



Proposals for the Mayor of London's rail powers beyond the London boundary

Passenger Focus response to Department for Transport consultation

1. Summary

- 1.1 Passenger Focus recognises that there are issues with the Mayor of London's rail powers that need to be resolved. The proposals in the consultation are potentially positive for many passengers, but we need to ensure that changes do not have a negative impact on passengers outside the boundaries. It is necessary to balance the interests of passengers within the boundaries and beyond them and to guarantee that decisions are based on thorough consultation with all those who represent the needs of passengers who could be affected.
- 1.2 Changes made by the Mayor must not prove detrimental to those to whom the Mayor is not accountable.
- 1.3 Authorities outside the proposed boundaries have neither the powers nor the money to increase services within their areas. The only real option which the authorities have to improve services is to accept proposals put forward and funded by the Mayor. This creates a democratic deficit within the local authorities as their decision-making powers are now governed by what the Mayor is willing to pay for and provide. Additionally, the local authority has no means of extending what is proposed by the Mayor and therefore certain passengers within those areas will benefit whilst others will miss out.
- 1.4 The Railways Act 2005 recommends the appointment of at least two members to the TfL Board which represents the interests of people living and working in areas outside London. We recommend that Passenger Focus be allocated one of the seats on the TfL Board. As passenger representatives for all Great Britain, we would take an overall view on passenger issues rather than a regionally specific stance. Passenger Focus, and its predecessor bodies, have a long history of balancing the wants and needs of different passenger groups. If proposals are made in the future to extend boundaries beyond those outlined in this consultation, we are well placed to ensure that the concerns of passengers will be considered.
- 1.5 Proposals for further changes than those outlined in this consultation need to be subject to meticulous consultation with all involved. Unresolved issues regarding boundary points need to be addressed without delay. Substantive objections that cannot be resolved by the parties involved should be dealt with through the appeals process outlined in this consultation.

2. Overview of main issues

- 2.1 County and GLA boundaries do not coincide with those of rail and this creates artificial boundaries within the rail network. By extending the Mayor's powers outside the GLA boundary, and aligning them more with the lines of route, a more natural rail boundary would be created. The setting of boundaries with routes in mind makes more sense in rail terms than political boundaries and would be more practical for passengers. This should ensure greater consistency on routes and should help to cater more specifically to the needs of existing markets.
- 2.2 Whilst the logic of this proposal appears to be self-evident and the proposed extension of the Mayor's powers beyond GLA boundaries would bring them in line with Public Transport Executives and the Welsh Assembly Government, there is concern that a potential imbalance could be introduced due to the difference in powers between TfL and authorities around London. These differences could lead to those outside of London being disadvantaged due to the asymmetry of powers that could potentially be created.
- 2.3 Authorities outside the proposed boundaries have neither the powers nor the money to increase services within their areas. The only real option which the authorities have to improve services is to accept proposals put forward and funded by the Mayor. This creates a democratic deficit within the local authorities as their decision-making powers are now governed by what the Mayor is willing to pay for and provide. Additionally, the local authority has no means of extending what is proposed by the Mayor and therefore certain passengers within those areas will benefit whilst others will miss out.
- 2.4 The main issue for Passenger Focus is governance and whether this offers sufficient protection for passengers. The consultation rarely refers directly to passengers and their specific interests regarding the proposed changes. Passenger Focus believes that it is important that any changes to powers directly address the expected impact on passengers throughout Great Britain and any decisions demonstrate the benefits to all rail passengers.
- 2.5 We question whether the appointment of two TfL board members for regional bodies outside the GLA boundaries would be sufficient to balance the needs of all passengers outside London. It would be advantageous for Passenger Focus, which represents all passengers in Great Britain, to be allocated a seat on the TfL Board.
- 2.6 In addition to the governance options outlined in the consultation, we strongly urge that Passenger Focus and London TravelWatch are specified as required consultees.

- 2.7 There is concern that the Mayor could seek to extend powers beyond the proposed boundaries in this consultation. Any proposal to extend these powers in the future beyond what is proposed in this consultation must be the subject of separate and full consultation.
- 2.8 The implementation of any of the proposals must include a review after a set period of time. A review would be an opportunity to assess the impact of the implemented powers and also to identify any problems that may have arisen. This review should include an assessment of the impact which these changes have had on the needs of all passengers.
- 2.9 Passenger Focus notes that the proposed powers are expected to be used when specifying new franchises. The Mayor's powers should not be used as a vehicle for under-specifying of the baseline of a new franchise in the hope that the Mayor will fund a shortfall of existing services.

3. Consultation questions

Q1. Should the Mayor be able to propose and buy additions to services which in part run outside of the GLA boundary?

- 3.1 Passenger Focus is not opposed in principle to the Mayor buying extra services *per se* on routes that run outside the GLA boundary, where capacity exists. Extra services should mean additional benefits to passengers on the route. However, any changes to services need to be considered on a route-by-route basis, taking into account the potentially detrimental impact on capacity on all associated routes. Furthermore, any commitment to change cannot be made until the precise proposals and the potential impacts for passengers have been identified. The consultation document is short on detail regarding services the Mayor might propose.

Q2. Should the Mayor be able to propose reductions to services which in part run outside the GLA boundary, and share with relevant local authority the benefit from the savings made?

- 3.2 This question has two very separate elements to consider.
- 3.2.1 In the first instance, if the Mayor is paying for the services, should he have the authority to cut them? The consultation outlines that if the Mayor wants to cut services that have been funded by TfL, then they can do so without reaching an agreement with regional stakeholders; however, they are required to consult with the regional stakeholders.
- 3.2.2 Secondly, the consultation discussed whether the Mayor can propose reductions to services below the franchise baseline specification outside the GLA boundary. The consultation indicates that TfL can only take this forward if the regional stakeholders are in agreement.
- 3.3 If there are proposals for reductions, thorough consultation needs to take place with all stakeholders, including passenger groups. This consultation needs to be on a case-by-case basis and every effort needs to be made to substantiate any reductions to a service using thorough reasoning and evidence. This should be balanced by a statement outlining how potential savings shall be spent.
- 3.4 The consultation proposes that savings from reductions to a service would be kept by TfL and the local authority. DfT has not indicated that the money should be ring-fenced for any particular purpose within their budgets. Passenger Focus believes that any savings made from reducing services must be put back into public transport in some shape or form. Ideally, if the local area suffers a reduction in service, then those who are losing out should directly benefit from the savings. This could either

be through enhancements to stations, investment into the local bus network or other public transport.

- 3.5 As with any proposed increments Passenger Focus is of the view that any changes to services need to be considered on a route-by-route basis. Furthermore, any commitment to change cannot be made until the precise proposals and the potential impact on passengers have been identified and consulted on.

Q3. If the Mayor is given the power to determine fares on services within his current jurisdiction, should the services to stations beyond the boundary identified through this consultation exercise also be included?

- 3.6 There is an obvious need to co-ordinate fares within and around London. Therefore, Passenger Focus strongly supports the proposal for the Mayor to apply rationalised integrated fares and ticketing arrangements. When the Mayor has power over rail in London, it would make sense for the fares structure and ticketing arrangements to complement and conform to the existing TfL arrangements. Having two separate fares structures governed by one authority would be unacceptable. However, we need to ensure that by giving the Mayor power to determine fares, there are no negative impacts on passengers outside the boundaries. A balance needs to be found between those within and those beyond with the interest of passengers in mind. The Mayor setting fares within the boundary must not result in passengers outside the boundary having to pay disproportionately higher fares to balance out the fares basket.
- 3.7 Passenger Focus supports the integration of fares and ticketing within London and the rest of National Rail network. The announcement of the inclusion of smart ticketing in the *South Western Franchise* and the deal which has been agreed with TfL and DfT for OysterCards to be accepted at all National Rail stations within London are welcomed by Passenger Focus. The integration of ticketing will benefit passengers who use more than one mode of transport and have for too long been confused as to why they could not use OysterCards when making a non-underground rail journey. This positive announcement means that TfL and DfT can start to work together towards integrated ticketing for the greater benefit of the travelling public.
- 3.8 Passenger Focus is concerned that those passengers who live at the boundary points could suffer from changes to the fare-setting process. The possible creation of artificial price boundaries would have negative impacts on passengers. If the Mayor chooses to keep prices within the proposed boundaries low, then this could have a direct impact on passengers just outside of the boundary. Fares could be increased to compensate and to level out the inner fares basket, or vice versa, fares could be increased within the boundaries, above the rate of inflation, and passengers outside could benefit from reduced fares. Either way, this could have a significant impact on pricing of rail throughout the network.

- 3.9 If fares are inconsistently increased/decreased compared with the rest of the route, problems can occur. This could include creation of 'cliff face' fares anomalies throughout the network and there is also a strong possibility of rail heading at the boundary stations. This inconsistency could also cause a shift in travel patterns and this could have impacts on capacity of the network if passenger numbers are increased on particular routes.
- 3.10 If the Mayor is running routes outside London, then it follows that this should be linked to the setting of fares. However, there are concerns surrounding the impacts that these powers would have on fares regulation. How would this impact on the protection of season tickets? What impact would this have on the regulated fares basket? These are issues on which Passenger Focus wants to have more clarification if these additional powers were granted.
- 3.11 In conclusion, Passenger Focus wants to have assurance that the setting of fares along these routes will be fair and consistent across the network. If powers are granted, more detailed information must be made available to all stakeholders, including Passenger Focus and London TravelWatch, on the proposed framework for the future setting of fares.

Q4. Should the Mayor be able to pay for enhancements to stations outside of the GLA boundary?

- 3.12 Passenger Focus is in favour of the Mayor paying for enhancements to stations outside the GLA boundary. Extra sources of funding that will benefit existing passengers and may attract new passengers to the railway are extremely welcome.

Q5. What should comprise the network for the Mayor's powers outside London? Should the proposed preferred list of boundary stations be adopted, or should the indicated alternative options be considered?

- 3.13 Passenger Focus is aware that boundary stations were proposed on the basis of where facilities exist to reverse trains without disproportionate impacts on network capacity. Passenger Focus would like DfT to take into consideration passenger interests when making the final decision on where the boundaries will be set. Any changes to the existing boundaries must not have negative impacts on passengers within and beyond them. When the new boundary has been implemented there needs to be a monitoring process to ensure that the station continues to be the most suitable option for passengers. Once the boundary station has been set, any future proposals for further changes need to include consultation in a similar way to this consultation.

Q6. Should the Mayor be able to propose, and, if appropriate, buy additional stops within London on 'outer suburban' services? Should 'inter city' services originating beyond the South East and East of England regions be excluded from such power?

3.14 Passenger Focus is of the view that changes to stopping patterns need to be addressed on a route-by-route basis and would expect to be consulted on any proposed timetable changes. Passenger Focus is not opposed to additional stops *per se* providing the disbenefits do not outweigh the benefits.

3.15 Passenger Focus would like the DfT and TfL to take into consideration the following issues when considering changes to stopping patterns

- disbenefits that could be caused by increasing journey times
- adding stops could cause overcrowding problems
- increasing stopping patterns should benefit the passengers already aboard the train as well as those seeking to board (alight) at non-terminal stations
- capacity and revenue could be safeguarded by proper policing of pick-up and set-down only stops.

3.16 The knock on effect of any additional stops may be felt far beyond the currently proposed boundaries. With this in mind Passenger Focus is of the view that any powers to include additional stops on 'intercity' services should be excluded. Most of the consultation deals with services that are currently funded by the DfT. The issues surrounding whether 'intercity' should be excluded from such powers is an area that the DfT needs to discuss with the existing operators of the services. As many such operators pay a premium to run the service there are commercial implications in including such powers. However, as the Mayor is expected to fund these proposals, the financial cost/benefit is one only TOCs and the DfT can consider. Passenger Focus is specifically interested in the passenger benefit/detriment. Therefore any proposals, should these powers be considered further, need to demonstrate benefits.

Q7. Which option offers the best governance arrangements?

3.17 The Railways Act 2005 recommends the appointment of at least two members to the TfL Board which represents the interests of people living and working in areas outside Greater London. The Act states that the Mayor will appoint the extra board members after consultation with the Regional Planning Body. We question whether the appointment of two TfL board members for regional bodies outside the GLA boundaries would be sufficient to balance the needs of all passengers outside London. It would be advantageous for Passenger Focus, which represents all passengers in Great Britain, to be allocated a seat on the TfL Board.

3.18 People living within the GLA boundary directly elect the Mayor, who is directly accountable to those who elect and vote. As there is no direct electoral relationship with the Mayor outside the boundary, it is essential to ensure that these passengers' needs are taken into consideration. The signatory of any agreement should be democratically accountable to its constituents and therefore should be the elected body. However, further to this recommendation, Passenger Focus understands the

importance of the role of the regional bodies and therefore we recommend a more prescriptive consultation process directly with those affected. Any agreement by the elected body must therefore be underpinned by a thorough one-to-one consultation with the relevant regional body to ensure that all interests of the bodies concerned are taken into consideration.

3.19 Passenger Focus also recommends that the Department for Transport include Passenger Focus in its list of relevant stakeholders. As the statutory body for representing passengers throughout Great Britain, Passenger Focus works closely with London TravelWatch to ensure that passengers are fully represented nationwide. The inclusion of the requirement to include Passenger Focus as a consultee would ensure that passengers' needs would be fully addressed when considering any future changes.

Q8. Are the proposed appeals arrangements satisfactory?

3.20 Passenger Focus does not have any objection to the proposed appeals arrangements.



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