

London Transport Region



Briefing

The Future of London Underground

**For a cheap and efficient transport system in London
that provides top quality public service and
employment opportunities.**

Dec 2013

Summary

1. RMT is implacably opposed to the cuts programme being proposed by TfL and London Underground. RMT has proposed an alternative to TfL/LU's plans consisting of three elements:
 - Lobby central government for a restoration of the subsidy provided to TfL/LU
 - End wasteful outsourcing and use of consultants
 - Cap senior management pay at £100Kp.a.
2. TfL has been told to make £8.8bn in cuts by 2021.
 - £4.2bn to be cut from LU
 - £4.6bn to be cut from TfL (non LU)
3. £220million of LU cuts to be made from spending on stations by 2016.
 - 950 Jobs will be cut resulting in less staff being available on stations to help passengers
 - Every Ticket Office on LU is due to close
 - Staff running stations will be de-skilled in Safety Critical procedures
 - Thousands of staff are at risk of downgrading and pay cuts of up to £10K
 - Move to a *Martini workforce* who are expected to turn up "Anytime, Anyplace, Anywhere" at short notice.
4. Savings will go directly to the treasury
 - London Underground Passengers and Staff are being asked to pay for the government bail-outs of the banking system in 2008. The taxpayer continues to subsidise Britain's biggest banks even though they are paying out huge dividends to their shareholders. Just half a billion pounds taken from the £37bn paid to the banks each year would remove the need for cuts.
 - London Underground covers 91% of operating costs with fare revenue. In New York the figure is 56% and in Paris it is 40%. By re-directing government subsidies from supporting corporate profits to supporting public transport fares could be cut and services improved, without job losses.
5. RMT will provide speakers for community organisations, Trade Unions and political organisations. We welcome any opportunities to fight alongside passengers for a safe, efficient, affordable service that provides secure employment with the terms and conditions that workers deserve.

Impact on Passengers

1. LU's claims its plans for stations alone will save £50m a year. This will be achieved by cutting 950 station staff positions and closing every ticket office across the tube network.
2. Station Supervisors, trained to deal with train service and station incidents will be removed from many stations and will work as "roving supervisors" covering several stations at once. This will slow down service recovery during and after disruption. It will also remove the most safety critical role on many of our stations.
3. Cuts will mean there will be fewer staff available to help passengers with particular requirements including those who are visually or mobility impaired.
4. LU claim that staff will be more visible yet there will be less staff on duty. Instead of being able to get help at a brightly lit ticket office you will have to look a member of staff amongst the crowds in the ticket hall. Staff will be less able to help with travel enquiries because they will be helping others to use the ticket machines.
5. Passengers will have to rely on Oyster cards or untried contactless payment cards to travel. Those who do not want to use a card, or cannot use a card, will be financially penalised by higher paper ticket fares and will have to find the correct ticket on the self-service machines.
6. Errors and unresolved journeys on Oyster or contactless cards will no longer be resolved at stations. You will have to use a call centre or try and resolve issues on-line.
7. There will be no increase in the number of self-service ticket machines available, just longer queues as the confused occasional passenger stares blankly at the vast array of possible tickets and options.
8. LU's plans are not intended to improve customer service or help passengers. They are intended to cut the jobs of staff who help to issue tickets and run control rooms at some of our busiest stations. Less staff means poorer customer service.
9. RMT says London underground's passengers, who pay some of the highest fares for metro travel in the world, deserve better.

24 Hour Running A smokescreen to hide cuts

- **LU has declared its intention to introduce limited 24hr running at the same time as announcing billions of pounds of cuts on the tube.**
- **RMT is happy to discuss 24hr running subject to the provision of enough staff to run the tube at night and appropriate protection for staff rosters etc.**
- **24hr running has nothing to do with the other proposals from LU. Closing ticket offices will not help to run a service at night while job cuts will hinder it.**
- **There is no choice to be made between ticket offices, safety trained staff and night running.**

Impact on Staff

1. Thousands of London Underground's members of staff face pay cuts of £5K-10K.
 - LU says that current earnings will be protected for three years but after this time pay would be cut. No pay rises would be paid to an individual during a period of protection.
2. Every ticket seller and control room assistant is likely to be downgraded and many Station Supervisors could also face a massive pay cut.
3. LU wants to make staff more flexible. That means that one week in every three staff would be moved around large cover areas and would not know what duties they will be expected to do until the last moment.
4. All the existing agreements covering when and where we can be asked to work will be torn up in LU gets its way.
5. Promotion opportunities will be lost for thousands of staff as supervisor and ticket office jobs are replaced with a new grade of lower paid Customer Service Assistants 2.
6. Staff will be unable to help with ticketing issues or problems with Oyster cards as we will have no access to a ticket office.
7. Staff working alone in remote locations will be expected to stand out in the ticket hall throughout shifts in all weather while using expensive tablets and iphones in public areas. 8. This will make staff vulnerable to robberies and anti-social behaviour.
8. Many members of staff will be relocated far away from where they work now.

There is an Alternative

1. Restore the government subsidy

- The Metro newspaper recently reported on research carried out by The New Economics Foundation. They have calculated that the total tax-payers subsidy to Britain's four biggest banks is running at £37bn a year. The cuts now proposed by TfL and LU amount to less than half a billion a year. A tiny proportion of the subsidy that goes straight into the pockets of shareholders of the big banks could completely remove the need for cuts on the tube and across TfL. A study by the Tax Justice network for the PCS (Public & Civil Service Union) has shown that £120bn in tax revenue is not collected every year by the government. The idea that the government cannot afford to maintain current spending on the tube system is entirely false.
- London Underground receives a small government subsidy by international comparison. In 2012 LU covered 91% of its operating budget with fare revenue. That compares with just 56% for the New York Subway (2009) and only 40% for the Paris Metro (2007). This means that public subsidies are covering a much higher share of costs in Paris and New York. The same is true of every major urban rail system in Europe or North America. Only much smaller and more modern systems in Japan, China, Singapore and Hong Kong cover more of their budget in fares than London Underground.

2. Open the books

- If LU still wants to review its spending after the government subsidy is restored then RMT will help them. We have demanded that LU opens the books. Let workers and passengers see where the government grant and fare revenues are spent. We have already discovered that LU employs over 100 managers on more than £100K a year. A maximum wage of £100K would save LU £15m a year. The TfL commissioner got £650K last year while the LU MD took £450K. RMT estimates that imposing a £100K maximum annual salary would achieve over 30% of LU's target savings.
- RMT also calls on LU to stop outsourcing of all regular work, including cleaning and maintenance. London Underground has already been forced to take on massive debts that were run up as a result of the mistaken privatisation of the tube's infrastructure. Known as PPP, this disastrous scheme is estimated to have cost between £2bn and £3bn in wasted public expenditure. This waste continues today as many of the firms that backed the PPP still have lucrative contracts to provide services to LU. It is barely believable but while LU aims to save £220m by cutting jobs, pay and conditions on its stations they happily wasted £500m on consultants, who all said PPP would work.

For a Tube Cheap Efficient Tube run as a Public Service

- The London Mayor and TfL should listen to passengers and staff, not consultants and bankers who want to siphon off the public subsidy of LU for themselves. London Underground charges double the fare per kilometre travelled than the next most expensive by international comparison (Tokyo) and more than double the fare charged in New York. RMT will work with passengers and political/community groups for a future where public transport is run as a public service and not a business opportunity for the rich and powerful.
- LU likes to claim to provide "A World Class Service for a World Class City". We believe that a world class railway should be able to provide a ticket office and well staffed stations. We believe that charging twice the fare of the nearest rival is nowhere near world class. RMT is happy to work with LU to make this slogan a reality. The starting point should be to secure world class funding from government - not massive cuts.

Further enquiries should be sent to the London transport regional Council Secretary at
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