MDA No.: 1643

Title: Public Ownership of Rail

1. Executive Summary

1.1 At the Transport Committee meeting on 26 September 2024 the Committee resolved that:

Authority be delegated to the Chair, in consultation with the Deputy Chair and party Group Lead Members, to agree any output arising from the meeting.

1.2 Following consultation with party Group Lead Members, the Chair agreed the Committee's letters to the Mayor of London and Minister for Rail regarding the public ownership of rail, as attached at **Appendices 1 and 2**.

2. Decision

2.1 That the Chair, in consultation with party Group Lead Members, agrees the Committee's letter to the Mayor of London and Minister for Rail regarding the public ownership of rail, as attached at Appendices 1 and 2.

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:

Printed Name: Elly Baker AM, Chair of the Transport Committee

Date: 22 October 2024

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chair, in consultation with relevant party Lead Group Members and the Deputy Chair, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letter and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the letters will be formally noted at the Transport Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): P. Goodchild

Printed Name: Paul Goodchild, Committee Services Manager

Date: 17/10/2024

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Printed Name:

Date:

Legal Implications:

The Chair of the Transport Committee has the power to make the decision set out in this report.

Signature (Legal): M. M.

Printed Name: Rory McKenna

Date: 22.10.24

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- Caroline Russell AM
- Keith Prince AM
- Hina Bokhari AM

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FolA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note**: this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, until what date:

Part 2 - Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

Lead Officer / Author

Signature: E. Haigh

Printed Name: Eleanor Haigh

Job Title: Senior Policy Advisor

Date: 17/10/2024

Countersigned by Executive Director:

Signature:

Printed Name: Helen Ewen, Executive Director of Secretariat

Date: 21/10/2024

LONDONASSEMBLY

City HallKamal Chunchie Way
London
E16 1ZE

Tel: 020 7983 4000 www.london.gov.uk



Elly Baker AM Chair of the Transport Committee

Sadiq Khan Mayor of London (Sent by email)

23 October 2024

Dear Sadiq,

I am writing on behalf of the Transport Committee to share its findings from its recent meeting on rail in London.

On 26 September 2024 the Committee held a formal meeting on public ownership of rail and how it can work in London. The meeting focused on rail responsibility in London, the Passenger Railway Services (Public Ownership) Bill 2024-25 and transport devolution in London. The Committee heard from Professor Iain Docherty, Dean for the Institute of Advance Studies at the University of Stirling, as well as Seb Dance, Deputy Mayor for Transport and Geoff Hobbs, Director of Public Transport Service Planning at Transport for London (TfL). The Committee has also received correspondence from RMT, Rail Partners and Campaign for Better Transport regarding public ownership of rail.

The Transport Committee has made clear its long-standing support for further devolution of rail in London.^{1 2} Following this meeting, the Committee is further convinced of the merits of devolution of suburban rail services in London and welcomes your statements reported in July this year calling for

¹ GLA, <u>Transport Now and in the Future</u>, February 2020

² London Assembly Transport Committee, <u>Williams-Shapps: The Committee's response to the Plan for Rail</u>, February 2022, see also London Assembly Transport Committee, <u>Government urged to provide timetable for rail reforms</u>, March 2023. The GLA Conservatives did not agree to the recommendations relating to further devolution of rail in either of these publications.

commuter rail lines in London to be devolved to TfL.³ Whilst we welcome these statements, there are several areas in which we would seek further clarification and urge you to consult with the Committee as discussions over the specific details of devolution become clearer.

Accountability and governance

The Committee notes that there are potential complexities around governance and accountability that could arise as a result of further devolution of rail services to London, where services being operated by TfL run beyond London's boundary. The Committee heard from Professor Iain Docherty that there are different possible solutions to this to ensure that people from either side of the metropolitan boundary feel that they are represented and involved in the decision-making process, including a special purpose authority or joint transport board. International models, such as the way regional services around Paris have been organised, could also be drawn upon as examples.⁴

TfL already run some cross-boundary services, on some TfL bus routes and the Overground. Geoff Hobbs told the Committee that in terms of governance, there are currently two TfL Board members, Peter Strachan and Greg Clark, responsible for representing out-boundary users of TfL services.⁵

Given the risk for greater governance and accountability complexities with further devolution of rail, the Committee would like the opportunity to further input into this work should additional services be devolved. The Committee therefore recommends that the Mayor and TfL directly engage with the Committee, as well as with Londoners, at an early stage if the decision is taken to further devolve rail services in London.

Ownership and structure of rail services in London

The Committee believes that, with regard to further rail devolution in London you and TfL should seek maximum flexibility over the system of control and accountability for the devolved services, and over setting the policy outcomes it aims to achieve. This includes the ability to appoint the operator for, and set the direction of, services, as is currently the case with London Overground and the Flizabeth Line.

As it stands, the Passenger Railway Services (Public Ownership) Bill 2024-25 does not specifically refer to London or TfL, and would leave TfL services outside the scope of the Bill. Alongside this letter to you, the Committee is writing to Lord Hendy, Minister of State for Rail, recommending that the Government amend the Bill to allow for passenger railway services to be run by public sector companies owned by an elected public body or Mayoral authority; thus, allowing TfL to run services operating into, and within, London.

In line with the changes to other services operating in London as a result of the provisions in the Bill the Committee believes that TfL should have the power to appoint a public sector operator for the Elizabeth Line and Overground contracts. The Committee recommends that TfL includes a break clause with the potential for public sector operators to be appointed in the new Elizabeth Line contract currently at procurement stage, and any future London Overground contract.

³ BBC, Watch this space on rail devolution, says Khan, 9 July 2024

⁴ London Assembly Transport Committee, <u>Agenda Transport Committee – Thursday 26 September 2024 10.00am</u>

⁵ London Assembly Transport Committee, <u>Agenda Transport Committee – Thursday 26 September 2024 10.00am</u>

I would be grateful if you could respond to the Committee in writing by 4 December 2024 copying your response to Eleanor Haigh, the Committee's Senior Policy Adviser (eleanor.haigh@london.gov.uk) and Paul Goodchild, the Committee's Clerk (paul.goodchild@london.gov.uk).

Yours,

Elly Baker AM

Chair of the Transport Committee

LONDONASSEMBLY

City Hall Kamal Chunchie Way London E16 1ZE

Tel: 020 7983 4000 www.london.gov.uk



Elly Baker AM
Chair of the Transport Committee

Lord Hendy of Richmond Hill CBE Minister of State (Minister for Rail) (Sent by email)

23 October 2024

Dear Lord Hendy,

I am writing on behalf of the Transport Committee to share its findings from its recent meeting on rail in London.

On 26 September 2024 the Committee held a formal meeting on public ownership of rail and how it can work in London. The meeting focused on rail responsibility in London, the Passenger Railway Services (Public Ownership) Bill 2024-25 and transport devolution in London. The Committee heard from Professor Iain Docherty, Dean for the Institute of Advance Studies at the University of Stirling, as well as Seb Dance, Deputy Mayor for Transport and Geoff Hobbs, Director of Public Transport Service Planning at Transport for London (TfL). The Committee has also received correspondence from RMT, Rail Partners and Campaign for Better Transport regarding public ownership of rail.

The Transport Committee has made clear its long-standing support for further devolution of rail in London, following investigations run between 2020 and 2023.¹ The Committee heard further evidence on the benefits of further devolution of rail in its meeting on 26 September which has further convinced us of the merits of devolution of suburban rail services in London. Accordingly,

¹ GLA, <u>Transport Now and in the Future</u>, February 2020

² London Assembly Transport Committee, <u>Williams-Shapps: The Committee's response to the Plan for Rail</u>, February 2022, see also London Assembly Transport Committee, <u>Government urged to provide timetable for rail reforms</u>, March 2023. The GLA Conservatives did not agree to the recommendations relating to further devolution of rail in either of these publications.

the Committee urges the Government to consider how devolution of rail services to the Mayor of London can happen alongside its broader reforms of the rail sector. We believe this should start with an amendment to the Passenger Railway Services (Public Ownership) Bill 2024-25. The Committee notes that while the Bill, as it stands, does not specifically refer to London or TfL, it does affect nine franchises currently running key routes into, and services within, London. The Committee recommends that the Bill should be amended to include a clause that allows passenger railway services to be run by public sector companies owned by an elected public body or Mayoral authority to enable the Mayor and TfL to run services operating into, and within, London.

The Committee notes that there are potential complexities around governance and accountability that could arise as a result of further devolution of rail services to London, where services being operated by TfL run beyond London's boundary. The Committee heard from Professor Iain Docherty that there are different possible solutions to this to ensure that people from either side of the metropolitan boundary feel that they are represented and involved in the decision-making process, including a special purpose authority or joint transport board. International models, such as the way regional services around Paris have been organised, could also be drawn upon as examples.³

Given these complexities, the Committee recommends that as part of any decisions over rail devolution or as part of negotiations over the end of franchises of rail lines that run through London, the Government conducts early engagement with Londoners. This should include the London Assembly, London boroughs and residents, and local authorities in any regional areas affected regarding the governance and accountability structures that will need to be put in place.

A copy of this letter will be sent to the Mayor and TfL Commissioner.

I would be grateful if you could respond to the Committee in writing by 4 December 2024 copying your response to Eleanor Haigh, the Committee's Senior Policy Adviser (eleanor.haigh@london.gov.uk) and Paul Goodchild, the Committee's Clerk (paul.qoodchild@london.gov.uk).

Yours,

Elly Baker AM

Chair of the Transport Committee

Cc:

Sadiq Kahn, Mayor of London

Andy Lord, TfL Commissioner

³ London Assembly Transport Committee, <u>Agenda Transport Committee – Thursday 26 September 2024 10.00am</u>