

Valerie Shawcross AM, Chair of the Transport Committee

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Dear Paul

Network Rail's London and South East Market Study Draft for Consultation

I am writing on behalf of the London Assembly's Transport Committee to set out our response to Network Rail's consultation on its draft London and South East market study.

This response draws on our previous relevant work on rail services in London including our responses to Network Rail's draft London the South East Route Utilisation Strategy (RUS) in March 2011 and the Initial Industry Plan in November 2011. Further details of all our work can be found online at:
<http://www.london.gov.uk/who-runs-london/the-london-assembly/publications/transport>

The Committee welcomes Network Rail's decision to initiate its Long Term Planning Process and the strategic goals for rail set out in the market study – to support economic growth, reduce the carbon impact of the rail network, improve quality of life and promote affordability. Strategic assessment of the rail network's future needs, based on reliable demand forecasting, is central to providing transport to support London's population and economic growth. Our response offers comments in relation to the sections of the study on Long Term Demand Scenarios (section 6) and Long Term Conditional Outputs (section 7).

Long Term Demand Scenarios

Accurate population forecasts are clearly vital to planning future rail services but Network Rail's current assumptions could be an underestimate. The Market Study draws on the London Plan to produce modelled estimates for future demand but we would highlight that population growth in London continues to outstrip forecasts. The most recent estimates suggest that London's population will approach ten million by 2030¹ (rather than the 8.82 million by 2031 estimated in the London Plan,² on which Network Rail has based its assumptions³). This would place even greater demands on London's rail infrastructure and could mean that overcrowding could be worse than forecast. We support Network Rail's scenario planning approach but modelling will need to be refreshed regularly to reflect London's changing demography.

Growing employment in London will also need to be supported. There are forecast to be 850,000 more jobs in London by 2036⁴ and, as the Market Study recognises, the distribution of employment in London makes rail an increasingly popular choice of transport for commuters from both within and outside London (people living outside the capital hold around one in six London jobs – 800,000 jobs in 2011). It is therefore essential for London's economy that rail continues to be an attractive way of getting to work. We also

¹ Mayor of London, 2020 Vision, p. 12

² Mayor of London (2011) London Plan, p. 18

³ Network Rail, Long Term Planning Process: London and South East Market Study Draft for Consultation, p. 16

⁴ GLA Economics, (April 2013) London Labour Market Projections, p. 5

welcome the fact that the Market Study acknowledges microeconomic factors – such as falling car use – which reinforce the need for investment in sustainable public transport, and the railways in particular. We are concerned about the demand data for the South West Main Line into Waterloo. We note that the Study finds demand for stopping services for peak services to Waterloo are ‘unexpectedly low.’ This finding is contrary to the evidence we have received from TfL and Network Rail at meetings in recent months where stakeholders have highlighted worsening overcrowding on this line. This raises questions about the reliability of these data and we would call on Network Rail to undertake a review so future demand on this important rail corridor can be properly assessed.

Long Term Conditional Outputs

We strongly support the objective to deliver improvements in short or inner suburban journeys. We have long called for measures to enhance capacity on suburban rail services, including most recently the Overground, the West Anglia Main Line, the Sydenham corridor and the South West Main Line⁵. The popularity of the recently completed orbital London Overground – carrying four times as many passengers in 2012 as 2007 – illustrates the strength of demand for rail in London.⁶ Our frequent work on rail with Londoners and rail experts tells us that the provision of extensive, efficient and reliable rail services continues to be a priority issue for the city.

We are also encouraged that the Study acknowledges a need to support better rail access to airports. The Committee concluded that improving surface rail access to airports will play a key role in making better use of airport capacity in London and the South East and that it should be a priority area for rail investment.

Ticket prices are, however an area of concern. The Market Study notes that Network Rail has ‘not reached consensus among stakeholders’ about the role of pricing. We would urge you to ensure a wide range of stakeholders are represented in on-going discussions about the role of pricing so the views of all passengers are included in the negotiation process. The industry has been tasked with improving the efficiency of the rail network and passengers must not bear a disproportionate burden of attempts to reduce the gap between the rail industry’s costs and revenues. We have previously noted that UK passengers already pay among the highest fares in Europe and that any attempts to control peak demand through fares must be geared towards making off-peak travel more attractive.⁷ We also see a role for promoting home working by introducing more flexible ticketing options in such a way to reduce demand on peak services without having a negative effect on the economy.

Finally, we note that the long term planning process is reliant on a government commitment to funding the new rail infrastructure that London and the South East needs to deal with population and employment growth. Rail investment plays a key role in supporting London’s economy and that of the rest of the country.

We welcome this opportunity to respond to the draft London and South East market study and look forward to receiving details of how our work has been taken into account in the final version.

Yours sincerely



Valerie Shawcross AM

Chair of the Transport Committee

⁵ Transport Committee response to Initial Industry Plan (Nov 2011)

⁶ TfL press release, 7 February 2013, ‘London Overground introduces five-car trains to meet increasing demand’

⁷ See our response to the Department for Transport’s consultation on fares and ticketing in June 2012.