

Coronavirus bailout prepares privatisation of Transport for London

By Paul Bond
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The Johnson government has announced the terms of its financial review of Transport for London (TfL). It confirms that the government's coronavirus bailout package for TfL was a mechanism for slashing jobs, wages, and conditions ("efficiencies...in relation to operating costs" and the spread of driverless trains), and accelerating TfL's privatisation ("alternative operating models").

The bailout spearheads an assault on TfL's workforce, in stark contrast to the generous packages offered to the privatised passenger rail franchises. Only providing half the sum requested, it came attached with many strict conditions. Along with the financial review, the deal required TfL to accept two government-appointed "special representatives" on its board.

London's mayor, Labour's Sadiq Khan, and TfL accepted the conditions.

The review will be led by the Department for Transport (DfT), supported by the representatives, and administered by accountants KPMG.

The named representatives are provocative. One is former journalist and now Boris Johnson's hatchet-man, Andrew Gilligan.

In May 2003, Gilligan, then working for the BBC, cited a source stating that the Blair Labour government had "sexed up" its intelligence dossier to exaggerate the threat of Iraqi weapons of mass destruction and reinforce the case for war. The government forced Gilligan's source, Ministry of Defence microbiologist and former weapons inspector Dr. David Kelly, precipitating events that ended in Kelly's convenient death on July 17, supposedly from suicide. Following Gilligan's resignation from the BBC, he was employed by Johnson, then editor of the pro-Tory *Spectator* magazine.

Gilligan worked at the equally right-wing *Evening Standard* during its campaign against the then-mayor, Labour's Ken Livingstone, when it backed Johnson. As mayor, Johnson appointed Gilligan his Cycling Commissioner for London, with Gilligan commenting, "Mayors are entitled to appoint political supporters to

political jobs."

At the *Telegraph* and the *Sunday Times*, Gilligan acquired the reputation of a reliable ally against Johnson's successor, Khan. He was then primed for the TfL board job, when Prime Minister Johnson made Gilligan a Downing Street "transport adviser."

The other representative is Clare Moriarty, former Director General Corporate Group, and Director General for Rail at the DfT. Last year, she moved from Permanent Under-Secretary of State for Environment, Food and Rural Affairs to the same post in the Department for Exiting the European Union (DExEU). When DExEU closed this January, she left the civil service.

The TfL's bailout terms were punitive. Its £1.1 billion grant and £500 million loan were conditional on the financial review, displaying government posters to support its back-to-work drive, and an agreement to report staff absenteeism rates to civil servants.

In return, the DfT demanded restoration of full Tube service as soon as possible, rather than the 75 percent level Khan planned. In a city with the highest transport costs in Europe, fare increases were demanded. Khan abandoned a pledge for "cost of living" increases, made during campaigning for a postponed election, and agreed to a 1 percent rise above inflation for bus and Tube fares.

The bailout package demanded the suspension of the over-60s' Freedom Pass at certain times of day, and the end of free travel for children, as "soon as practicable."

These were supposedly temporary, but the review discusses "revenue maximisation and assessment of the potential for raising more fare and non-fare based income." The congestion charge for drivers was reintroduced and increased.

Most pernicious was the demand for an immediate reintroduction of bus fares, scrapped as a gesture towards protecting drivers from coronavirus. The DfT said the demands were "to safeguard services in the future."

No such demands were placed on the private rail companies.

These attacks followed years of privatisation, cuts, and asset-stripping. Since George Osborne axed the city's £700 million funding, London is the only capital in western Europe without a central government travel subsidy.

TfL is left entirely dependent on fare income. Tube fares—which were annually bringing in almost £1 billion in surplus before March—subsidise the bus network and road maintenance.

When the pandemic began, government sources were estimating a fall in TfL passenger numbers of “only” 30 percent. They have fallen by 90 percent. TfL's income had all but dried up by the time the government released any money. The three stages of the financial review exploit this. They begin with current income, using the present crisis to call for “further efficiencies in the short term in relation to operating costs.” These open the way for the third phase's privatisation programme of “alternative operating models...including consideration of structures and governance.”

Labour has laid the foundations for this attack. In 2001, when transport workers were determined to fight privatisation, Livingstone derailed their anger. With union connivance, they were channelled behind Labour's own private finance project, the Public Private Partnership (PPP). When the resultant Metronet collapsed six years later, its £2 billion debts were guaranteed by TfL. Taxpayers, workers, and travellers carried the cost.

Khan's TfL “Transformation Programme” is also based on incremental privatisation of services, like waste collection. He accepted the need to sell off TfL land, adopting a 2016 recommendation for a “Mayoral Direction” instructing the commercial sale of land below market value for property development.

Confronting the financial review, Khan announced his own “completely independent” review into the “longer-term running of London transport.” Its members are drawn from transport, engineering, and the banking sector! City Hall said its independent review will consider “new sources of finance and funding,” and develop options for “long-term future funding and financing models.” Khan and Transport Commissioner Andy Byford's talk of a “new solution” to the funding crisis must sound alarm bells.

The unions covered for Khan and Labour. The Transport Salaried Staff Association (TSSA) and drivers' union ASLEF both echoed TfL in welcoming the bailout package when it finally arrived. TSSA General Secretary Manuel Cortes said it had prevented services “coming to a halt,” while ASLEF's Mick Whelan said it “would have been a disaster” if the Tube had stopped running.

ASLEF refused to act on a 95 percent vote for strike action by London Underground drivers at the beginning of the

pandemic, leaving its members to work without personal protective equipment (PPE).

The Rail, Maritime and Transport union (RMT) sounded a “left” note, warning of possible action in the event of attacks on wages, jobs, or conditions. Senior Assistant General Secretary Mick Lynch warned of “the mother of all battles,” including the possibility of “all-out strike action,” if privatisation measures proceed.

The rhetoric should be weighed against the union's record. Over the last years the RMT has systematically isolated and betrayed strikes against Driver Only Operation trains across the rail network. Pledges of “all-out” cross-network action in defence of ticket offices were used as cover for piecemeal legal challenges, resulting in the closure of every ticket office on the network.

Lynch has spoken of “the heroic efforts” of transport workers. The union's statement lauded keyworkers, “risking their lives to keep London moving” during the pandemic. That this was the case was because the unions refused to mount any action for their safety was left unmentioned. The Unite union lined up behind Khan and TfL in telling bus drivers PPE was unnecessary. There have been 29 deaths of bus drivers.

Lynch wrote to Transport Secretary Grant Shapps that “RMT members will be absolutely united in opposing and fighting any attempted privatisation of the tube.” This would be more convincing had the RMT not called off action against privatisation in the past, as they claimed that Livingstone's PPP deal secured wages and conditions.

RMT's comments about “the disastrous history of previous privatisations” do not even name the Labour Party as they appeal to Shapps “to rule out any operating models that entail privatisation, PFIs, PPPs or any other variant of private sector takeover.”

The RMT and other transport unions will not defend jobs or conditions any more than they will defend workers' safety. Rank-and-file committees, independent of the trade unions, must be formed across the transport network fighting for it to be reorganised under workers' control, with the resources required for safety measures, decent wages, and income protection for the sick, and shielding workers coming from the expropriation of the major transport companies.

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