**Latest Call for Evidence**

On 19 March the Williams Review published the following series of evidence papers :-

* The user experience of the railway in Great Britain
* Current railway models (Great Britain and overseas): an evidence paper
* The rail sector in numbers

In addition Keith Williams gave a speech at a conference “Accelerate Rail 2019” during which he summed up his findings to date and outlined how would be progressing with the review.

The evidence papers and speech can be accessed through the Williams Rail Review website

<https://www.gov.uk/government/collections/the-williams-rail-review#evidence-papers>

The review has now issued a further call for evidence seeking feedback on the evidence papers and a response to 4 questions, which are:-

Question 1.

The evidence papers summarise the key themes and 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?

Question 2.

Has the Review identified the right high-level objectives as set out in Chapter 2?

Question 3.

Has the Review identified the key issues constraining the success of the railway in Chapter 3? What relative priority would you place on them?

Question 4.

Do the broad assessment criteria in Chapter 4 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?

The deadline for submission in response to this call for evidence is 30th April 2019.

The wider call for evidence will remain open until 31st May 2019.

**Review of Evidence Papers**

The evidence papers provide a very well researched assessment of the rail industry with up to date statistics, including comparisons with other countries.

A few key points that stand out from the review and speech are:-

* “Passengers must be at the heart of the railway”
* “The railway is not delivering the basics ….this includes a reliable, frequent,

affordable and punctual service”

* Key factors for passenger satisfaction
  + Punctuality,
  + Cleanliness inside trains,
  + frequency of train,
  + level of crowding,
  + journey length
* When things go wrong passengers feel they are not given information that allows them to make informed choices about onward travel”
* “users with a mobility difficulty made around two and a half times fewer trips per year on average compared to those with no mobility difficulty”
* “Value for money – cost of the ticket is clearly a major concern, but judgements about value are also influenced heavily by train punctuality and the ability to get a seat”
* The things passengers want from a fares system
  + Fairness
  + Transparency
  + simplicity
* “Distrust of the rail industry has worsened among passengers”
* “those leading the railway do not want to run a quality service and prioritise making money over the experience and service they give to passengers”
* “There is a gap in responsibility and accountability for managing systemic risks
* “the sector lack strategic direction and leadership
* “The railway struggles to plan, invest and work as a system”
* “We need a railway that can take account of local needs”
* “rail freight is now increasingly operated on intensively used infrastructure, competing with passenger services for scarce rail network capacity

**Merseytravel Response**

**Question 1.**

*The evidence papers summarise the key themes and 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?*

Yes, we would suggest that one theme that needs further consideration is the introduction of new trains

The evidence highlights a number of problems with the rail industry which could be addressed through the introduction of new trains – providing cleaner, more accessible, comfortable, faster, reliable trains, with extra capacity and more seats,

The DfT has already recognised that the current state of UK trains is very poor and there are now over 5,300 trains on order for delivery over the next few years.

However, the industry has not been effective in delivering new trains into service.

In fact, we are now seeing situations where not only are new trains being delivered late, the existing trains running the service are also no longer available, due to train leasing contracts coming to an end, resulting in passenger services being reduced.

An example of this is on the Gospel Oak to Barking line where; through the delayed introduction of new rolling stock (delayed by over a year), the actual passenger service has now been reduced by half, as the lease on the existing trains has expired.

<http://www.railtechnologymagazine.com/HS2/tfl-to-reduce-services-on-london-overground-line-after-delays-to-new-trains-strike-again/222705>

It appears that the complex contractual relationships involved in train procurement means that decisions are being taken in isolation without consideration on the wider impact on the network.

Consideration should be given to ensuring the involvement of all relevant parties (including Train Manufacturers, Rolling Stock Leasing Companies, Train Companies, Network Rail, Franchise/Concession manager, ORR, DfT and relevant local bodies such as TfN, TfGM, Merseytravel), in the introduction of new rolling stock with clear lines of accountability as to who is in charge of ensuring the new trains enter service in a timely manner.

In addition, there needs to be a single body responsible for giving the final approval for the cascading of trains from one franchise to another. A single body would be better able to respond to the emerging issues and challenges that are likely to occur during the introduction of the large numbers of new trains that are planned and have the final say on how the cascade of trains from one franchise to another is managed to ensure the best outcome for passengers – putting passenger needs at the heart of the decisions.

**Question 2***.*

*Has the Review identified the right high-level objectives as set out in Chapter 2?*

The objectives include for passengers, taxpayers and the wider society, but however, there is no recognition of the industry itself.

A successful railway should also provide an environment where staff can develop and make a long term career path within the industry, sharing best practice, suitable career progression and growth.

Within the franchise model, the constant changing of operating companies leads to an industry which focuses only on short term goals and not on the long term investment and development of staff.

The recent record of industrial action highlights the lack of engagement and development of staff and so the review should include an objective which looks at how industrial relations can be improved to reduce further disruption to passenger services.

In addition, much of the work carried out on the railway is by way of short term contracts. This leads to peaks and troughs in rail work around the country. An example of this has been the on/off investment in electrification where the level of investment spend has varied massively and physical delivery has been challenging.

A successful rail industry needs a steady workload against which the industry can develop appropriate training programmes so as to provide suitably qualified and competent staff. The review should consider these issues in developing the overall strategy for the railway.

**Question 3.**

*Has the Review identified the key issues constraining the success of the railway in Chapter 3? What relative priority would you place on them?*

The evidence highlights the following constraints and our view is that they should be placed in the following priority order:-

1. Passengers first
2. Clear lines of Accountability
3. Clear Strategic direction
4. Sector to be more productive and tackle long term costs
5. Innovate and adapt
6. Passengers first

The review rightly recognises that passengers feel that their interests are secondary to the rail companies’ interests and this has affected passengers’ trust in the railway. It is clear that until this issue of lack of trust is addressed, the industry will struggle to deliver a successful service.

1. Clear lines of Accountability

As part of building trust, passengers need to see clear lines of accountability so that they know who is responsible for making the final decisions on issues that affect their services. It is our view that this accountability should be at a local level.

1. Clear Strategic direction

We agree that the rail industry lacks a clear strategic direction. This is highlighted in particular in the area of the introduction of new rolling stock. There needs to be an integrated strategic plan for the infrastructure and the trains. Investment in the electrification of the lines needs to be matched with investment in electrified rolling stock.

Also, the introduction of new trains needs to be aligned with necessary platform clearance and platform extensions works. In many cases, these strategic investment decisions are not aligned. For example, in Leeds there will be new longer trains available but the platform works have yet to be delivered.

1. Sector to be more productive and tackle long term costs

Within the rail industry there is a lack of transparency on costs. In driving forward a more productive and cost effective industry we need the railway to become more transparent with industry costs and pricing.

The industry processes for costs are also very bureaucratic but provide very little explanation as to how and why these costs change. We are at the start of the new rail financial control period CP6 and in April 2019 we have seen a massive increase in Fixed Track Access Charges. An example of this is the Merseyrail Electrics network where the costs have for CP5 are shown below:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2014/2015** | **2015/2016** | **2016/2017** | **2017/2018** | **2018/2019** | **CP5 Total** |
| £3,510,138 | £2,596,434 | £2,724,069 | £3,188,676 | £6,570,482 | £18,589,800 |

We are now in receipt of the latest CP6 Fixed Track Access Charges, which will be as follows for the next 5 years.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2019/20** | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **CP6 Total** |
| £17,650,918 | £15,933,652 | £17,315,861 | £16,703,435 | £16,783,333 | £84,387,202 |
|  |  |  |  |  |  |

This means that for the next 5 years our Fixed Track Access Costs for the Merseyrail Electrics rail network will have increased by £65.8M, a cost increase of over 340%.

This shows how much costs can change in the industry and again leads to issues of trust as to what the “True” costs of running a rail network are.

In the case of the Rolling Stock Companies (ROSCO’s) they are currently outside the remit of the Office of the Rail Regulator and have previously made large profits (see previous submission) . In order to ensure that the taxpayer is getting value for money, consideration should be given to extending the ORR’s remit to include all companies involved in the leasing of rolling stock.

It is expected that this would provide a mechanism to ensure that the leasing companies are not overcharging and also could ensure that they are suitably incentivised to invest in fleet renewal in a sustainable manner. One simple option may be for the regulator to ensure that a discount is applied to older train fleets to encourage ROSCO’s to invest in new vehicles.

The ORR could also input into the decisions around the introduction of new trains and the cascading of trains to other operators, to ensure that the passenger interests are fully considered.

Another area of rail industry cost is that of dividends that are paid by train operators to their respective shareholders/parent companies. In the five years 2013 – 2018 train operators paid out dividends of over £1.2 billion.

In an industry which receives such significant state support it is difficult to reconcile the high level of dividend payments being paid out by Train Operating Companies, with the level of state subsidy/support they receive.

In respect of ensuring value for money to the taxpayer the review should consider the development of “Not for Dividend” train operator structures. In these arrangements all profits would then be available for re-investment in the rail industry, rather than be distributed back to Parent Companies by way of Dividend Payments.

In addition given the more recent industry concerns over the funding of rail pensions there needs to be further regulation in place to ensure that all pension liabilities are fully funded before any dividends are paid out.

1. Innovate and adapt

Looking ahead, the industry needs to embrace new technologies in order to improve the services. In the case of Merseytravel, we have consulted with passengers on our new rolling stock who requested that we provide level boarding. To facilitate this, our new trains will incorporate innovative sliding step technology, to allow ease of access onto the new trains.

In addition as part of the new train procurement we have funded a new driver simulator, so that drivers can learn to drive in a safe environment and get familiarity of the controls before they get into the “real” cab, in order to ensure we can get drivers ready to use the new trains at the earliest opportunity

**Question 4.**

*Do the broad assessment criteria in Chapter 4 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?*

Yes the priorities do capture the right issues and the top 3 issues the report should focus on are:-

1. **Performance**

Punctuality is important but more important is reliability – the focus needs to be on ensuring that the trains run.

PPM and performance stats don’t match passenger’s experience. In many cases, passengers feel the figures are “massaged” in order that the train company can collect performance bonuses.

In the case of Northern Trains, due to poor industrial relations there has been a lack of available staff to work weekends and in particular on Sundays, which has led to many train cancellations. However by removing many of the planned Sunday services from their timetable they no longer count in the “official” PPM statistics and overall performance can be reported as being improved..

The review needs to ensure that any new measures for train performance provide accurate statistics that reflect passenger’s experience of the service.

1. **Value For Money**

In addition to ticket prices there also needs to be consideration of car parking charges. Currently there is no regulation on parking charges and so train companies can put up prices way in excess of inflation.

An example of this is at Runcorn where the cost of off peak car parking increased from £4 per day upto £12 per day, making it the same charge as peak time parking. More recently this has dropped to £6 per day.

If train companies want to rebuild trust they need to consider car parking charges as well as ticket prices in order to make journey costs more affordable.

1. **Public trust**

In terms of passengers first we need to look at how the current arrangements have led to the rise in lack of trust of rail companies. Rail companies often sell their “own” product i.e. tickets that are valid for their trains only. When a passenger makes the journey using another operator they can face significant extra charges

De staffing ticket offices saves the train company money but forces passengers to buy tickets from machines which don’t always give full range to tickets and more importantly they provide no advice.

Finally the review needs to recognise the importance of the rail industry to improving the environment. The rail industry can impact in reducing both personal car journeys but also can have even greater impact in reducing HGV traffic on our highway through transferring freight onto rail.

By providing reliable and affordable public transport, rail can contribute to reducing the level of traffic on the highway and motorway networks, reducing congestion and overall vehicle emissions including CO2, which will also help address air quality issues.