



Claire Perry MP
Parliamentary Under Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

20 June 2016

Dear Ms. Perry,

Thameslink, Southern and Great Northern franchise

Campaign for Better Transport is greatly concerned by deteriorating passenger experience and poor service levels on parts of the Thameslink, Southern and Great Northern franchise (TSGN), as operated by Govia Thameslink Railway (GTR).

Problems affecting the TSGN franchise have been widely reported over the last year, including in correspondence to us from passengers. We understand that a number of issues have contributed to this situation including delays to major engineering projects to improve the capacity of the network, maintenance of rolling stock and an order of new trains. The franchise is also involved in a number of staff disputes and it appears poor industrial relations are widespread.

While some of the disruption may have been unavoidable, much of it is not. Passengers have now endured many months where performance levels have been far below what is acceptable, and dissatisfaction is widely felt and increasingly vocal. The Department for Transport must take urgent action to restore public confidence in the franchise, to ensure passengers receive greatly improved services and appropriate compensation, to enforce franchise commitments, and to agree mechanisms so performance levels do not fall to such levels again.

And in common with the rail network as a whole, far too few GTR passengers receive compensation they are due for delays and poor service.

Large numbers of passengers have been affected by exceptionally poor service on

TSGN over a prolonged period. They have a right to expect both appropriate compensation for these failings and reassurance that services will be improved. While there is no suggestion that TSGN is breaching Conditions of Carriage, the long term and ongoing nature of the disruption requires specific remedy if it is not to damage the overall reputation of the railways among affected passengers. We are concerned that this does not appear to be happening. For example, the GTR Remedial Plan published on 12 February 2016 contains only three mentions of passengers and none of compensation arrangements.

Given the pressing nature of the issues around the GTR franchising, we propose the following steps as redress:

- All season ticket prices beginning at GTR stations to be frozen at current levels for 12 months
- Early introduction of the Consumer Rights Act on GTR services, with increased options for compensation payments to include cash refund at ticket offices, plus personal cheque, and direct bank transfer arrangement available on-line
- Improved compensation application processes so passengers have the ability to make multiple refund applications on the same claim
- Better public information on when compensation is due, for example, via compulsory on-train announcements. This should be supported by appropriate staffing at stations so passengers who have been delayed can easily make an immediate claim.
- All passengers travelling on smart tickets to receive compensation automatically for delays of 15 minutes or more
- GTR to be issued with targets for a higher percentage of compensation due to passengers being paid out
- Establishment of a permanent Stations Renewal Fund, financed by compensation received by train operators from Network Rail but not subsequently claimed by passengers. This would end the situation whereby train operators are seen to profit financially from delays caused by Network Rail.

Campaign for Better Transport is also concerned that the size, complexity and management of the TSGN franchise is contributing to compromised service levels. In the short term, the Government and the operator must work together with Members of Parliament, passenger representatives and unions to resolve current problems. In the medium term, a more comprehensive look at the structure and the management of the franchise is required.

The TSGN franchise continues to be severely affected by poor industrial relations. There are problems with recruitment and retention among train drivers, a stand-off over the role of guards, and concerns over proposed ticket office closures leading to a de-staffing of stations. So in the short term, a plan for how relations will be improved should be part of the Department's response.

Other operators (most notably London Midland) have suffered similar problems in recent years. One suggestion is that problems are being caused by reliance on overtime working, something which is having predictable and avoidable consequences. The franchise letting process needs to include a proper assessment of staff deployment so shortfalls can be identified and responded to by operators. Our *Going Local* research also noted that locally-managed franchises generally have good industrial relations with a strong and ongoing relationship required between those running and managing the franchise. This would be another potential benefit of moving to a more devolved model for TSGN.

Proposals to close ticket offices are also concerning for many passengers. For good reason, unstaffed and lightly staffed stations are unpopular with passengers. Provision of information, support for passengers and public safety are all compromised by withdrawal of staffing. It may also be the case that such stations offer an unwelcoming environment which is unlikely to encourage new potential passengers to use the railway. In light of this, decisions over ticket office staff should be taken as part of wider consideration of station staffing, in active consultation with a wide range of concerned parties including passengers, local communities and local authorities with the aim of improving passenger experience and increasing passenger numbers. It should be noted that where this approach has been taken, for example by Merseyrail, staffing from first to last train has been successfully introduced.

In the medium term, the Government should consider a more flexible approach to franchising. There is much to be gained from stronger local involvement in the franchising process, including from passenger group representatives, local authorities, Local Enterprise Partnerships and sub-national transport bodies.

In practice, running such a franchise from Whitehall as a management contract is proving highly problematic for all involved. At the heart of TSGN's current problems is that neither the operator nor Network Rail have direct accountability to passengers. With neither the operator nor Network Rail primarily motivated in this way, in effect it has fallen on Parliament's shoulders to represent those who rely on the railway. While a number of MPs have repeatedly and powerfully raised passengers' interests at Westminster, they have no formal powers in this area have been unable to apply pressure to TSGN or Network Rail to improve performance.

To resolve this, we recommend serious consideration be given to establishing a new franchise structure. Drawing on the examples of Merseyrail and London Overground, local management and accountability has been seen to improve rail services, passenger numbers, reliability, accessibility and industrial relations. In other recent franchises, Northern and Trans Pennine Express for example, the Government has accepted the case for stronger local control. It should now do the same with services under TSGN.

This could include:

- Giving TSGN's constituent franchise elements further autonomy, reducing the unwieldy nature of the existing set-up
- Improve accountability by giving local authorities, and where appropriate new devolved structures, a stronger say in the terms, financing and management of the franchise
- Consider transferring some services to other operators, including moving further suburban services to Transport for London

If the measures we suggest do not result in real improvements for passengers, the Government should consider more radical options, including direct control through Directly Operated Railways. This could address the problem of fragmentation, for example incorporating passenger representation on a joint management board with Transport for London and local authorities.

As you will be aware, a number of MPs have raised concerns about the TSGN franchise. I have copied this correspondence to them for information.

We would welcome the opportunity to discuss our concerns further. I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Joseph". The signature is written in a cursive, flowing style.

Stephen Joseph
Chief Executive

Copied by email to