1 Executive summary

1.1 The Secretary of State has established a Rail Review to recommend the most appropriate organisational and commercial frameworks for the National Rail network. This paper represents TfL’s response to the review’s call for evidence.

1.2 More specifically we would like a structure that more readily meets the objectives of the Mayor’s Transport Strategy (MTS). This means a National Railway network that delivers a good public transport experience in and around London and facilitates new homes and jobs.

1.3 At a minimum this means the devolution of contracting authority from DfT to TfL of local stopping services in and around London in the interests of providing improved customer service sooner, and to enable better integration with London’s wider transport system (MTS proposal 66). Where already implemented, this has yielded great benefits for passengers and indeed wider economic goals such as catalysing house-building. We also believe that our contracting model offers better value for money in the context of urban services where passenger demand and revenue is largely out of the direct control of the operator being greatly determined instead by factors such as population and employment growth. Asking operators to do this is costly.

1.4 A key benefit of the gross cost contracting model is to facilitate integrated fares and ticketing policies and the adoption of innovative forms of ticketing such as pay as you go (PAYG) and contactless payment. These innovations are providing major customer benefits and are areas where London has now established a world leading position, with over three million rail journeys per day made using smart PAYG.

1.5 Contactless PAYG has the potential to be scaled up to become a truly national system which would facilitate seamless travel. In parallel, the national rail structure needs to be reformed and simplified as set out in our recent submission to the RDG fares reform consultation with single leg distance-based prices to minimise the scope for split ticketing.
1.6 We also believe that the review should go further and recommend devolving asset management for selected routes from Network Rail (NR) to TfL in order to enable more effective and timely investment in the creation of a London suburban metro. Such ‘metroisation’ of peak National Rail services would offer simpler service patterns, higher frequencies, faster journey times and better interchange. This is a major means by which large parts of London, notably south of the Thames, would make good the gap in targeted MTS outcomes such as mode share, let alone make progress towards the Mayor’s target of an 80 per cent sustainable share.

1.7 Making TfL infrastructure manager (IM) for selected routes would reduce the distance between investment decision-making and the end beneficiary (that is customers). This would mean the land-use and transport decision-making would be more closely coordinated than would ever be the case currently. It would also mean local funding can more readily be leveraged, with the returns to such investment also captured locally.

1.8 In contrast, enhancements for National Rail are overwhelmingly made nationally through the Rail Enhancement Pipeline administered by the DfT at the moment. The specific needs of the conurbations are often not recognised. In London, enhancements are sometimes split between several Network Rail routes, each of which tends to focus on longer distance travel.

1.9 A TfL infrastructure management function could maintain and renew more of the National Rail infrastructure in and around London just as we do already for the East London line (contracted to Cleshar) or London Underground (Harrow to Amersham) and we will do for the central section of Crossrail. TfL could become responsible where its operator(s) make up a majority of services or elsewhere by agreement.

1.10 We recognise that regulatory approvals would be needed to create a new IM role but believe this is worth exploring as part of this wide ranging rail review.

1.11 NR would also retain signalling, power supply and other operations not readily devolved, with route control and train operations remaining on the basis of railway geography de facto defined by NR’s rail operating centres. A national system operator independent of DfT and with representation from devolved bodies would ensure local accountability.

1.12 Transport authorities such as TfL would then be funded for this activity from a combination of track access charges, funding from elsewhere in the transport authority budget and/or direct grants from government. TfL could enhance the assets through retained sources of local taxation such as business rates (which would require fiscal devolution), or perhaps could bid into a DfT Rail Enhancement Pipeline. Fiscal devolution would mean that the benefits of investment in terms of local taxes and farebox income would accrue back to the relevant local authority (in our case GLA and relevant Boroughs). This arrangement would also reduce the misperception of inequitable regional allocation of transport funding and ensure money follows passenger volumes more closely.
1.13 Where the London boundary and railway geography dictate, it would be possible to include neighbouring transport authorities in some form of partnership as set out in the Rail Prospectus (see page 20) published in January 2016. This would have the advantage of facilitating decision-making over a wider travel-to-work area. It could also therefore become analogous to a German-style "verkehrsverbund" for fares and ticketing purposes, enabling a rational boundary to the contactless ticketing area too. This German concept has enabled integrated regional public transport services for increasingly suburbanised metropolitan areas by carefully coordinating fares and services for all routes, all types of public transport. The concept could be applied across other relevant city regions in Great Britain.

1.14 Only relevant infrastructure assets would be managed by TfL. This would primarily be those relevant to the provision of local London services, but where necessary, InterCity, freight and other users could buy access (e.g. train paths, station access) from a regulated tariff in a similar manner as now. A system operator function with Network Rail would maintain fair play for timetabling with arbitration by ORR as per the current model.

1.15 The rest of the document describes and justifies the proposal above in more detail. Section 3 outlines the development and success of London Overground; Section 4 expands on the case for metroisation; Section 5 describes our approach to financial sustainability and Section 6 describes London’s fares and ticketing innovations.
2 Introduction

2.1 The Secretary of State has established a Rail Review to recommend the most appropriate organisational and commercial frameworks to support the delivery of the government’s vision of a world-class railway.

2.2 The review’s initial ‘listening’ phase asks for evidence to be submitted by 18 January 2019, though the evidence ‘portal’ will remain open until the end of May 2019 to seek input on more specific questions. The invitation is for written contributions on:

(a) commercial models for the provision of rail services that prioritise the interests of passengers and taxpayers

(b) rail industry structures that promote clear accountability and effective joint-working for both passengers and the freight sector

(c) a system that is financially sustainable and able to address long-term cost pressures

(d) a railway that is able to offer good value fares for passengers, while keeping costs down for taxpayers

(e) improved industrial relations, to reduce disruption and improve reliability for passengers

(f) a rail sector with the agility to respond to future challenges and opportunities

2.3 This paper sets out TfL’s evidence in a manner consistent with the Mayor’s Transport Strategy.

3 Commercial models for the provision of rail services

3.1 The last 25 years has demonstrated that there is no one-size-fits-all commercial model suitably for the whole of Great Britain’s passenger rail operators. Incentives faced by long distance operators are different from those faced by regional or urban operators. Our evidence focuses on the most appropriate model for commuter rail operations serving urban areas such as London.

3.2 The current franchise model is not appropriate for urban markets where fare levels do not create sufficient incentive for operators to innovate and where a demand is predominantly driven by factors outside the direct control of operators such as the patterns of population and employment growth.
3.3 The commercial model proposed by Transport for London (TfL) is the model we use for our rail concessions: London Overground and TfL Rail. This is a gross cost contracting model under which we take revenue risk, specify services; take responsibility for customer information; and actively manage performance by working in partnership with the concession operator. The operator is subject to a number of incentive regimes which apply to operational performance (in addition to the industry’s Schedule 8 regime), customer satisfaction and ticketless travel. The operator has responsibility for the elements within its control such as operating costs and performance and its income is largely determined by its performance.

3.4 The key elements of the concession model are shown in the table below:

**Table 1: Distribution of roles and responsibilities under a TfL concession**

<table>
<thead>
<tr>
<th></th>
<th>Operator</th>
<th>TfL</th>
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<tbody>
<tr>
<td>Operating trains and stations</td>
<td>Y</td>
<td>-</td>
</tr>
<tr>
<td>Daily performance</td>
<td>Y</td>
<td>-</td>
</tr>
<tr>
<td>Planning &amp; development</td>
<td>-</td>
<td>Y</td>
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<tr>
<td>Project delivery</td>
<td>-</td>
<td>Y</td>
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<tr>
<td>Fares and ticketing</td>
<td>-</td>
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<tr>
<td>Timetable development</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Marketing</td>
<td>-</td>
<td>Y</td>
</tr>
</tbody>
</table>

3.5 The concession model includes all day station staffing which is important in providing passenger information, reducing fare evasion and increasing passenger security in urban areas.

3.6 London Overground has been extended from the original Silverlink Metro network which transferred in 2007 to incorporate the extended East London Line in 2010 and the West Anglia routes which transferred from Greater Anglia in 2015. The map below shows the former Silverlink network and the current network.
Figure 1: Original London Overground Network

Figure 2: Current London Overground Network
3.7 Key passenger outcomes from London Overground are:

- **Increased frequency**: from 400 trains per day in 2007 to nearly 1,500 per day in 2017
- **Increased ridership**: by 550 per cent
- **Decreased delays**: by 30 per cent
- **Increased customer satisfaction**: up by over 10 per cent
- **Greater passenger safety**: all stations staffed from first train to last
- **Improved accessibility**, with around half of the 112 London Overground stations now step-free from street to platform; ‘Turn-up-and-go’ service across the network for customers with reduced mobility
- **Easier, more affordable**: introduction of Oyster and contactless payments, cheaper fare options and all TfL concessions
- **Integrated information**: all routes integrated with TfL’s real-time information and Journey Planning tools
- **Refreshed and new stations**: Six new stations including Hoxton, Imperial Wharf and Dalston Junction
- **New trains**: New walk-through, air-conditioned trains; fifth car added to many, providing 25 per cent more capacity

3.8 The benefits of the London Overground model are evident when compared against similar London and South East statistics. Although we have invested in new trains and infrastructure enhancements, benefits began to be delivered well before that in 2008/09 after the transfer of services in response to the contractual model.

3.9 The graphs show the progress of three key indicators over time:

- Passenger demand on a like for like network has increased by 250 percent compared with 50 percent for London and South East Train Operating Companies (TOCs)
- Ticketless travel has fallen from 11 percent to below 2 percent
- Performance increased from 91 to 94 percent at a time when that of other London and South East TOCs fell
- Transport Focus’ National Rail Passenger Survey customer satisfaction rose from 70 percent to 87 percent against the London and South East train operator average of 80 percent
Figure 4: Measures of London Overground performance

Percentage demand increase since 2006/7

LO Average Ticketless Travel Rate

Performance, measured by PPM

NRPS Overall Satisfaction
3.10 A key factor in the success of London Overground has been the level of democratic accountability for services. The Mayor and GLA take a close interest in all aspects of the service, holding TfL and the operator to account. There is a much greater degree of local scrutiny than for DfT managed rail franchises. Assembly members and the Mayor are elected representatives and so are directly accountable to customers who are very often voters too. This contrasts to DfT ministers who are more remote from the customer and may not have constituencies in the local area.

3.11 Examples of public engagement and scrutiny include:

- ‘Mayor’s Questions’ from Assembly Members
- Engagement with political representatives including London Assembly members, councillors and MPs through public meetings, case work, and regular briefings
- Appearance at the London Assembly Transport Committee meetings
- Scrutiny by London TravelWatch
- Passenger surveys including the customer satisfaction survey
- A dedicated complaint process through the TfL customer service centre
- Freedom of Information requests from the general public
- Publishing regular reports and data on performance and use made freely available along with publication of other data via API feeds

3.12 A number of TfL Board members have responsibilities for stakeholders outside London as services are defined at operational level and sometimes extend beyond the London boundary, for example in Watford and Cheshunt.

3.13 This greater accountability leads to positive passenger outcomes. For example, recent rolling stock delays have led to a shortage of available rolling stock on Gospel Oak – Barking route which has been the subject of Mayor’s questions and challenges from political stakeholders and user groups. During this time we have worked closely with ARL to introduce mitigations, with regular briefings to politicians and engagement with customers. This contrasts with recent experience on Northern where services to the Lake District were cancelled in the summer with minimum local engagement.

3.14 Similarly TfL Rail and London Overground services have continued to operate services during periods of adverse weather when other operators have suspended services, causing severe disruption to passengers.¹

3.15 The Mayor’s support for further devolution of commuter rail services is set out in Proposal 66 of the Mayor’s Transport Strategy:

¹ For example Southeastern Railway, last time on 2 March 2018
“The Mayor, through TfL, will continue to seek the devolution from DfT to the Mayor/TfL of the responsibility for local stopping rail services in London in the interest of providing improved customer services more efficiently and more quickly, and to enable better integration with London’s wider transport system.”

Recommendation

Urban rail services are best managed by locally accountable public sector transport authorities. The Rail Review should recommend a programme of devolution of those services where the greatest improvements can be made following a change of control. In the South East, this would initially be the Great Northern and Southern commuter services when the TSGN franchise is relet in September 2021 followed by other London commuter services thereafter.

4 Industry structure that promotes clear accountability and effective joint-working

4.1 70 percent of rail trips including Tube are to or from London with the London national rail commuting market accounting for 500 million trips per year. Londoners make six times as many trips as anyone else in the UK. However, the current default industry structure does not readily deliver adequate outcomes for passengers. The table below shows that performance and customer satisfaction are often unsatisfactory compared to London Overground. Experience to date from the GTR franchise has also shown that implementing some of the features of a TfL concession such as a gross cost contract but without the local accountability has not led to good passenger outcomes.

Table 5: Comparative customer outcomes in the London area

<table>
<thead>
<tr>
<th>TOC</th>
<th>PPM average, 2015-18</th>
<th>NRPS overall customer satisfaction 2015-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern</td>
<td>n/a</td>
<td>71%</td>
</tr>
<tr>
<td>Thameslink</td>
<td>n/a</td>
<td>78%</td>
</tr>
<tr>
<td>Great Northern</td>
<td>n/a</td>
<td>78%</td>
</tr>
<tr>
<td>GTR overall average</td>
<td>79%</td>
<td>n/a</td>
</tr>
<tr>
<td>L&amp;SE operators average</td>
<td>86%</td>
<td>80%</td>
</tr>
<tr>
<td>London Overground</td>
<td>94%</td>
<td>89%</td>
</tr>
</tbody>
</table>

4.2 Network Rail is devolving authority to route level. This structure fits well with some of the larger franchised operators such as Anglia and Southwestern but does not fit with the smaller and often higher performing operators such as London Overground, Chiltern or c2c. For London Overground, this move simply makes the business harder to manage, as it has to deal with four routes (the lead route Anglia plus South East, Wessex and London North Western (LNW)) with the multiple interfaces and process variations that this implies. Network Rail’s devolved structure means there is less focus on London as a whole.
4.3 A move to a smaller number of larger routes as sometimes suggested in the trade press (for example a ‘Big Six’) would worsen the mismatch between the structure of the network and the structure of London area operations. Existing routes are often too large to take an interest in some local issues. For example, our proposed changes to our Watford services out of Euston to deliver a turn up and go frequency were of low priority to the LNW route which is more focused on long distance Virgin or London Northwestern railway services. Further expanding the coverage of a route puts an even greater distance between its goals, London’s strategic priorities as set out in the Mayor’s Transport Strategy and desirable passenger outcomes.

4.4 Alliancing has been another approach tried in the past, but again the empirical evidence of the public performance measure does not show it was a success in terms of main passenger outcomes in the case of South West Trains / Wessex.

4.5 A London route or ‘virtual’ route, possibly creating a ‘Big Seven’ would provide a greater focus, but we suggest instead an alternative approach which is to devolve infrastructure management functions to relevant local transport authorities, just as selected concession management has already been devolved.

4.6 We already own and maintain some of the infrastructure used by our concessions. We have managed the East London Line since 2010 and will be the infrastructure manager for the Crossrail central section. We also have decades of experience of managing infrastructure for our own London Underground operations, some of which is used by National Rail train operators. Following the example of the Valley Lines transferring to the Welsh Government, responsibility for infrastructure management, operations and renewal in the London commuter area could be devolved to TfL. This would increase contestability and enable benchmarking.

4.7 More importantly it would create a structure that for the first time could align incentives to create a London suburban metro. This is the concept that heavy rail could play a much bigger part in meeting London’s immense transport challenges if it were to be operated more like a metro – a concept we call ‘metroisation’. This would mean more frequent trains enabled not only by better infrastructure but by fit-for-purpose rolling stock, staff behaviours that bring a sense of urgency, a timetabling philosophy where seconds (rather than merely minutes) count. Taken together, our analysis shows this would mean that heavy rail plays a big part in meeting the goal in the Mayor’s Transport Strategy of increasing sustainable mode share from the current 63 per cent to 80 per cent by 2041.

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2 The public performance measure has been in long term decline from 2010.
4.8 This concept was floated in the joint DfT / TFL Rail Prospectus in January 2016 and again in the Mayor’s Transport Strategy in March 2018. However, there has been little progress subsequently by either DfT or Network Rail who are the industry players that have the means to make a difference in this regard. More local control and decision-making over infrastructure management as well as the content of passenger service concessions would though make this important concept much more feasible. This would enable London’s local railways to at last be able to meet the strategic objectives in the MTS.

4.9 Our evidence is that metroisation would make much better use of the network that exists, particularly south of the Thames. The rail network there is characterised by complex service patterns and low frequency services compared to the network north of the river, while where there are also few Underground services. Operational performance is poor, with Southern and Southeastern metro services consistently underperforming compared to London Overground services. For example, in the period between 2010/11 and 2017/18, London Overground had an average of 80 per cent of all trains achieving the Right Time measure, whereas Southeastern only achieved this for 62 per cent of the mainline and metro services, and Southern for only 53 per cent.

4.10 Customers are less satisfied with overall levels of service, frequencies and value for money than public transport users in other parts of London. Overall customer satisfaction on Southern and Southeastern metro services has consistently trailed that of London Overground services by 10-20 points since 2014.

4.11 Metroisation has six key elements:

1. Predictable services, including identifiable “lines” with consistent stopping patterns and even intervals between trains
2. Better connections, based on higher frequencies and upgraded interchanges
3. More capacity, delivered through longer trains and relieving bottlenecks
4. Shorter journey times, supported by trains that accelerate and decelerate faster, and have wider doors so that boarding and alighting is more efficient
5. A more reliable service, arising from simplified service patterns that reduce conflicts at junctions
6. Better customer service and experience, similar to the benefits delivered by transferring services to London Overground

4.12 The Mayor’s ambitions for metroisation are set out in Proposal 65 of the MTS:

“The Mayor, through TfL, will work with Network Rail, train operating companies and stakeholders to seek the modification of the planning of local train services from Moorgate, Victoria and London Bridge to create a London suburban metro, offering improved frequencies, journey times and interchange opportunities by the late 2020s.”
4.13 Delivering this proposal requires a fundamental change to the way the network is planned and run. This means moving from the prevailing industry-focussed approach to a broader, ‘whole transport network’ view that considers the impact of rail services across the communities they serve alongside the efficient operation of the railway. Currently the industry focus tends to be more on short-term, incremental change driven by existing railway demand rather than broader social and economic objectives.

4.14 By transforming the planning and operational approach to suburban rail services, we can deliver more from the network to support customers, housing delivery and mode shift (see Appendix 1 for more detail). While metroisation is not technically dependent on a devolved structure, current industry structures make it difficult to achieve in practice.

4.15 Under the DfT’s Rail National Enhancements Pipeline (RNEP), enhancements are no longer funded through the High Level Output Specification (HLOS) but are funded incrementally by DfT as milestones are achieved. The RNEP provides a rolling programme of investment from ‘Determination’ to ‘Deployment’ with a series of decision gateways. The Pipeline applies to market-led proposals as well as government sponsored schemes.

4.16 Currently, DfT and Network Rail would need jointly to drive the case for metroisation as franchisees have too short a time horizon to be interested in major change with long-term benefits unless specified by DfT. DfT could specify metroisation in a franchise contract and instruct the operator to work in partnership with Network Rail to deliver the outcomes. The operator would need to work with Network Rail so that the infrastructure enhancements were delivered to the required timescale. Rolling stock would be ordered and brought into service by the operator and timetables development by Network Rail and the operator. However this planning structure is unwieldy at best, and places significant risk on a traditionally franchised TOC which would have to procure rolling stock and plan to deliver services with no guarantee that the infrastructure would be funded and outcomes delivered.

4.17 Transport authorities such as TfL should instead be funded to bring together this activity from a combination of track access charges, funding from elsewhere in the TfL transport budget and/or direct grants from government. TfL could enhance the assets through retained sources of local taxation such as business rates (which would require fiscal devolution), or perhaps bid into a DfT Rail Enhancement Pipeline (administered by DfT in a manner perhaps similar to the access for all fund). Fiscal devolution would mean that the benefits of investment in terms of local taxes and farebox income would accrue back to the relevant local authority (in our case GLA and relevant Boroughs). These arrangements would also reduce the misperception of inequitable regional allocation of transport funding and ensure money follows passenger volumes more closely.
4.18 We could also fund enhancements directly if combined with fiscal devolution. The benefits of transport enhancements would then feed back to TfL/GLA and relevant Boroughs through local taxes and fare-box income. These structures would ensure that funding follows passenger outcomes more closely than in the current centralised pipeline structure, as well as being able to leverage the increase in land-value that they generate a vertically integrated structure contracted to TfL would be better placed to deliver metroisation as we could plan the delivery of both services and infrastructure coherently. A commercial organisation would be unlikely have the overarching vision, let alone the ability to leverage local taxation to make it financially sustainable.

4.19 Where the London boundary and railway geography dictate, it would be possible to include neighbouring transport authorities in some form of partnership as set out in the Rail Prospectus (see page 20). This would have the advantage of facilitating decision-making over a wider travel-to-work area. It could also therefore become analogous to a German-style "verkehrsverbund" for fares and ticketing purposes, enabling a rational boundary to the contactless ticketing area too. This German concept has enabled integrated regional public transport services for suburbanised metropolitan areas by carefully coordinating fares and services for all routes and types of public transport. It could be applied across other relevant city regions in the UK.

4.20 Only relevant infrastructure assets would need to be managed by TfL. This would primarily be those relevant to the provision of local London services, but where necessary, InterCity, freight and other users could buy access (e.g. train paths, station access) from a regulated tariff. A system operator function would maintain fair play for timetabling with arbitration by ORR as per the current model. Maintenance, operations and renewal of some assets such as signal control would need to be retained by Network Rail and managed centrally. Timetabling would still be carried out by the system operator and existing rail operating centres would remain.

4.21 A separate system operator that is independent of DfT should include regional representation on its governing body to ensure that the interests of London and the other regions are taken into account in decision making. This would ensure local accountability. The proposal is supported by the Urban Transport Group.

4.22 Even where transfer of infrastructure management is not possible, for example services out of Moorgate which share tracks with East Coast mainline operators, an extension of the local concession model managed by TfL and accountable to the Mayor would be worthwhile and at least some aspects of metroisation would be possible subject to funding being available for enhancements. We demonstrated our ability to work with Network Rail to deliver the extension of the East London Line and its integration into the National Rail network and to procure trains and specify service upgrades.
Recommendation

We recommend that the industry is structured in such a way as to facilitate Metroisation of the heavy rail network around major cities where the bulk of journeys occur. Ideally this would be through integration of track and train, transfer of infrastructure management responsibility and regional transport authority. Alternatively it could be delivered through the transfer of operations to TfL’s management and the opportunity to bid for enhancement funding through a DfT administered rail enhancements fund.

5 Financial sustainability and ability to address long-term cost pressures

5.1 We have had to adapt to the loss of, on average, £700m per annum operating grant from central Government, which used to offset the cost of day-to-day services since 2014. This means that we have to operate as a financially sustainable business. Although some parts of the business make a financial surplus and others including the major road network make a deficit, overall the business will be self funding including renewals and financing costs by 2022. In short, we are well used to managing our finances sustainably.

5.2 Our rail operations, which include Trams and DLR as well as London Overground and TfL Rail services, are also close to being financially neutral. A reason for this is that the concession model we use is cost-effective. As they are not taking revenue risk, the profit margins charged by concessions are lower than those of operators who take revenue risk, reducing the cost to the public sector. Operating costs are focused on customer facing functions rather than planning or administration, bringing benefits to passengers and helping to increase revenue through higher customer satisfaction.

5.3 There is a misperception that the concession model incurs large overheads. Although our concession management team is more actively involved in monitoring performance and service quality than the equivalent teams in DfT, management teams in DfT and TfL are of a similar size. There are efficiencies of scale in having functions such as marketing, revenue analysis, service planning and rolling stock leasing carried out by TfL rather than by each operator.

5.4 We are well placed to manage demand and revenue as we have a good understanding of the factors driving demand from our work on buses and Underground and can take steps to increase revenue through fares, marketing, service quality, minimising the net cost of rail services.

5.5 In addition to passenger revenue, we are making better use of our assets to bring in additional revenue from advertising, property, retail and other commercial income streams which all help to reduce the cost of the railway and impact on the taxpayer. By the end of this financial year we will also have partners in place for work to start on sites capable of delivering 10,000 new homes by March 2021. We believe National Rail structures could also be adapted to meet London’s great housing challenge more effectively.
5.6 The availability of open data has brought clear benefits to customers and has increased financial sustainability.

5.7 We are also well placed to obtain contributions from the private sector. We work with developers to understand the impacts of new developments on transport networks and to develop cost-effective enhancements to infrastructure and services that will increase capacity. This reduces the burden on the passenger and taxpayer and ensures that demand and capacity are well matched.

**Recommendation**

Greater local control over investment decision-making, service levels and fares levels is a means to improve financial sustainability by increasing accountability.

6 Fares and value for money for passengers

6.1 Integrated fares are a key benefit of regional devolution, enabling passengers to travel on different transport modes using the same ticketing product. In London, TfL has innovated with fares and ticketing at a far greater rate than the rest of the industry

- Magnetic stripe in the 1970s
- Zonal fares and Travelcards in the 1980s
- The Oystercard in the 1990s
- PAYG in the 2000s
- Contactless payment card (CPC) in the last ten years
- Mobile phone Apps in the last five years

6.2 Oyster was accepted by the TOCs in 2010, seven years after its introduction on TfL services. TOCs insisted on setting their own fares resulting in separate fare scales for TfL, TOC and combined journeys. TOC Oyster fares were set at a high level relative to season tickets and an opportunity for flexible pricing for part time and flexible workers was lost.

6.3 Contactless payments will soon account for half of our rail fare revenue and Contactless and mobile ticketing are taking an increasing portion of the share from Oyster and paper tickets.

6.4 Key benefits of the innovations introduced so far are:

- A flexible, time saving experience that customers like
- Removal of the need to make difficult decisions about which product to buy
- Builds trust that customers are getting the best value
- Generates additional paid ridership of 5 percent
- Radically reduces the number of transactions and so reduces operating costs

6.5 These benefits should be made available to passengers on the rest of the rail network. Ticketing requires long-term consistent planning grounded in the
public service goals of the railway. A step change in transparency is needed with single leg pricing; distance based fares and contactless payment technology to allow passengers to tap in and go without needing to buy a new ticket or card. We believe innovation will not happen if smart ticketing is simply a new platform for the old structure. Instead a radical change is needed.

6.6 If the control of fares were devolved to a local authority, Mayor or equivalent, the TOCs would become price takers as for London Overground and TfL Rail. Long distance fares cannot be devolved to a local body but changes can be made to strike a balance between fairness for the passenger and the taxpayer.

6.7 As technology changes the way travel is paid for, the industry needs to be agile in changing the ticketing offering to improve efficiency and provide benefits to customers. Franchise operators do not have the expertise and resources to introduce new forms of ticketing and in any case, franchise specific innovation would create difficulties for the proportion of passengers travelling on more than one franchised service.

6.8 The national fares system is complex and confusing for passengers. Government has responded to public discontent by increasing regulation and limiting TOCs’ flexibility in setting fares but this has blocked the evolution of the fares structure.

Recommendation

The London fares experience should be made available to all through a national system using the same contactless payment card technology already proving successful in London – both on TfL's and the TOCs’ services. The best value combination of fares would automatically be charged and this could be cross modal where locally sponsored schemes exist, operating alongside local ticketing products. Only for very long distance fares would there be a need to pay in advance and the token used to pay could be used to tap in and travel. A payment token for the unbanked could be developed with top up at stations or mobile phone shops.

7 Industrial relations

7.1 Our operational model has resulted in a lower level of industrial action that that of many other rail operators. Staff contracts include Sunday working which reduces reliance on overtime and rest day working. London Overground has had only 2 days of strike action since contracting authority transferred from the DfT to us in 2007 in response to introduction of Driver Only Operation on the Gospel Oak – Barking Line in 2013.

8 Agility to respond to future challenges and opportunities

8.1 A key advantage of a concession contract is the ability to respond to changes in housing and employment, local demand factors and to integrate more closely
with other transport modes during a concession period. We have been active in making incremental changes to services to the benefit of passengers. On London Overground these have included changing service frequency on the North and West London Lines to match the growth in demand in the West London Line; increasing the length of trains from 3 cars to 4 cars and then to 5 cars as demand increased; and introducing additional early and late services.

8.2 Changing service levels on a traditional franchise is expensive and time consuming due to the uncertainty around the impact on revenue and the renegotiation that has to take place. With a gross cost contract, only costs rather than both costs and revenue will vary which makes change easier to effect.

8.3 An advantage of local public sector involvement is the ability to plan jointly local development and transport, to help enable delivery of new homes and jobs. TfL has a role in supporting good growth and housing delivery as set out in the Mayor’s Transport Strategy. In some cases, transport enhancements are needed to unlock housing delivery or additional capacity is needed to meet growing demand from developments. Joint planning of housing and transport brings synergies. TfL and GLA are also in the position of owning land which can be developed.

8.4 TfL and GLA have recently submitted Housing Infrastructure Fund bids for enhancements to the London Overground and DLR demonstrating that 30,000 homes could be enabled through targeted investment in stations, depots and service frequency as well as direct delivery of housing on publicly owned sites.

8.5 The relative flexibility of the concession-style contract will also enable more readily the changes required to make use of technology, notably the Digital Railway, to more of London’s railway systems. This is planned on parts of south London’s networks and we are already planning timetable changes on relevant London Overground services to make best use of the new traffic management systems.

8.6 We believe that part of maintaining agility is to assess new business models and services by gathering evidence and running trials, helping to manage risks and determine which new models and services we should explore further. It is in this context that we are excited by the possible opportunities that this review provides to improve the effectiveness of the National Rail network, just as we do elsewhere on our networks.

Recommendation

Combined responsibility for local development, infrastructure and service delivery together with appropriate contractual incentives will increase agility.
Appendix 1

The Strategic Case for Metroisation Executive Summary

Introduction

London’s future international competitiveness is threatened by significant transport challenges and a severe housing shortage. By 2041, population and employment growth is expected to generate about 6 million additional trips in London each day, increasing travel on rail modes and exacerbating crowding on radial routes into central London. To support and sustain this growth, over 66,000 new homes per year will need to be delivered in London. Additionally, public transport connectivity will need to improve in inner and outer London to ensure this growth is sustainable.

These challenges drive the aims of the Mayor’s Transport Strategy (MTS), which sets out the Mayor’s long-term vision for transport in London. ‘A good public transport experience’ is needed to achieve the Mayor’s aim for 80 per cent of all trips in London to be made by active, efficient and sustainable modes of travel by 2041.

There is substantial underutilised capacity on the National Rail network that could be released at relatively low capital cost to help address these challenges. This is particularly applicable and critical in south and south east London, where:

- Rail mode share is at its highest outside of central London (6.9 per cent of trips originating in the south sub-region)
- There are relatively few planned and proposed schemes for delivery in the next decade
- National Rail contracted services are performing poorly compared to other heavy rail networks, such as London Overground.

The role of this Strategic Case is to set out the need for investment in a transport intervention on the south and south east London suburban rail network (in the form of ‘metroisation’) to enable the public transport network to realise its full potential to support mode shift and new homes and jobs.

The ‘metroisation’ concept

Metroisation has six key elements:

- **Predictable services**, including identifiable “lines” with consistent stopping patterns and even intervals between trains
- **Better connections**, based on higher frequencies and upgraded interchanges
- **More capacity**, delivered through longer trains and relieving bottlenecks

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3 Mayor’s Transport Strategy 2018
4 Draft New London Plan 2017
5 LTDS 2014-17
• **Shorter journey times**, supported by trains that accelerate and decelerate faster, and have wider doors so that boarding and alighting is more efficient

• **A more reliable service**, arising from simplified service patterns that reduce conflicts at junctions

• **Better customer service and experience**, similar to the benefits delivered by transferring services to London Overground

The Mayor of London’s ambitions for metroisation are set out in Proposal 65 of the MTS:

“The Mayor, through TfL, will work with Network Rail, train operating companies and stakeholders to seek the modification of the planning of local train services from Moorgate, Victoria and London Bridge to create a London suburban metro, offering improved frequencies, journey times and interchange opportunities by the late 2020s”.

This is also supported by the London Assembly’s recent Broken Rails paper\(^6\), which states “it is critical that improvements to London’s suburban rail services are prioritised now and regardless of which operators are running the services”.

**The change required**

Delivering this proposal requires a fundamental change to the way the network is planned and run. This means moving from the prevailing industry-focused approach to a broader, ‘whole transport network’ view that considers the impact of rail services across the communities they serve alongside the efficient operation of the railway.

Currently the industry focus tends to be more on short-term, incremental change driven by existing railway demand rather than broader social and economic objectives, such as housing, mode shift and city-wide connectivity. This is a consequence of the rail network being planned independently of the rest of the public transport network, and the fragmented commercial aspect of the rail industry which tends to result in revenue-driven business cases, and risk-averse decision-making. This skews investment towards longer-distance services rather than local stopping services, and discourages transformational change that could achieve wider social and economic objectives. By transforming the planning and operational approach to suburban rail services, we can deliver more from the network to support customers, housing delivery and mode shift.

The transfer of services to TfL would make metroisation much more likely and much easier to achieve, however metroisation is not necessarily dependent on this (see **Figure 1**). While metroisation is focussed on local stopping services, the interventions outlined in this Strategic Case would also deliver benefits to fast services between the Wider South East and central London rail termini.

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\(^6\) [https://www.london.gov.uk/sites/default/files/broken_rails__a_rail_service_fit_for_passengers_final_report.pdf](https://www.london.gov.uk/sites/default/files/broken_rails__a_rail_service_fit_for_passengers_final_report.pdf)
Figure 1: The relationship between short-term interventions (transfer of services) and long-term interventions (metroisation)

<table>
<thead>
<tr>
<th>Transfer of services (short term)</th>
<th>Metroisation (long term)</th>
</tr>
</thead>
<tbody>
<tr>
<td>London Overground levels of contractual reliability</td>
<td>Simplified and predictable service patterns</td>
</tr>
<tr>
<td>London Overground levels of customer services and staffing</td>
<td>Improved rail connections and multimodal interchanges</td>
</tr>
<tr>
<td>Better integration with the London transport network and ticketing</td>
<td>More passenger capacity through better utilisation of existing rail capacity</td>
</tr>
</tbody>
</table>

The case for change

The south and south east London public transport network is not delivering to its full potential.

The National Rail network has been developed incrementally by multiple competing operators which limits connectivity between the south central and south eastern networks in particular.

Operational performance is poor, with Southern and Southeastern metro services consistently underperforming compared to London Overground services. For example, in the period between 2010/11 and 2017/18 London Overground had an average of 80 per cent of all trains achieving the Right Time measure, whereas Southeastern only achieved this for 62 per cent of the mainline and metro services, and Southern for only 53 per cent.

This is influenced by the design of rolling stock, which is not suited to efficient boarding and alighting and ensuring short dwell times associated with a metro service. The combination of competing operators, poor performance and inefficient operational design creates a vicious circle of delays and crowding (see Figure 2).

These shortcomings influence customer behaviour, with high volumes of customers using bus services to bypass their local rail station in favour of a more reliable Tube service.

This adds pressure on the Tube and bus networks in areas where they are already at capacity. For example:

- Each day **33 double-deck busloads** of Londoners living within a 10 minute walk of West Norwood station use a bus to access Brixton Tube station instead of using their local service.
- 5,000 people travel by bus from, or past, stations on the Wimbledon Loop to access the Northern line at Morden.
- While the journey from Eltham to Southwark takes less time on a Southeastern service, **taking a bus to the Jubilee line at North Greenwich is a quicker option** when estimated wait time is factored in.

Customers using the south and south east London rail network are not getting a good public transport experience.

Customers are less satisfied with overall levels of service, frequencies and value for money than public transport user in other parts of London. Overall customer satisfaction on Southern and Southeastern metro services has consistently trailed that of London Overground services by **10-20 points** since 2014.

For example, as shown in Figure 3, customers are getting a less frequent service.

**Figure 3: Level of service provided to Londoners with a nearby rail service (current)**

<table>
<thead>
<tr>
<th>Metro: Average passenger wait time, taking into account actual departure times, is less than or equal to 5 minutes</th>
<th>Turn-up-and-go: Average passenger wait time, taking into account actual departure times, is less than or equal to 7.5 minutes</th>
<th>Infrequent: Average passenger wait time, taking into account actual departure times, is greater than 7.5 minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro</td>
<td>Turn-up-and-go</td>
<td>Infrequent</td>
</tr>
<tr>
<td>64%</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>45%</td>
<td>66%</td>
<td>34%</td>
</tr>
</tbody>
</table>

As shown in **Table 1**, this means that the public transport network is not delivering connectivity to jobs.
- There are **four times as many jobs within 45 minutes** of Harrow compared to Sutton
- There are **nearly three times as many jobs within 45 minutes** of Walthamstow compared to Streatham
- Tooting Broadway on the Northern line has **nearly three times as many jobs within 45 minutes** compared to Streatham on the National Rail network.

This drives more people towards the car, which is seen as a more competitive alternative to rail, and acts as a barrier to making the trip for those without any alternative.

**Table 1: Connectivity to jobs**

<table>
<thead>
<tr>
<th>Location</th>
<th>Centre</th>
<th>Zone</th>
<th>Peak</th>
<th>Off-peak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sutton station</td>
<td>Metropolitan</td>
<td>5</td>
<td>Jobs within 45 mins</td>
<td>Jobs within 60 mins</td>
</tr>
<tr>
<td>Harrow-on-the-Hill station</td>
<td>Metropolitan</td>
<td>5</td>
<td>1,020,209</td>
<td>2,830,150</td>
</tr>
</tbody>
</table>
South and south east London is not realising its potential for housing delivery and economic growth

Since 2001, housing delivery in south and south east London has lagged behind the London average, with most outer boroughs in the sub-region seeing growth of between 6 and 8 per cent compared to the London average of 14 per cent.

As shown in Figure 4, areas around National Rail stations in south and south east London have historically not delivered housing to the same extent as stations operated by TfL.

As shown in Figure 5, over the same period, the south and south east economy has also performed poorly compared to other sub-regions, and employment growth has been lower than other sub-regions of London. LB Croydon and LB Bromley are among the few London boroughs where total employment did not rise between 2003 and 2013.

Poor public transport connectivity has acted as a constraint on sustainable housing development and economic growth across the sub-region.

Why introduce a new metro service in south and south east London?

Figure 6 outlines three objectives for the rail network in south and south east London and neighbouring districts. These have been drafted by TfL and align with both the
national strategic vision for rail (Connecting people: a strategic vision for rail) \(^7\) and the MTS.

Metroisation of south and south east London rail services aligns with national, regional and local policies and benefits from its implementation would be spread across London and the Wider South East.

**Figure 6: Objectives for metroisation**

| A more reliable, better connected and expanded public transport network in south London, Surrey and Kent | A good public transport experience for all passengers on the network | A public transport network that supports national and regional housing delivery and economic growth ambitions |

These objectives aim to address the shortcomings of the rail network outlined above:

- The south and south east London rail network is not delivering to its full potential
- The south and south east London rail network is failing to provide customers with a good public transport experience
- The south and south east London rail network could do more to unlock housing and economic growth

**The ‘core’ metroisation option**

*Figure 8* shows an option for the network under metroisation (‘core metroisation scheme option’), developed for the purposes of this Strategic Case.

When compared against the base service pattern (*Figure 7* and *Table 2*) this core metroisation scheme option would deliver an additional 39 trains on the network during the morning peak hour (a 22 per cent increase), and an additional 36 trains per hour during the off-peak (a 30 per cent increase). These benefits would be spread across the network, with enhanced frequencies on both local stopping services and longer-distance fast services.

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\(^7\) Connecting people: a strategic vision for rail
Figure 7: December 2019 ‘base’ service pattern for local National Rail services in south London – morning peak hour

Figure 8: ‘Core’ option service pattern (MET01: S5D+K5B) – morning peak

New interchange at Streatham Common and Brockley, allowing customers to change easily between services to different termini, make orbital journeys.

Balham to Victoria metro corridor (168pm) and turn-up-and-go direct links to west London.

More frequent services from Wallington to Croydon, and Croydon to Sutton.

More regular connections between Orpington, Bromley and Beckenham.
Table 2: Frequency changes (trains per hour) – Metro & regional services

<table>
<thead>
<tr>
<th>Terminus</th>
<th>Peak Hour</th>
<th></th>
<th>Change</th>
<th>Off Peak</th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019 Base</td>
<td>‘Core’ option</td>
<td>Change</td>
<td>2019 Base</td>
<td>‘Core’ option</td>
<td>Change</td>
</tr>
<tr>
<td>Blackfriars</td>
<td>29</td>
<td>32</td>
<td>+ 3 tph</td>
<td>20</td>
<td>24</td>
<td>+ 4 tph</td>
</tr>
<tr>
<td>Cannon Street (SE Metro)</td>
<td>16</td>
<td>20</td>
<td>+ 4 tph</td>
<td>12</td>
<td>14</td>
<td>+ 2 tph</td>
</tr>
<tr>
<td>Charing Cross (SE Metro)</td>
<td>20</td>
<td>20</td>
<td>=</td>
<td>12</td>
<td>14</td>
<td>+ 2 tph</td>
</tr>
<tr>
<td>London Bridge (BML Slow)</td>
<td>4</td>
<td>6</td>
<td>+ 2 tph</td>
<td>4</td>
<td>6</td>
<td>+ 2 tph</td>
</tr>
<tr>
<td>London Bridge (via Peckham Rye)</td>
<td>6</td>
<td>8</td>
<td>+ 2 tph</td>
<td>4</td>
<td>8</td>
<td>+ 4 tph</td>
</tr>
<tr>
<td>Victoria (BML Slow)</td>
<td>14</td>
<td>18</td>
<td>+ 4 tph</td>
<td>12</td>
<td>16</td>
<td>+ 4 tph</td>
</tr>
<tr>
<td>Victoria (SE Metro)</td>
<td>7</td>
<td>12</td>
<td>+ 5 tph</td>
<td>6</td>
<td>12</td>
<td>+ 6 tph</td>
</tr>
<tr>
<td>East London Line</td>
<td>18</td>
<td>24</td>
<td>+ 6 tph</td>
<td>18</td>
<td>24</td>
<td>+ 6 tph</td>
</tr>
<tr>
<td>West London Line</td>
<td>2</td>
<td>4</td>
<td>+ 2 tph</td>
<td>1</td>
<td>4</td>
<td>+ 3 tph</td>
</tr>
<tr>
<td>Bromley North – Grove Park</td>
<td>4</td>
<td>4</td>
<td>=</td>
<td>3</td>
<td>4</td>
<td>+ 1 tph</td>
</tr>
<tr>
<td>Cannon Street (Kent Services)</td>
<td>7</td>
<td>0</td>
<td>=</td>
<td>7</td>
<td>0</td>
<td>=</td>
</tr>
<tr>
<td>Charing Cross (Kent Services)</td>
<td>8</td>
<td>10</td>
<td>+ 2 tph</td>
<td>6</td>
<td>6</td>
<td>=</td>
</tr>
<tr>
<td>London Bridge (BML Fast)</td>
<td>8</td>
<td>10</td>
<td>+ 2 tph</td>
<td>5</td>
<td>3</td>
<td>- 2 tph</td>
</tr>
<tr>
<td>Victoria (BML Fast)</td>
<td>16</td>
<td>20</td>
<td>+ 4 tph</td>
<td>14</td>
<td>18</td>
<td>+ 4 tph</td>
</tr>
<tr>
<td>Victoria (Kent Services)</td>
<td>7</td>
<td>10</td>
<td>+ 3 tph</td>
<td>5</td>
<td>5</td>
<td>=</td>
</tr>
<tr>
<td><strong>Total Change</strong></td>
<td>166</td>
<td>205</td>
<td>+ 39 tph</td>
<td>122</td>
<td>158</td>
<td>+ 36 tph</td>
</tr>
</tbody>
</table>

Key changes include:

- A flagship route between Balham and Victoria with up to 18 tph, turn-up-and-go direct links to west London via the West London line, and more frequent services from Wallington to Croydon, and Cheam to Sutton
- Predictable 10-minute interval services all day from Victoria to Herne Hill and Lewisham, between town centres in south east London such as Orpington and Bromley, and on the Greenwich, Bexleyheath, Sidcup and Grove Park lines
- Tube-level service on the East London and Sydenham lines, trains every 7 to 8 minutes from London Bridge to Tulse Hill, and every 15 minutes to the Crystal Palace and Hackbridge lines
- Simpler all-day turn-up-and-go services on the Wimbledon Loop
- New Streatham Common and Brockley interchanges, allowing customers to change easily between services to different central London termini and orbital lines

The total capital cost was estimated to be around £1,700m in 2014 prices, including optimism bias. As these costs are indicative only, future work will be required to refresh the cost of the capital interventions, and to consider power and depot and other relevant operational costs.
Benefits of metroisation

Metroisation could deliver benefits across to the London and south east transport network and beyond.

On the network, a new service design could deliver predictable services and better connections. Targeted capital interventions to increase capacity, reduce journey time and improve reliability include:

- New turnback facilities
- Grade separation and smaller-scale junction remodelling
- Digital signalling delivering Automatic Train Operation
- New tracks, platforms and stations

This would be supported by effective platform management and rolling stock design, and contracts that include strong performance incentives linked to customer experience.

More predictable services could build trust and encourage the use of the rail. Customers could benefit from more frequent services and well-designed interchange, reducing stress and saving time. Levels of service across south and south east London would be comparable with the rest of the London, as shown in Figure 9. Predictable and frequent services, and a more open layout on metro-style trains, could make travel easier and more accessible. Improved connectivity could deliver social benefits by encouraging more physical activity and reducing social isolation.

Figure 9: Level of service provided to Londoners with a nearby rail service (‘core’ option)

<table>
<thead>
<tr>
<th>Level of service provided to all Londoners with a nearby rail service</th>
<th>Level of service provided to south Londoners with a nearby rail service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro</strong></td>
<td><strong>Turn-up-and-go</strong></td>
</tr>
<tr>
<td>75%</td>
<td>88%</td>
</tr>
<tr>
<td>74%</td>
<td>88%</td>
</tr>
</tbody>
</table>

**Metro**: Average passenger wait time, taking into account actual departure times, is less than or equal to 5 minutes

**Turn-up-and-go**: Average passenger wait time, taking into account actual departure times, is less than or equal to 7.5 minutes

**Infrequent**: Average passenger wait time, taking into account actual departure times, is greater than 7.5 minutes

Higher capacity and improved connectivity could support the delivery of new homes. Figure 10 shows that up to 130,000 homes could come forward within 1km of stations that would benefit from improved services due to metroisation, with up to half of these directly supported by the scheme. A more dependable service would also support the viability of town centres across outer London and the Wider South East.
Figure 10: Housing delivery supported by metroisation

Constraints and dependencies

The metroisation proposal has been developed to ensure no adverse impacts on the frequency, journey times or stopping patterns of longer distance services between London and the Wider South East (recognising that current frequencies will need to grow in line with demand). It also has regard to the needs of rail freight, following the principles laid out in the MTS, and the differing planning policies of local authorities across London and the Wider South East.

Next steps

This Strategic Case provides a compelling argument for change in the planning and operation of rail services in south and south east London. It could form the basis for conversations with stakeholders in south and south east London to build consensus on the long-term vision for the rail network and inform engagement with the DfT and HM Treasury regarding long-term infrastructure funding in London.

In line with DfT processes, this Strategic Case would in due course form part of a complete business case for metroisation, supported by an economic case, including testing the benefits of the core metroisation option and relevant variants, as well as the financial, commercial and management cases.
## Appendix 2
### Options considered

<table>
<thead>
<tr>
<th>Option</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status quo</td>
<td>Known structure with no upheaval</td>
<td>Deteriorating performance and customer satisfaction, inflexible, doesn’t meet customer needs</td>
</tr>
<tr>
<td>New generation franchises (DfT)</td>
<td>More flexible approach to franchising taking some benefits from TfL concessions. Management contracts and longer term franchises with break points. Alliancing - synergies from joint control centres</td>
<td>Little benefit of long term franchise without investment in assets. Reluctance to terminate contracts of poor performing TOCs SW alliancing failed. ‘One team’ may disadvantage smaller operators</td>
</tr>
<tr>
<td>RDG partnership model</td>
<td>Very similar to current structure so little disruption during a transition period</td>
<td>National rather than local interest with the relative lack of accountability that this implies.</td>
</tr>
<tr>
<td>Open access</td>
<td>Suitable for longer distance routes where new markets can be identified. Low cost to public sector.</td>
<td>Not suitable for commuting routes. Would not provide railway for social or wider economic reasons.</td>
</tr>
<tr>
<td>Independent System Operator with regional representation</td>
<td>Greater focus on long term strategy than in DfT. Less political influence. Can take wider view. Local focus from regional representatives.</td>
<td>May be more difficult to get consensus across regional interests.</td>
</tr>
<tr>
<td>Strategic Rail Authority</td>
<td>Tried and tested. Greater focus on long term strategy than in DfT. Less political influence. Can take wider view e.g. rolling stock strategy.</td>
<td>National rather than local interest with the relative lack of accountability that this implies.</td>
</tr>
<tr>
<td>Option</td>
<td>Advantages</td>
<td>Disadvantages</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Increased integration between track and train</td>
<td>Interface between track and train – avoid some of the recent issues with lack of joined up planning. Lower cost as less contractual arrangements.</td>
<td>May be lack of focus on customer as infrastructure used by different market segments.</td>
</tr>
<tr>
<td>NR route level devolution and move to Big Six</td>
<td>Benchmarking opportunity. Local management focus.</td>
<td>Still need central system operator function. Routes already too large to focus on local issue e.g. Euston. London commuting will be of limited interest to an LNE route.</td>
</tr>
<tr>
<td>London route or virtual route</td>
<td>Local management focus applied to commuter as well as long distance routes.</td>
<td>Interface between routes to be managed.</td>
</tr>
<tr>
<td>TfL as infrastructure manager for selected routes</td>
<td>Successful on London Underground and East London Line and being introduced on Crossrail and Welsh Valley Lines.</td>
<td>Need to coordinate with NR and other infrastructure managers.</td>
</tr>
</tbody>
</table>