue risk. The management contract means TfL sets specifications and performance targets and pays the provider, LOROL, according to these targets being met.

11. The benefit of this is that providers have more incentive to improve performance. Traditional franchises have less interest in meeting performance targets as their profit generally relies on people buying tickets, not on the quality of service. As previously mentioned, passengers often have little alternative than to use these services. A Campaign for Better Transport Report, sponsored by ASLEF, found evidence that it is this type of contract that has led to improved passenger satisfaction on LOROL. London Overground's expansion in taking on new services (such as the recent addition of Greater Anglia services to Enfield Town, Cheshunt, Chingford, Gidea Park and Shenfield) is likely to have positive results.

12. The "Going Local" report states, "London Overground and Merseyrail... have lessons to teach on performance management and indicators, such as revenue protection, station management, accessibility and other aspects of service quality. These lessons will be particularly useful given

Richard Brown's recommendation to incorporate service quality measurement in the letting and monitoring of franchises. However, London Overground and Merseyrail also teach that indicators and priorities can and should vary, depending on local circumstances, and the voice of local authorities should be sought and heeded on this, even for contracts or franchises being let and managed by DfT. Many of our interviewees said that getting a rail contract well designed in the first place was critical to its success, and as we have seen good management of franchises is also important in promoting good performance and shared objectives."

13. One significant problem with rail devolution is the fact that rail is pan-regional. London commuter services will frequently begin or end outside the GLA area and transport those who have no vote for the London Mayor or the London Assembly. This already happens to some extent with TfL's boundaries going beyond Greater London. However it is important that democratic accountability is considered when devolving rail. This was the problem with the previously mooted proposals to bring parts of South Eastern into TfL's jurisdiction.

14. The first question posed by the committee is, "What are the key problems with National Rail services in London that need to be addressed?" ASLEF fears that devolution alone will come nowhere near to solving the problems of high costs, high fares, high subsidies and overcrowding that blight our system. We have record demands for rail use, yet capacity has failed to keep up. The only way to deal with these issues is wholesale change to the structure of the railway. Private companies have continued to take money out of the industry. ROSCOs make enormous profits by leasing out rolling stock that is becoming increasingly old and unfit for propose. TOCs and Network Rail spend millions of pounds arguing about who is responsible for delays. Meanwhile, last year, only three operators (publically owned East Coast and busy commuter services South West Trains and First Capital Connect) returned any money to the DfT.

15. The union would, however, raise concerns over TfL's continued failings in regard to good industrial relations. Therefore any proposals to devolve services to TfL should also examine ways to ensure they improve how they deal with recognised unions and their staff. Devolution can only work in an environment where staff feel valued and listened to.
16. ASLEF supports devolution in principle and accepts that the more decisions that can be made locally, the more responsive operators can be. Perhaps the biggest lesson to be learnt from London Overground's success, however, is that contracts that link profit with performance targets and passenger satisfaction are more likely to improve services than simply handing over all ticket revenue to a monopoly with little incentive to make passengers' journeys better.
17. However to fully deal with the daily problems of high fares, high subsidies and restricted capacity we must invest, stop allowing money to leave the industry through profit, and end fragmentation. For a truly devolved and decentralised railway, changes must coincide with the creation of a publicly owned 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 for both London, and Britain's other major cities.

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