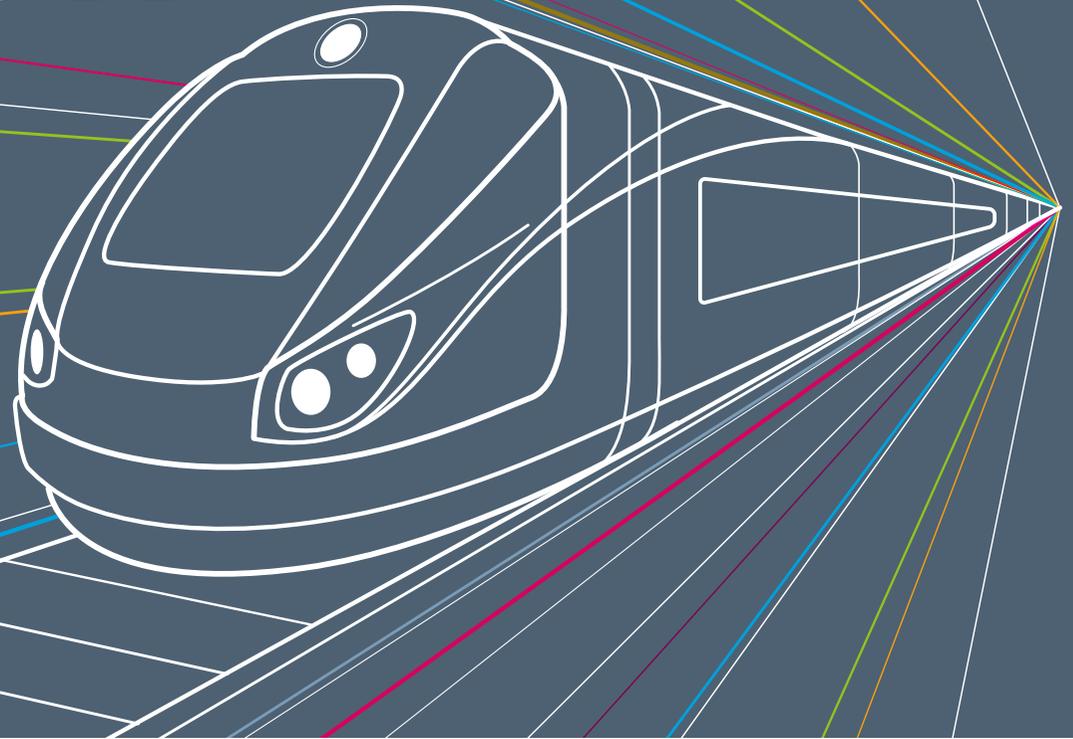


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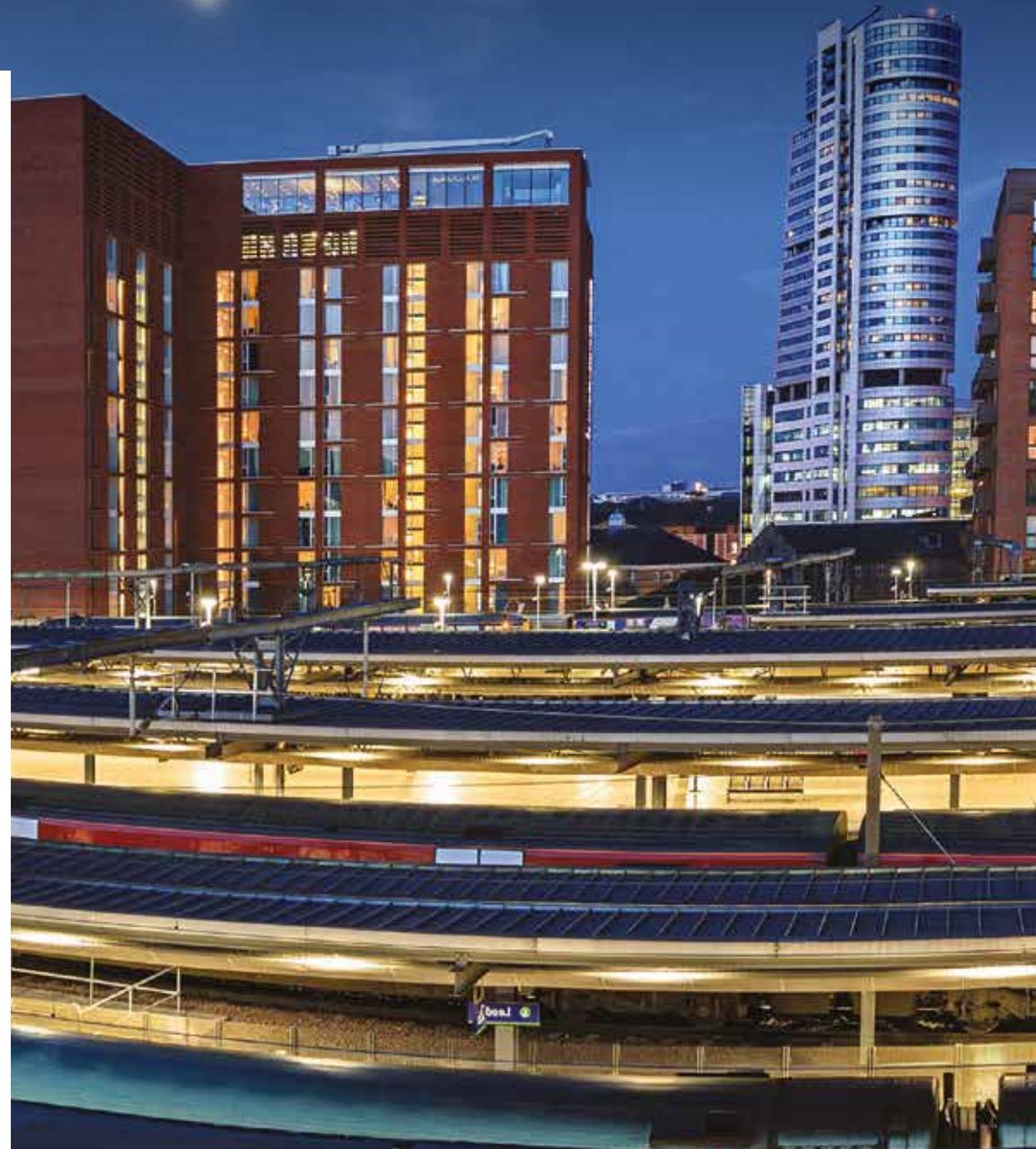
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RAIL DEVOLUTION WORKS



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Modern and efficient rail networks are key to ensuring that regions and city regions can grow in a green and smart way. But to realise the potential of urban rail, remote control by Whitehall needs to be replaced with local control by the regions and city regions themselves. Only then can rail play its part in the fully integrated, responsive public transport networks that the regions and city regions need.



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RAIL DEVOLUTION – A SUCCESS STORY FOR PASSENGERS, CITIES AND REGIONS

Over the last twenty years central Government has recognised the benefits of devolving powers so that more local decisions are taken locally rather than by Whitehall.

The process started with the creation of the Scottish Parliament, Welsh and Northern Irish Assemblies, and the London Mayoralty and Greater London Authority in the late 1990s. In the years since, a succession of national governments have expanded the devolution agenda. Most recently, with the creation of Combined Authorities, and now Mayoral Combined Authorities in a number of English city regions.

Rail devolution has been a big part of this wider devolutionary trajectory as local decision makers have recognised the key role that better rail services could play in supporting inclusive and sustainable economic growth. With their local vantage point and ability to join the dots between policy objectives and funding sources devolved authorities saw opportunities that the centralised rail decision making machine could not see.

This led to responsibility for the Merseyrail service being devolved to Merseyside in 2003, the Scottish Government gaining control of Network Rail's Scottish budget and the ScotRail franchise in 2006, and the devolution of London Overground routes in 2007. In 2016 Rail North (which brings together local authorities in the North with the DfT) took over the Northern and Trans-Pennine franchises. And in 2017 West Midlands Rail (bringing together local authorities in the West Midlands) will play a key role in a new West Midlands franchise.

Even prior to this most recent wave of devolution, rail services were seen as a prime candidate for the benefits of local decision making. A key priority for the seven locally accountable city region Passenger Transport Executives, which were created by the 1968 Transport Act, was to turn their local rail networks around in the aftermath of the Beeching era. In all cases, devolution has delivered significant benefits for passengers and communities.

Local decision makers have seized the opportunity to improve services which they know are vital to their wider economic, social and environmental priorities. By being closer to their local rail operator and passengers than Whitehall ever could, they have raised the bar on performance and been held to account for any shortcomings.

Development plans for rail networks are now fully embedded in wider transport and spatial plans. It's why, for example, more local rail lines have opened in Scotland over the past fifteen years than in the rest of the UK put together. It's why devolved urban networks tend to have higher frequencies and much better off-peak services than those networks which aren't devolved. It's why rail networks that were consistently hovering near the bottom of league tables for performance and customer satisfaction are now consistently at, or near the top of, those same league tables.

In short, the evidence shows that devolution works on rail. This report summarises why and how.



DEVELOPMENT PLANS FOR RAIL ARE NOW FULLY EMBEDDED IN WIDER TRANSPORT AND SPATIAL PLANS

KEY BENEFITS FROM RAIL DEVOLUTION

- ✓ More demanding performance targets than on other networks
- ✓ More and better services including new stations and routes
- ✓ Rail networks which are aligned with wider local economic, social and environmental policies and goals
- ✓ Innovation railways: including on rolling stock, ticketing and passenger benefits

RAIL DEVOLUTION: SUPPORTED BY PASSENGERS AND BUSINESS

- ✓ 70% of local authorities, businesses and user groups are in favour of rail devolution with only 10% against (source: responses to government consultation on rail decentralisation, 2012)
- ✓ 74% of local authorities, businesses and user groups are in favour of further devolution of rail services in South London (source: responses to joint DfT, TfL prospectus, 2016)

LONDON OVERGROUND

For years London's orbital railways had been one of the capital's most neglected transport assets with poor and unreliable services serving run down stations. All that changed following devolution to TfL with a 32% increasing in patronage in the first year alone.

The Overground revolution started with the former 'Silverlink' North and West London Lines, Gospel Oak to Barking and Euston to Watford local services, and the startling increase in performance and punctuality was achieved without any immediate changes to train frequency or rolling stock.

Instead, this dramatic increase in use was due to TfL's Year One programme to rebrand the network as London Overground operating to much more demanding standards. The template included combining the first roll out of smart ticketing on the UK rail network with the integration of fares with TfL's bus and Tube services, saving passengers time and money. Poor perceptions of security and customer service were addressed by deep cleaning stations and staffing them from first train to last. Customer information systems were upgraded and multi-modal information provided.

The relatively low costs of making these improvements was soon justified by the

increased patronage as well as a dramatic fall in fare evasion from 13% to 2% due to additional staffing and smart ticketing.

Some major improvements needed no investment at all. Industry-first contractual measures focused TfL's new train operator on running services to precise schedules. The number of delayed trains fell by 11%.

Two years later, patronage had grown by 51%, stimulated by improvements in punctuality, further station renovations and a new train fleet which saw services lengthened from three to four carriages. However, demand was still a long way from being met. In 2011, a major infrastructure upgrade raised frequencies from six to eight trains per hour on the core Willesden-Stratford section and from two to four trains per hour on the Gospel Oak-Barking branch. A further surge in use followed. In less than four years, the Overground's patronage had doubled.

RAILWAY TRANSFORMED

TfL's integrated understanding of the city's transport, economic and social needs meant demand that had not been envisaged by central Government and private train operators was recognised, planned for and exceeded. TfL's backing for the Overground was designed to relieve pressure on bus and underground routes by attracting passengers who had rejected the poor quality services which central Government had previously been responsible for, whilst also supporting housing and employment growth areas designated in the Mayor's London Plan.

Overhauling the existing Silverlink services was just the start. On the day services transferred to TfL, then London Mayor Ken Livingstone reiterated his intention to create a more ambitious orbital railway around London.



A SURGE IN PASSENGER NUMBERS FOLLOWED FROM TARGETED, COST EFFECTIVE AND RAPID IMPROVEMENTS IN YEAR ONE

DEVOLUTION WORKS FOR PASSENGERS

- ✓ Rapid improvement: 11% fewer delayed trains in Year One; satisfaction up from 73% to 76%
- ✓ From worst to best: From bottom of the south east league table to top in just four years – satisfaction up from 73% in 2007 to 92% 2011
- ✓ Sustained quality: Most punctual south east Train Operator 2016 – 94.8% trains on time; second for satisfaction – 90%

DEVOLUTION WORKS FOR LONDON

Investment in high quality Overground services has:

- ✓ Provided people in deprived areas with opportunities to access new employment
- ✓ Supported huge growth in East London high-tech industries
- ✓ Taken pressure off road and Tube networks

IT OPENED UP NEW CAREER ACCESS TO EMPLOYMENT HOTSPOTS

Convenient travel options were now available from some of East London's most deprived neighbourhoods to employment hotspots including financial districts and major hospitals. It opened new career prospects for unskilled and semi-skilled workers, and provided the support staff necessary to stimulate the creation of high value jobs. Expanding the labour market in this way had formed a key part of TfL's business case for attracting funding for the orbital railway, which included a £450m loan from the European Investment Bank.

DEMAND THAT HAD NOT BEEN ENVISAGED BY PRIVATE OPERATORS WAS RECOGNISED, PLANNED FOR AND EXCEEDED



SUPPORT FOR BUSINESS EXPANSION

In Hackney and Shoreditch, the emerging high-tech industry hubs which previously had minimal rail services gained four new stations served by 16 trains per hour, effectively changing their position on London's map and bringing them closer to the city centre. The new fast and frequent services created the conditions for business clusters to flourish supporting the exponential growth in East London tech start-ups over the past five years.

A MAGNET FOR REGENERATION

Across the inherited and extended network, stations acted as a focus for urban development, even in relatively undynamic suburbs.

To this day, newspapers run stories on the impact of the Overground in regenerating gritty neighbourhoods from Peckham to Dalston.

Unlike parts of the UK with less or no control over local rail services, devolution meant network extensions, new stations and additional services have been linked with wider economic plans to stimulate private sector investment in regeneration areas, provide new employment opportunities and to ensure major new property schemes were well served by public transport as soon as they were completed.

Expansion of the network continues to be driven by policies in the London Plan to increase housing supply and capture planning gain.



A 10,000-home development in Barking Riverside was only approved after the developer agreed to contribute £170m towards extending the Overground to the area. Planning permission for a major new development in Bermondsey was subject to developer funding for a new station.

TABLE TOPPING SATISFACTION

From the introduction of the new fleet in 2011 and throughout TfL's expansion of the Overground service (more lines in North East and East London transferred to TfL in 2015), passenger satisfaction and punctuality have consistently remained at or near the top of national league tables. These high levels of performance and passenger satisfaction are being maintained despite patronage more than tripling to 87 million journeys per year on the former Silverlink routes and the overall network carrying more than 185 million passengers a year.

The co-ordination of transport and land use planning alongside responsibility for managing the service has enabled TfL to understand when additional capacity would be needed and provide for it. Most recently, Overground trains were lengthened to five carriages in 2015 in direct response to employment and population growth forecasts in the Mayor's London Plan.

No other UK railway has seen such dramatic growth, or catered for it so effectively.



DEVOLUTION WORKS FOR CUSTOMERS

CASE STUDY ONE: RAPID TURNAROUND OF UNDERPERFORMING ROUTES

TfL has repeatedly delivered wholesale improvements to service quality and satisfaction within a year of taking over urban railways through rapid, targeted and cost effective investment in stations, trains and ticketing, and higher contractual performance standards. The table opposite shows some of the dramatic Year One improvements after devolution of the former Silverlink Metro routes in November 2007. Similar results were achieved after West Anglia routes were devolved in 2015.

FOLLOWED BY TABLE-TOPPING PERFORMANCE

Shortly before TfL took over Silverlink Metro services, customer satisfaction was the lowest in the South East. Four years later, it was the highest. London Overground has retained a top two position ever since. Similar improvements in punctuality were achieved and maintained. London Overground had the best punctuality in the South East in 2016. The table opposite shows some of the ways it outperforms typical South East rail services.

THE YEAR ONE DEVOLUTION DIFFERENCE (OVERGROUND vs SILVERLINK)				
	Before (2006/7)	1 year later (2008/9)	Devolution difference	
Annual patronage (million)	25	33	32%	Rise
Delayed trains	9%	8%	11%	Fewer delays
Fare evasion	13%	2%	82%	Fall
Overall satisfaction (NRPS)	73%	76%	3 points	Better
Passenger satisfaction with how station staff handle requests	75%	81%	6 points	Better
Passenger satisfaction with ticket buying facilities	57%	64%	7 points	Better
Passenger satisfaction with train interior cleanliness	42%	58%	14 points	Better

LONDON OVERGROUND PERFORMANCE vs SOUTH EAST AVERAGE			
	Autumn 2016 score – London Overground	Autumn 2016 score – LSE Average	Devolution difference
Delayed trains	6%	17%	Delays only one third as likely
Fare evasion	1%	3%	Less than half rate of fare evasion.
Overall passenger satisfaction	90%	80%	10 points better
Passenger satisfaction with value for money	54%	43%	11 points better
Passenger satisfaction with the train	88%	79%	9 points better
Passenger satisfaction with the station	85%	81%	4 points better

DEVOLUTION WORKS FOR LONDON

CASE STUDY TWO: INTEGRATION WITH ECONOMIC AND LAND USE PLANS

Full integration of land use, economic and railway planning following devolution has seen the Overground network act as a focal point for regeneration schemes. Examples of how TfL has developed the network to deliver social and economic policies in the Mayor's London Plan include:

- ✓ Designing the East London Line extension to provide new employment opportunities and create new high value jobs
- ✓ Positioning the new Dalston Junction Station as a catalyst for regeneration, including kick starting a 500 home development with a new public square and library
- ✓ Increased frequencies to Stratford to support designated housing and employment growth areas around the station, Olympic Park and Lea Valley
- ✓ Lengthening trains to cater for future employment, population and housing growth
- ✓ New stations at Shepherd's Bush and Imperial Wharf to support housing and commercial developments

CASE STUDY THREE: RAIL INVESTMENT HELPS COMBAT HOUSING SHORTAGE

Business priority: Research by London First shows "housing is the fastest rising concern for the capital's businesses", "a significant risk to economic growth" and a significantly greater issue in South London.

Devolution effect – North London: TfL's investment in the quality of its Tube and rail services, which operate predominantly north of the river, is a key reason why housing supply has grown twice as fast as in South London in the past 15 years. For example, housebuilding around stations on London Overground's Watford-Euston branch has increased over 50% since transfer to TfL. In Hackney, most of the 16,000 homes planned for the next decade will be close to Overground stations. Dalston's masterplan is "all geared around the railway".

South London contrast: There is significant potential for the railway to act as a focus for new housing. However, the vast majority of rail services are operated by non-TfL franchised companies who view them as secondary to longer distance routes. The boroughs of Kingston, Sutton and Croydon have stated "poor transport infrastructure seriously limits the scope for [housing] growth". Bexley has expressed similar views. The evidence shows that TfL's formula of improving service quality and capacity would help address this pressing issue.

SCOTRAIL

Over the past fifteen years, more stations and rail lines have opened in Scotland than any other part of the UK. Between 2002 and 2015, £800m was invested in reopening five lines. The expansion reflects the Scottish government's consistent view, over two decades, of the railway's importance in creating a more prosperous country with stronger communities.

Plans for an extensive rail reopening programme started within months of the first devolution agreement which established the Scottish government in 1999. The starting point was a wider perspective on the case for investing in rail projects. As well as financial and economic benefits, assessments took account of factors including the potential to revitalise struggling towns and neighbourhoods, stimulate housing developments, and reduce road congestion and pollution.

Councils throughout Scotland sat on the Scottish government's rail steering groups, leading aspects of the planning. This ensured that local knowledge, priorities and funding were at the heart of the way projects developed.

LINE REOPENINGS SURPASS EXPECTATIONS

The impact met, and in many cases surpassed, expectations. In 2008, first year patronage on the new Stirling-Alloa route was four times higher than initially forecast as the route opened new employment and educational options for people across central Scotland. In the Borders, a new line to Edinburgh has become the focus for housing development and economic growth. Around Shawfair station alone, 4,000 homes and a business park will be built. The Borders economy has also been boosted with tourism rising 27% after the line reopened in 2015.

Similar benefits have been achieved by the reopening of the Airdrie-Bathgate and Larkhall routes. All told, the projects have taken hundreds of thousands of journeys each year off the roads.

DEVOLUTION WORKS FOR PASSENGERS

- ✓ More new rail lines and stations opened than in any other part of the UK
- ✓ Rolling programme of electrification to provide faster, more comfortable services
- ✓ Continual improvements to timetables and station facilities

DEVOLUTION WORKS FOR SCOTLAND

- ✓ Railway at the heart of Scottish government policy from skills to social equality and urban renewal
- ✓ New partnerships to promote tourism, urban regeneration and sustainable housing
- ✓ Giving local SMEs a better chance of supplying goods and services to ScotRail



USING ITS NEW POWERS, TRANSPORT SCOTLAND WORKED WITH SCOTRAIL TO INCREASE SERVICES AND IMPROVE CONNECTIONS YEAR AFTER YEAR





STABLE FOUNDATION FOR RAIL INVESTMENT

In 2006, a new phase of devolution transferred responsibility for all aspects of Scotland's railway to Scottish ministers, including control over Network Rail's budget and the ScotRail franchise. The Scottish government's response was to set out a twenty year vision for rail with short, medium and long term investment programmes to support economic growth, environmental protection and social inclusion. It provided the first stable and strategic context for development of the railway anywhere in the UK since privatisation and has laid the foundation for rail investment ever since.

Alongside confirmation of the line reopenings, there was a programme of electrification to increase capacity, provide faster journeys

and reduce carbon emissions. A fourth route, Edinburgh-Falkirk-Glasgow, is due to be completed in 2017 taking investment in electric infrastructure and trains close to £1bn.



TIMETABLE IMPROVEMENTS YEAR AFTER YEAR

The Scottish government also used its new powers to ensure continual development of existing rail services. Renegotiation of the ScotRail franchise built this agenda into the company's contract and reshaped the business to help deliver new railway projects as the need arose. Year after year, ScotRail worked with Transport Scotland to provide increased frequencies, earlier and later trains, improve connections and upgrade station facilities across the network.

Joint projects also included one of the first smart ticketing trials in the UK, an industry-first fares simplification which reduced the price of 1,500 tickets, and early planning of services for the 2014 Commonwealth Games.



THE INTENTION IS THAT SCOTRAIL SHOULD BE A MODEL OF RESPONSIBLE BUSINESS AND BOUND INTO SOCIETY AND THE AREAS IT SERVICES

FULL POTENTIAL OF RAIL DEVOLUTION

However, it was only when the franchise was replaced in 2015 with the first contract let by the Scottish government that the full potential of what rail devolution could mean for Scotland became clear. Apart from providing a huge increase in seats and services, the new franchise is at the heart of the Scottish government's vision for the nation from skills development to social equality and urban renewal.

All Scotrail employees and contractors are now paid at least the living wage, and the company is revising the way it selects its suppliers to create a level playing field for local SMEs to compete with large companies.



Major investment in professional education is providing hundreds of ScotRail employees with Scottish Vocational Qualifications each year. Jobseekers can claim free travel on ScotRail services, and the company's training facilities are available to charities free of charge.

Wider links with business and universities have seen the company create a £100,000 per year budget to help fund research into environmental technology and set up a Sustainable Development Unit to work with housebuilders on integrating new housing with the railway. Other firsts include partnerships with VisitScotland to promote rail tourism across the world and with Scotland's Towns Partnership to make the railway a force for town centre regeneration.

New world-class Anglo-Scottish sleeper services have also been specified which not only offer club cars, pod flatbed options and en-suite berths with showers but which also say something about how Scotland sees itself. The mattresses will be made by a social enterprise firm in Aberdeen, and a large majority of the food and drink on board will be from Scottish SMEs.

RAIL DEVOLUTION WORKS FOR PASSENGERS

CASE STUDY ONE: HOW DEVOLUTION RESHAPED SCOTLAND'S RAIL SERVICE

The Scottish government has used its control over rail infrastructure, services and policy to make numerous reforms that have benefited passengers. Improvements made directly as a result of devolution include:

- ✓ A policy of below inflation off-peak fare rises to encourage a shift from car to rail travel
- ✓ Discounts of up to 50% for 16-18 year-olds (since 2007) to provide fairer and wider access to education and employment
- ✓ Improvements to frequencies, connections and station facilities year after year
- ✓ First introduction of on-train WiFi in the UK outside intercity franchises
- ✓ Uniquely on the UK regional railway, cutting journey times is a core policy (for over a decade)
- ✓ More new stations and rail lines opened than in any other part of the UK
- ✓ Long term rolling programme of electrification (since 2011)

RAIL DEVOLUTION WORKS FOR SCOTLAND

CASE STUDY TWO: SCOTRAIL AT THE HEART OF THE GOVERNMENT'S VISION FOR THE NATION

Transport Scotland has designed the new ScotRail franchise so that all aspects of the way the company does business – as well as the train service itself – are at the heart of the Scottish government's purpose and vision for the nation.

A major investment programme to transform service quality and bolster regional economies will include 230 new commuter carriages, a genuine intercity standard service connecting Scotland's seven biggest cities and 20,000 extra seats per day across the network by the end of 2018.

However, at least as importantly, ScotRail must fulfil dozens of social commitments that fundamentally extend the company's role beyond providing rail services. The intention is that ScotRail will become a national asset that works with employees, communities and local businesses across Scotland to help achieve a fairer, more prosperous country with a higher quality of life.

SCOTTISH GOVERNMENT OBJECTIVE

EXAMPLES OF SCOTRAIL SOCIAL COMMITMENTS 2015-18 IN LINE WITH THE SCOTTISH GOVERNMENT'S VISION FOR THE NATION

A wealthier, fairer Scotland (Growing and sharing national prosperity)

- Equal opportunities for SMEs to compete for ScotRail contracts against larger suppliers
- 'Fair' tickets including refunds for season ticket holders during holidays
- Partnership with VisitScotland to promote tourism globally
- Partnerships with event organisers and attractions to develop rail tourism packages and themed rail journeys on scenic lines
- Free travel for jobseekers to interviews and first month in work
- All staff and contractors paid at least the Living Wage
- Employee profit share scheme

A smarter Scotland (Increasing skills across all sections of society)

- Fund Scottish Vocational Qualifications for around 200 employees per year
- Free foreign language training available to all employees
- Return to work schemes for military veterans and offenders in prison
- 'Travelling classrooms' for schools
- Employ ten apprentices per year from deprived areas

A healthier Scotland (Promoting healthy lifestyles)

- ScotRail website page with links to every sustainable and active travel organisation in Scotland
- Partnerships with outdoor leisure companies on ScotRail routes to promote healthy activities
- Partnerships with councils to provide better walking routes to stations
- Cycling innovation plan and creation of UK's largest cycle/rail network to help deliver Scottish government target of 10% of journeys by bike
- Advise other companies on employee cycle schemes
- Fitbands for employees

A safer, stronger Scotland (Helping communities flourish)

- Redevelop stations as city gateways with new business and community facilities
- Work with Scotland's Towns Partnership on a local stations strategy to assist town centre investment
- Partnership with Homes for Scotland to support first time buyer schemes – includes a free monthly season ticket
- Head of Economic Development appointed to plan rail services that assist community regeneration
- Grants for start-up businesses to refurbish unused station buildings for premises, plus mentoring from expert ScotRail commercial staff
- Station land available for local events and farmers' markets

A greener Scotland (Environmental protection; sustainable urban development)

- ScotRail Sustainable Development Unit to work with housebuilders on integrating new housing with the railway
- £100k a year to develop new environmental technologies with universities and SMEs
- Lead role in delivering a national integrated public transport system
- Tickets for sustainable travel, including rail, add-on bus journeys, Glasgow subway and cycle hire to be held on a single smartcard

MERSEYRAIL

On Boxing Day, virtually no trains ran in England, with one principal exception – Merseyside. Responding to requests from traders and residents for an effective service on one of the year’s busiest shopping days, the region’s transport authority, Merseytravel, and its train operator, Merseyrail, worked together to develop and fund a solution.

The Boxing Day service symbolises the approach Merseytravel put in place following devolution in 2003 of the intensively used 75 mile local network of Merseyrail Electric services with its unique underground city centre loop. The intention was to re-position the local train operator as a long term partner which would act in the interests of communities across Merseyside rather than as a short term purely commercial arrangement.

From the start, Merseytravel enshrined this principal in the Merseyrail contract, along with new service standards based on feedback from Merseytravel’s customer panels, its women’s and disabled persons forums, businesses and local authorities. The result was a train operating contract based on the needs of local passengers and of the local economy.

IMMEDIATE LEAP IN PASSENGER SATISFACTION

It was also the first rail franchise in the UK with targets for improved customer satisfaction and the first to cap peak fare rises at inflation. In Merseyside all stations had to be staffed from first train to last (another UK first). Real time information and secure station accreditation was also required at all stations. Contractual targets to improve punctuality led Merseyrail to invest in new train maintenance equipment. Cycle spaces and facilities for disabled people were included in a long overdue refurbishment of the train fleet.

Before devolution, the local railway was dubbed ‘Miseryrail’. Little more than a year later, passenger satisfaction had leapt from 82% to 90%. That level has been maintained or bettered virtually ever since. It is a record no other rail franchise or concession can match, and has frequently placed Merseyrail as the country’s leading operator.

DEVOLUTION WORKS FOR PASSENGERS

- ✓ Rapid leap in passenger satisfaction from 82% to 90%, 15 months after devolution
- ✓ Most satisfied passengers of any franchise or concession including 90%-plus rating every year since 2008
- ✓ Industry-first standards for improved service quality

DEVOLUTION WORKS FOR MERSEYSIDE

- ✓ Demanding specification based on passenger needs and supporting the local economy
- ✓ Long term partnership approach with franchisee including sharing risk on on-going investment programme in new and better services
- ✓ Requirement for train operator to act in the interest of Merseyside enshrined in its contract



**THE RESULT WAS THE FIRST RAIL
FRANCHISE DESIGNED SPECIFICALLY
TO MEET THE NEEDS OF PASSENGERS
AND THE LOCAL ECONOMY**



SERVICE MANAGED IN THE LOCAL INTEREST

Patronage has consistently exceeded targets, growing 30% from 27 million passengers a year in 2002/3 to well over 35 million in 2016/17. A key factor is the way the concession is managed as a partnership in the local interest as much as the service standards Merseyrail must meet. The contract is unique both in its 25-year length and in its expectation that the operator will assist Merseytravel in progressing rail projects which support the regional economy and improve quality of life, but may not have a standard commercial business case.

SHARING RISKS TO DELIVER IMPROVEMENTS

Examples include agreements to share the financial risks of running longer trains in 2008 and doubling Liverpool-Chester services in 2010. In 2014 Merseyrail contributed £3m of upfront investment to make a second fleet refurbishment possible. In 2015 it agreed to fund half price travel for 16-18 year olds following changes to the school leaving age, bearing the risk that additional patronage would cover the cost. For several years, transport authority and operator have also jointly funded extra late night trains during special events and before Christmas.

FLEXIBILITY TO ADAPT SERVICES FOR CUSTOMERS

The flexibility local control provides also enables Merseytravel and Merseyrail to arrange additional capacity for major festivals in a way that other areas of the country can not. Some trains are shortened to free up carriages for services where demand is greatest, and, if need be, some stations are closed without the complex contractual discussions that would be required on other networks.

Devolution's influence on Merseyrail has gone beyond rail services too. Part of the company's strategy is to become an integral part of city life in the expectation that goodwill created will pay back through long-term support from the public and Merseytravel.

So Merseyrail has accepted bus tickets on its services when roads are closed by extreme weather at no cost to the public, bus companies or Merseytravel. For the past decade it has funded a security team to uphold railway by-laws.

The company's wide ranging community investment programmes includes hosting the city's premier music competition at local stations.

FOUNDATION FOR A LONG TERM RAIL STRATEGY

The impact of rail devolution in delivering local policies, from social inclusion to economic growth, has helped create the foundation for a long term rail strategy to underpin the Liverpool City Region Combined Authority's economic plan. Proposals include reopening lines and building stations to serve housing and employment areas.

One of the first priorities is a new train fleet. The transport authority's long term perspective and accountability to the people of Merseyside has resulted in an innovative approach.

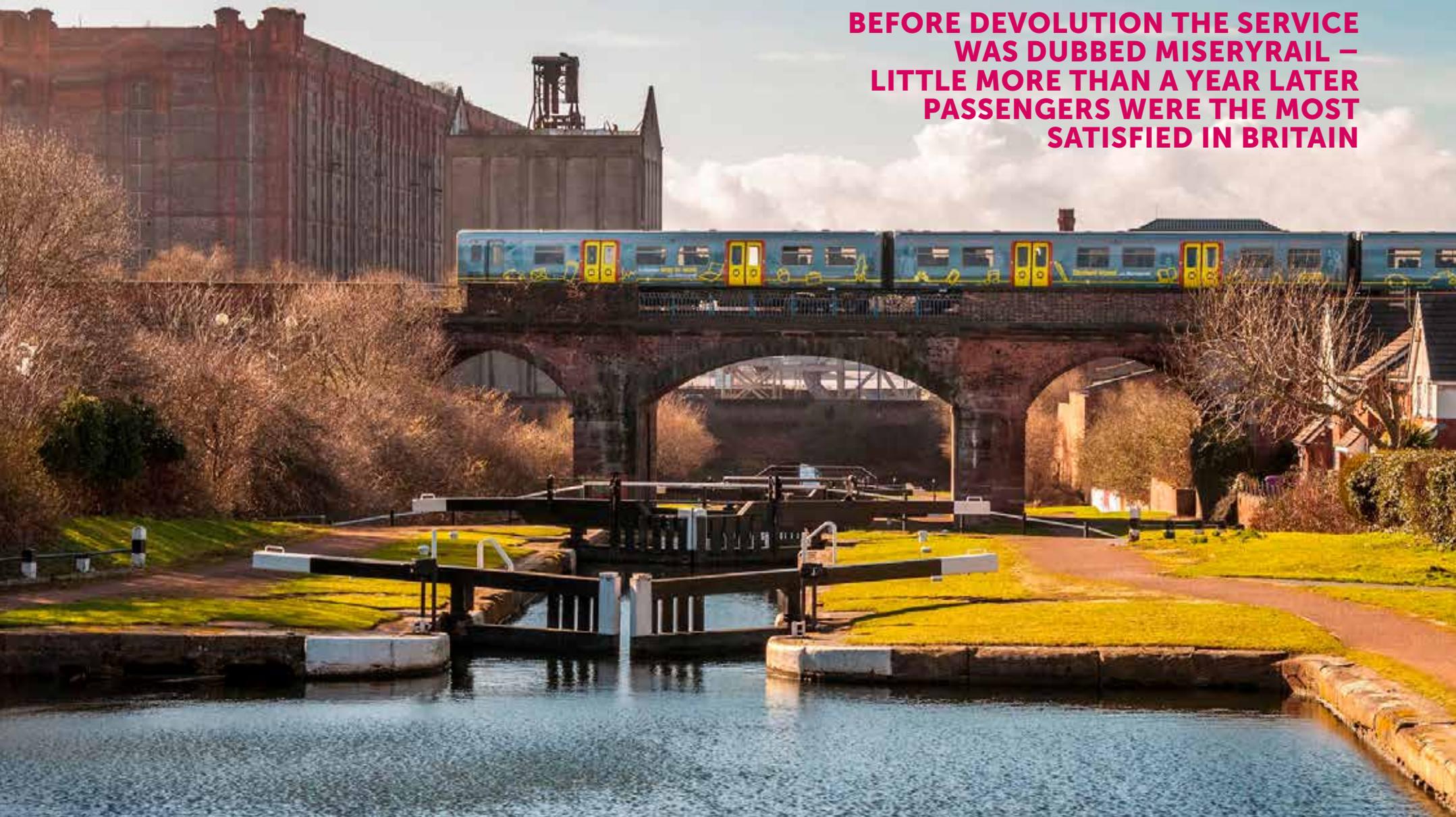
The trains will include dual voltage capability so new destinations can be served, and industry-first onboard information and communication facilities. Buying the trains, rather than leasing them will save costs in the long term.

Merseyrail will provide technical advice while additional profits generated purely as a result of the publicly-funded fleet replacement will be reinvested in local transport.

As with the many joint projects completed over the past 14 years, local control has provided the opportunity to find innovative ways to ensure Merseyrail meets the needs of the region it serves.



**BEFORE DEVOLUTION THE SERVICE
WAS DUBBED MISERYRAIL –
LITTLE MORE THAN A YEAR LATER
PASSENGERS WERE THE MOST
SATISFIED IN BRITAIN**



RAIL DEVOLUTION WORKS FOR PASSENGERS

CASE STUDY ONE: FROM MISERYRAIL TO THE UK'S MOST SATISFIED CUSTOMERS

On the day of devolution, Merseytravel stated that it would shed the local rail service's Miseryrail tag by "putting passengers first". The transformation took little more than a year. In autumn 2004, Merseyrail topped the national customer satisfaction league for the first time.

Year one successes, which resulted from Merseytravel's new standards for improved service quality, included huge increases in satisfaction with train cleanliness (+18%), dealing with passengers' requests (+14%) and punctuality (+9%).

After putting the basics right, Merseytravel and Merseyrail used the flexibility local control allows to develop a stream of projects to increase capacity, tailor fares and services to local markets, further improve the condition of trains and stations and maintain high punctuality. Since 2008, passenger satisfaction has never fallen below 90% and Merseyrail's customers have rated the company as the country's leading rail franchise or concession virtually every year.

In the latest survey in autumn 2016, 95% of Merseyrail customers were satisfied with their trip. The company also topped national tables for station environment, punctuality, value for money and, most notably, customer service. A record 99% were satisfied with how station staff handle requests.

MERSEYRAIL CUSTOMER SATISFACTION		
	Merseyrail	National ranking
Autumn 2001	77%	(10)
Autumn 2002	82%	(8=)
Devolution July 2003		
Autumn 2003	83%	(6)
Autumn 2004	90%	(1)
Autumn 2005	86 %	(6)
Autumn 2006	89%	(2=)
Autumn 2007	87%	(4)
Autumn 2008	90%	(1=)
Autumn 2009	91%	(1=)
Autumn 2010	93%	(1)
Autumn 2011	93%	(1)
Autumn 2012	92%	(3=)
Autumn 2013	93%	(1)
Autumn 2014	90%	(2=)
Autumn 2015	93%	(1)
Autumn 2016	95%	(1)

RAIL DEVOLUTION WORKS FOR MERSEYSIDE

CASE STUDY TWO: FARES FAIR ON MERSEYSIDE

A key Merseytravel objective is affordable rail fares for all. Initiatives have included half price travel for 16-18 year olds, and free travel for over 60s, to correspond with the concessionary bus pass and capping peak fare rises at inflation. Control of fares policy also means Merseytravel can respond flexibly to circumstances, notably during the recession of 2009/10.

Flexibility: In 2010, the fare change formula meant Merseyrail's peak prices were due to fall 1.4% in line with negative inflation. It could have put pressure on the operator's finances and investment in joint projects with Merseytravel, and created a risk of large compensatory off-peak fare rises.

Devolution difference: Merseytravel ensured a fair outcome for all customers and reduced financial risks for Merseyrail. The transport authority agreed that, instead of falling, peak fares should be frozen. In return, there would be no off-peak fare rises.

Outcomes: Marketing to promote the 'total fares freeze' attracted new passengers, resulted in positive press coverage and rising satisfaction with value for money rating (up from 60% to 70%) whilst funding for improvements was maintained (including for increased services between Chester and Liverpool).

CASE STUDY THREE: SUCCESSFUL RESPONSE TO GREATEST TRANSPORT CHALLENGE FOR DECADES

For the first six months of 2017, work took place to replace the 40-year-old slab track on the underground section of the Merseyrail network's Wirral Line, resulting in the closure of underground stations on the line. It meant Merseyside faced one of its greatest ever transport challenges, including no cross-river trains from Wirral into Liverpool for nine weeks.

Devolution has enabled Merseytravel to take a holistic approach combining its control over trains, ferries and roads, and informed by longstanding relationships with the region's businesses and transport operators. For example, employers influenced Merseytravel's plans for rail replacement buses by making the case for a superior service to minimise stress for commuters and keep as many people as possible on public transport to prevent road congestion. Trains into Wirral rail hubs are met by a pool of 'fill and go' buses to provide express services across the river into Liverpool, and additional staff ensure swift boarding. The high quality vehicles include WiFi and USB ports.

Consultation with employers has seen businesses reduce pressure on the roads at peak times by setting up staff breakfast clubs and allowing people to work from home. The measures have been a notable success in keeping Merseyside moving.

TYNE & WEAR METRO

For more than 35 years the Tyne and Wear Metro has delivered continual innovation in customer service, technology and network expansion unmatched on any UK urban rail network.

The driving force was the transfer of the majority of Tyne and Wear's railway to local authority ownership in the late 1970s. Five years later, the Metropolitan Council had converted a declining heavy rail network into the UK's first modern light rail system with twice as many services and stations on the same routes.

Notable UK firsts continued, including one of the world's first extensions of light rail services onto heavy rail infrastructure, and mobile phone reception on underground lines. In 2015, the Metro became the only UK railway, outside London, with network-wide pay as you go smart ticketing.

In all cases, change has focused on local political imperatives of supporting businesses, increasing opportunities for people and creating a fair society. Accountability to Tyne and Wear's residents is engrained in the timetable, pricing and station location.

WIDER EMPLOYMENT OPPORTUNITIES

For jobseekers, employees and companies, it means wider employment choices and a labour market extending throughout the region. Unlike any other UK railway, the Metro has a full frequency service first train to last (5:15am to midnight), with every train calling at every station. Business parks and residential areas are connected by a station every 1.3 miles. Network extensions mean you can travel to work from the suburbs of Newcastle or Sunderland across the two city centres in 40 minutes.

Fares are uniquely designed to support business and employees. Peak fares were abolished in 2014 because the large number of passengers on shift or zero hours contracts could not benefit from season ticket discounts. Fare rises have been kept below inflation four years running to aid economic recovery.

DEVOLUTION WORKS FOR PASSENGERS

- ✓ Only UK railway with full frequency service first train to last
- ✓ First networkwide pay as you go smart ticketing outside London
- ✓ Only UK railway fully accessible for mobility impaired passengers

DEVOLUTION WORKS FOR TYNE AND WEAR

- ✓ Unique fares policy tailored to the local economy
- ✓ Network extensions to key destinations using industry-first solutions
- ✓ Development of unique technology to prevent disruption during track renewals

MORE CHOICE FOR APPRENTICES AND STUDENTS

Similarly, students and apprentices have convenient, discounted Metro travel to courses and training across the region. Many students now live in Sunderland and study in Newcastle and vice-versa. Employers close to Metro stations report apprenticeship schemes have higher numbers and better retention than those served by buses and Northern rail routes.

Political and management accountability to the region's people and businesses is typified by major track renewals in the Tyne tunnels last year. Metro's infrastructure team created a unique technology so the works could be completed at night during the short gap in service, preventing any disruption to passengers.

INCREASED METRO PATRONAGE BUCKS TREND

In addition, all stations have consistent, high quality facilities. As with innovations such as PAYG ticketing, local ownership removed the complex commercial dealings with operators and Network Rail that can slow change.

The focus on developing facilities for customers and tailoring the service to local requirements has enabled budgets, including reduced central government subsidy, to be met, despite the low fares initiatives, because Metro has bucked the regional trend of declining public transport use. Ridership has increased 14% in the three years to April 2016.



INNOVATION AND EXPANSION DRIVEN BY LOCAL CONTROL HAS REMAINED A CONSTANT FEATURE OF THE METRO'S DEVELOPMENT





IMMEDIATE IMPACT OF MODERNISATION

It is not only the Metro's service levels and inclusive fares that are a direct result of devolution but, in all probability, the fact that a railway exists at all in many areas of Tyne and Wear.

Before the creation of the Metro, British Rail was cutting frequencies and closing stations. Fearing line closures, the Metropolitan Council made the case to government for radical change. It included river tunnels to connect north and south Tyneside as well as conversion to electric light rail, providing the means to plan and serve new stations on the lines. The impact was immediate. On completion in 1984, patronage rose fivefold.

The heritage of innovation and expansion, driven by local control and integrated economic and railway planning, has remained a constant feature of the way the Metro has developed ever since. The results include dedicated stations at the region's airport, three universities and two football clubs.

DEVOLUTION DRIVES ONGOING EXPANSION

The extension to Newcastle airport in 1991 was only possible because local ownership of the Metro gave councils the incentive to protect a disused line in a housing development area. It was the first rail connection to a UK regional airport and has been a key factor in its expansion.

Similarly, the Metro extension to Sunderland, on Railtrack infrastructure in 2002, would not have happened without devolution. The project was not a priority for Railtrack due to complexities in operating the UK's first shared light and heavy rail route and its focus on central government schemes. Metro teams developed the project and managed the technical solutions. The line now has three times as many services and twice as many stations.

It typifies how rail devolution has consistently provided the impetus to develop the Tyne and Wear network and overcome obstacles to progress.

RAIL DEVOLUTION WORKS FOR PASSENGERS

CASE STUDY ONE: METRO vs NORTHERN – 25 TIMES AS MANY PASSENGERS ON METRO

A comparison between Metro and Northern rail commuter routes in the area illustrates how local control has continually driven improvements in service standards for passengers. The table opposite shows the difference between the Metro's Newcastle-South Shields service and Northern Rail's Newcastle-Prudhoe service. Both routes are a similar length and pass through similar suburban communities. Local investment to ensure the Metro is designed around local travel patterns with superior customer facilities has been rewarded. The Metro route carries 25 times as many passengers per year as the Northern route.

METRO vs NORTHERN		
	Metro Newcastle-South Shields	Northern Newcastle-Prudhoe
Route	12 stations in total (five opened since 1984). All principal employment areas, housing areas and town centres are served	Five stations in total (one opened since 1984). Areas such as Gateshead town centre, Team Valley business park and Ryton have no stations
Frequency and hours of operation	4-5 trains per hour serving all stations from 05:42 until 23:56	1-2 trains per hour from 06:30 until 23:40. Some do not call at all stations. Up to 4 trains per hour close to Newcastle. Limited evening service – only four trains after 18:30
Patronage	16.2 million journeys per year (not including Newcastle Central station)	0.65 million journeys per year (not including Newcastle Central station)
Ticketing	Smartcard and paper tickets; multi-modal tickets; PAYG smart tickets with all-day price cap available	Paper and mobile ticketing, through ticketing for Metro and PlusBus
Pricing	Simple zonal fares, below inflation fare rises. Max single fare: £3.30	Inconsistent pricing, fare rises at inflation. Max single fare: £5.30
Station facilities	All stations have consistent facilities including real time information screens, public address systems, Help Points and ticket machines. All stations are fully wheelchair accessible	Variable. Some stations have information screens, public address and ticket machines, others do not. Not all platforms are step free
Compensation for delays	Available if delayed 15 minutes or more	Available if delayed 30 minutes or more

RAIL DEVOLUTION WORKS FOR TYNE AND WEAR

CASE STUDY TWO: METRO AT THE HEART OF THE TYNE AND WEAR BUSINESS COMMUNITY

The Tyne and Wear Metro is a longstanding and active member of regional business organisations such as the North East Chamber of Commerce, North East Local Enterprise Partnership, city Business Improvement Districts and town centre retail forums. It means Metro management understands business concerns and acts to address them. Examples of how the Metro has responded directly to the requests and requirements of north east businesses include:

- Revising timetables to respond to changing shift patterns
- Setting fares according to economic conditions
- Extending under-19 fares from college students to apprentices to make vocational training more competitive
- Partnership with businesses to promote the visitor economy through public art trails
- Dozens of extra trains for major regional events like Great North Run – and even running until after 2am for arena rock concerts
- Rapid repair of infrastructure damage at the height of Storm Desmond motivated by understanding of the impact service suspension would have on Christmas trade

CASE STUDY THREE: MINIMISING THE IMPACTS OF ENGINEERING WORKS ON LOCAL COMMUNITIES

During major infrastructure projects Metro management teams make sure local residents understand how they will be affected so they can plan their lives. The service is driven by political accountability to communities and extends significantly beyond standard rail industry practice. In addition to holding exhibitions to explain projects, Metro provides a personalised service for residents including:

- Identifying how each specific area will be impacted by noise and road traffic and providing tailored information for residents
- Individual briefings for residents or small groups in areas that will be most impacted
- Introducing residents to contractors and providing a liaison service to work through any issues

CONCLUSIONS

Devolved authorities recognise the key role that long distance passenger services play in supporting both national and regional economies as well as the need to ensure there is capacity on the network for more rail freight in order to relieve road congestion and reduce environmental impact.

We do not want to see the railways balkanised and devolved authorities have consistently sought to ensure that long distance freight and passenger services are supported and developed (including by investing directly in rail freight infrastructure and in better provision for intercity passengers). However the evidence presented in this report shows that for urban and regional rail services devolution works for passengers and for the places that devolved railways serve.

When devolution happens train reliability and punctuality improves and passenger satisfaction levels increase. There is more innovation and investment. Rail services are planned with wider economic, social and environmental goals in mind.

They become part of a more integrated approach to land use planning and economic development which opens up new synergies around funding sources to support further improvements and expansion. Rail services have also become more responsive and accountable to local decision makers, businesses and passenger priorities.

Rail devolution is also no longer an isolated phenomenon. To a greater or lesser extent it is now happening, or proposed, for much of the non-long distance rail network, including in Scotland, Wales, London, the North of England and the West Midlands.

The best way to spread the benefits further would be to go with the grain of what has already been achieved including by:

- extending the successful London Overground model to more of London's commuter network
- pressing ahead with full devolution of rail services in the North of England and the West Midlands
- greater devolution of Network Rail's Scottish functions and accountability
- ensuring that the Welsh Assembly has the powers it needs to develop and expand rail services in Wales
- ensuring that Network Rail maps onto a devolving Britain in the way it operates and plans the network
- realising opportunities for a greater role for devolved authorities on stations, as well as wider enhancements to the rail network, where those authorities have the capacity and ambition to do so



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