

Williams Review Evidence papers questions – London TravelWatch Response

1. The evidence papers set out the key themes and broad scope of the evidence on which the Rail Review will draw in the subsequent phases of our work. Are there other themes or areas of evidence that we should consider? If so, what are they and what evidence exists?

- London TravelWatch outlined in its official response to the Williams Review's initial call for evidence in January. The evidence papers outline key areas of research and insight which will inform the Review decision-making process in regards to recommendations. Whilst the papers do not make an argument or judgement for or against any particular model, there is a greater focus on making sure the railway works for passengers. We fully support this focus and the need to put passengers at the heart of changes in the industry.

Other areas not considered/which need more consideration

- **Non-users:** If it is the government's aim to encourage greater use of UK railways – particularly utilising the railway at non-congested times and on off-peak services – then the railway needs to become an attractive and affordable option for those who do not currently use it. As the 'Users of the railway' paper identifies, non-users are the most distrustful of the railway and the most unlikely to shift to rail. Many of the most high-profile problems associated with rail centres on the congested, unreliable and poor-performing peak services – primarily serving commuter journeys. It is essential that these journeys are improved, but there is also benefit to be drawn from focusing on the less high-profile journey-times and services too. In an urban context such as London, there is much to be gained from approaching rail as but one mode in a whole transport network: one component of multi-modal journeys. Understandably the rail review cannot consider everything but there would be significant social and economic benefit to better integrating rail into local, regional and urban transport networks, encouraging greater rail use more widely. The London Assembly Transport Committee published its 'Broken Rail' report in November 2018 which details this approach – which they term as 'metroisation'¹. We also refer to this in our initial call for evidence response, which was submitted in January.

¹ https://www.london.gov.uk/sites/default/files/broken_rails_-_a_rail_service_fit_for_passengers_final_report.pdf

- At the Rail review London event on the 24th April, it was noted that rail comprises 55% of government transport spending, but only 4% of all journeys made. As such, it is important to appreciate the function and value of rail in a much broader scope – hence its heavy subsidization. If rail, therefore, is being funded by taxpayers, it should serve far more people than it does. More needs to be done to engage non-users.
- **Better connected London:** Whilst the basic economic and social benefits of a better railway have been explored, further emphasis could be placed on considering how rail is a key component of planning communities, towns and cities. Rail plays an important role in enhancing the connectivity of existing urban communities in London, and facilitating better transport links for all Londoners, particularly in South London which has historically poor rail and tube access. As we noted in our original response, the success of London Overground in connecting communities and increasing ridership could be replicated in the rail network of London as a whole. Better integration with other policy areas would potentially enhance the user-friendly/community role of the railways and enable the smooth running of operations as a whole, and in relation to the transport system as a whole. We recommended the best way to achieve this in London's case is to devolve rail powers to TfL, as this would bring suburban rail services into a wider, more comprehensive transport and planning policy framework, with consistent fares and more logical services better serving outer London communities. Whether or not this is possible or recommended by the review team, an effort to address this lack of joined-up thinking and planning regarding the rail network in London - through more effective commercial and strategic frameworks – is essential.

2. Has the Review identified the right areas in the proposed high-level objectives?

Comments on High Level Objectives:

Passengers: We support the prioritisation of passenger satisfaction and needs in the High level Objectives. The move towards a 'customer focused' railway with Network Rail's new direction is welcomed. We would add that passengers are not one homogenous group. The needs of passengers vary greatly according to journey type and length, frequency of travel, personal and mobility needs and this needs to be appreciated.

Taxpayers: Ensuring the railways represent good value for money is very important. The question is how this is achieved. One way to create more tangible value for money is by increasing the democratic accountability, giving more input to local communities and transport authorities. This has the benefit of ensuring transport

decisions are informed by local knowledge and an awareness of which services are required and when. It provides easier and more logical means of raising funding – through local business and local tax-raising powers – that can provide more direct and relatable transport investment which is responsive to local needs. London TravelWatch suggested that devolution of rail powers to TfL would be the most effective way to improve value for money for taxpayers.

Wider Society: Consideration of wider society is also an important objective, and goes hand in hand with ensuring value for money for the taxpayer. The evidence papers usefully identify many of the wider social and economic benefits of investing in railways, outlining the much larger contribution they make to the UK. This can be done at both a local, regional or urban scale, as well as national: for example when considering the contribution of rail to the UK economy. Utilisation of the network – through freight as well as passenger services – will ensure that investments go as far as they can.

3. Has the Review identified the key issues constraining the success of the railway? What relative priority would you place on each of the issues raised?

1) *The rail sector too often loses sight of its customers – both passengers and freight*

London TravelWatch represents passengers using the transport network in and around London. We therefore place this issue as the number one priority of the review recommendations. In order to improve the experience and service provided to passengers the rail industry must ensure its passengers are at the heart of change.

2) *It has become fragmented and accountabilities are not always clear*

London TravelWatch research has shown that the fragmented and confusing industry structure often feeds back to the passengers, who often have little understanding of the various divided roles and responsibilities of different industry bodies. One accountable face is needed, but this unified front must go deeper than merely presenting a unified façade to the public. We wish to see greater vertical integration and clarification of responsibilities that ensures accountabilities are clear, both to passengers and within the industry.

The remaining three problems are equally important and play a role in the delivery of a better railway:

3) *Over recent years it has come to lack a single strategic direction*

It is often unclear to the public and to industry what the DfT is trying to achieve. In the decades since privatisation and the evolution of the franchising system it is still not clear what the railway means to modern Britain. The evidence paper 'the role of railways in Great Britain' draws a good, rounded picture of how the railway is used,

but does not give a clear judgement on the balance between its ideological drivers: clarifying the balance between the railway as a public service and as a private enterprise.

To an extent this is a political question and must be decided by government. However it has long been debated and in the meantime passengers suffer. If strategic direction is to be achieved, the questions of how much are we expecting of the railway - and whether this is realistic – must be answered. The extent to which the government wants this to be a public service - therefore prioritising taxpayer interests – or private – the customer – must be addressed. These goals need not be mutually exclusive, but the ideological purpose of the railways needs to be clearly articulated in order to generate strategic direction which is balanced and fair.

3) The sector needs to be more productive and tackle long-term costs

Productivity and efficiency come hand in hand with clarifying roles and accountabilities. Each actor involved in delivering the railway must have clear parameters of responsibility and clear parameters for their relationships with other actors. Only through this will the railway industry be able to represent good value for money for taxpayers and passengers.

Likewise, the various actors of the railway need to be clear on what portion of financial and systemic risk they are responsible for. Reassignment of risk to the private sector is historically a key incentive for governments to privatise public industries. However this may not always be possible in a high-stake industry such as rail, which is susceptible to economic fluctuations and changes. For example, the recent decision to ban Stagecoach from the tendering process over pensions risk indicates that there is tension between actors within the industry – the government and franchisees – over who should be responsible for such requirements. Again, the parameters of what is expected from franchisees and other private sector actors, and whether this is fair or realistic in the wider economic context, need to be re-evaluated and decided upon.

3) The sector is struggling to innovate and adapt

Whilst there needs to be a 'strategic direction' the railway is diverse in its needs and trends and patterns of travel. The rail sector needs commercial and structural parameters that reflect the different rail markets and allow them to thrive, whilst ensuring they appear as smooth and seamless as possible – respecting regions and urban areas as well as the national network as a whole. Different elements of the rail industry will require varying levels of orthodoxy. For example ticketing, passenger assistance and staff conduct must be consistent across the board, but commercial models (e.g. concessionary vs. franchise) should be different for respective markets. By allowing any future model to be flexible and responsive to local, regional, inter-city and urban needs the sector will be better able to innovate and adapt to change.

4. Do the assessment criteria capture the right issues against which the Review should test its proposals? What priority should we attach to each and how should we balance trade-offs? Are there other issues we should consider?

- **‘Trade-offs’ in the review recommendations:** In recent public updates regarding the progress of the rail review, it has been noted that trade-offs and compromises will need to be made when considering options for change moving forward – particularly the announcement that the review is now under instruction from government to ensure the new proposals will be *‘fiscally neutral’*².
- This is a new development and whilst understandably a priority for government, is concerning as it is likely that change on the scale required may need financial support. Considering too the priority of the rail review – to move to a customer focused railway – it perhaps needs to be clarified whether the scope of the reviews’ objectives have been scaled back.
- In the assessment criteria document and speech given by Keith Williams at the Accelerate Rail Conference last month, it was noted that ‘trade offs’ will need to be made. This is understood, as not everyone can be happy and compromise is necessary. However, this should not mean further piecemeal change as has occurred following previous rail reviews over the last decade, rather than the more fundamental change promised last September.
- For example, this need to be ‘fiscally neutral’ should not mean that changes which would require cost (i.e. the transference of rail powers to TfL) should be completely ruled out from the review recommendations. It is, as the review has observed, widely understood that radical change is needed to solve the problems affecting the rail industry. Further, this specific change may take a number of years to implement. However as we recommended in our initial evidence submitted to the review in January, adapting the structure and framework of delivery for London’s rail services undoubtedly involve costs. If not immediately possible due to financial limitations, London TravelWatch would still hope to see recommendations which outline a commitment to shifting to a better model in the future, and the same applies to other recommendations which may face similar limitations.
- In other senses too the review has a difficult job of weighing different priorities and options which may suit the various markets and regions of the rail industry differently: *‘trade-offs will be unavoidable when I come to make my recommendations - for example, between a systems that delivers a national*

² See Appendix

*network and is responsive to local interests.*³ In the case of London, this is certainly a challenge and the tension between treating London as one coherent, urban metro network and contrastingly as a terminus for distinct, regional rail markets which extend far beyond the London boundary is appreciated. However in-keeping with evidence based decision-making the benefits of creating more localised, democratic control over rail services – for London, via TfL – outweigh the current arrangement. Whilst difficult, decisions to move towards frameworks which prioritise local, urban and regional transport networks will allow for more effective and demand-responsive services. This will of course need to be balanced with ensuring the whole rail network works as a whole, and therefore to ensure these tensions can be appropriately navigated, this change need not happen overnight. Control of suburban rail services in London for example can be devolved to TfL as and when franchises come up for review, over a number of years.

- There will be certain aspects of change that will be harder – and take much longer and more money – to implement. Devolution of rail powers is one of them, as the legal and contractual obligations already in place regarding franchises will need to be honoured. However it is hoped that the review recommendations will not be limited by too great an extent by the new requirement in order to be ‘fiscally neutral’. The level of change required for devolution of rail powers or restructuring of the railways may require very gradual implementation over a longer period of time. This should not mean it is precluded from recommendations.

Ultimately, recommendations should prioritise passenger and taxpayer needs. Further, in any trade-offs passengers should not be set to lose any of the benefits and improvements gained in the decades since privatisation. This may mean that a variety of solutions are required for different rail markets, regions and over the short and long term.

Appendix

Quote from Keith Williams on progress of the Rail Review at Accelerate Rail 2019, Published 19 March 2019, Department for Transport

‘Moving to a customer focused railway won’t be easy and I want to make it absolutely clear that trade-offs will be unavoidable when I come to make my recommendations - for example, between a systems that delivers a national network and is responsive to local interests.’

³ See Appendix

'I am firmly of the view that short-term performance or commercial issues should not distract us from the opportunities and challenges we have coming towards us. We need a sector which is incentivised and has the right structures and models to think about and prepare for the future.'

Significant changes in socio-demographics, the economy, clean growth and technology are changing the ways in which we live, work and travel. Although it's impossible to predict the future with any great certainty, these trends will influence the market for rail both directly and indirectly. While it's clear that rail is likely to remain a competitive mode for intercity travel and the most efficient mode for Monday-Friday commuter travel into large cities – there is going to be significant changes to demand patterns and passenger expectations.

Innovations such as enhanced automation, open data and new transport models could also be serious disrupters in the travel market, further impacting future demand for rail.

The integration of modes could deliver massive benefits to passengers and taxpayers. Doing it successfully will rely on the sector's ability to innovate and collaborate. Increasing the digitisation of ticketing is an obvious place to start – this would support integration, could deliver major benefits for passengers and costs savings for the industry. But rail is a long way behind.'

<https://www.gov.uk/government/speeches/keith-williams-at-accelerate-rail-2019>