



1. INTRODUCTION

The Williams Rail Review (The Review) is a ‘root and branch’ review of railways in Great Britain, chaired by Keith Williams. It forms part of the government’s aim for a world-class railway, which works seamlessly as part of the wider transport network and delivers opportunities across our nations and regions.

The Review’s terms of reference cover:

- commercial models and good value fares prioritising passengers and taxpayers
- clear accountability and joint working benefitting passengers and freight in rail industry structures
- financial sustainability and addressing long-term cost pressures
- improving industrial relations
- ensuring agility to respond to future challenges and opportunities.

The Review’s call for evidence closed earlier this year with a white paper set for autumn ahead of reforms beginning in 2020. The Review produced evidence papers, summarising key themes and evidence. Transport for the North (TfN) highlighted that the evidence papers do not yet look at the effectiveness of devolved decision-making or governance, nor the merits of different models (TfN 2019).¹

2. BACKGROUND

Great Britain’s rail network is vital for the economy and for the everyday lives of people who use it. Every year, it hosts 1.7 billion passenger journeys. However, rail only accounts for 2 per cent of all trips compared to 61 per cent by car.

Meanwhile, demand for freight has been growing—and now makes up approximately 6 per cent of rail traffic. 17 billion tonne kilometres of freight are transported annually, amounting to 9 per cent of all domestic freight in Great Britain and over one in four of the containers that pass through UK seaports (WRR 2019a).

Investment in rail is regionally imbalanced. Public spending on rail is far higher in London (£654 per capita) compared to the UK average (£207 per capita) and the North (£150 per capita) (ONS 2019). So too are rail journeys imbalanced, with over 70 per cent of annual rail journeys taking place in London and the South East, generating half of total passenger revenues (WRR 2019b).

Rail governance is highly centralised and almost entirely controlled, directly or indirectly, by the Department for Transport (DfT). DfT procures train operating companies (TOCs) to run services, funds the network, and Network Rail is an arm’s length public body of DfT. This contrasts other similar countries like France where regional and local government have more control over their transport networks.

DfT designs, prepares and lets franchises alone, except where working “in partnership” with Rail North. In Wales and in Scotland, Transport for Wales and Transport Scotland respectively award franchises on behalf of devolved governments.

TOCs operate services on specified routes for the duration of the franchises, alongside a small number of open access operators who provide additional services on some routes. Concessions cover a small number of urban railway or light rail systems like Merseyrail. Concessions differ from franchises because the operator is paid a fee to run the service according to a specification, but does not hold financial risk, set fares or design service provision.

¹ This section has been informed by WRR (2019c).

Most stations are managed by one of 20 different franchises specified by DfT bar a small number of strategically important stations like London Waterloo or Manchester Piccadilly.

Rolling stock companies (ROSCOs) own and maintain rolling stock which they lease to TOCs.

TOCs run their services on the railway which is mostly owned and managed by Network Rail, who also undertake infrastructure management, provide investment, and operate strategic stations. Some of the network (for example HS1) is privately owned and managed by Network Rail through contract.

Timetabling is a collaborative process between DfT, Network Rail and TOCs. This process notably failed in May 2018—leading to severe problems across the North of England and parts of London and the South East. This severely dented passenger trust and confidence, and an independent inquiry took place. It focused on changes within existing structure, but its findings have relevance for devolution in light of the central conclusion that “no one took control” (ORR 2018).

In 2014, day-to-day responsibilities were devolved to strategic ‘routes’, of which there have been 13 since February 2019. These routes will report to five new regions that will take on head office functions, having power over system operator, safety technical and engineering and group digital railway activities by the end of 2020.²

3. RESPONSES TO THE REVIEW FROM THE NORTH OF ENGLAND

Transport authorities in the North submitted responses to the Review, which are summarised below.³

- Local and regional transport authorities cannot currently directly influence both the planned and unplanned events affecting the railway and issues and opportunities in their locale are overlooked.
- Local transport authorities have good track records of successfully managing and delivering infrastructure for light rail/tram networks like Metrolink and the Tyne & Wear Metro.
- Multi-modal integration in local transport networks is not currently possible for transport authorities as they lack the powers to direct investment, fare, and timetable integrations.
- Transport authorities are well placed to represent passenger and local needs in the planning of rail infrastructure and marshal better integration such as tram-train networks.
- Local accountability is currently poor and does not reflect local priorities, particularly with respect to investment decisions, during crises like the 2018 timetable implementation, and over strategic decision-making. The public do not understand how the current system is structured and cannot hold anyone to account unlike local transport services.
- Rail is a vital catalyst for local economic development and rebalancing, and transport investment and planning must align to local and regional growth strategies.
- Transport’s role in land-use planning, such as infrastructure-led housing development is vital. In Greater Manchester, this focused on developing train stations and further specific devolution was requested around station management, ownership, and the ability to tailor hubs to provide for community hubs, housing, and multimodal transport integration.
- The role and importance of freight was not well reflected in the Review as it developed referring to the evidence papers.

4. PROPOSALS FOR RAIL DEVOLUTION

Many local and regional transport authorities, and the industry itself, have made a case for more devolution of rail in order to improve performance.

4.1. REGIONAL DEVOLUTION

Arguments and proposals for regional devolution, to organisations such as to TfN, include the following.⁴

- Better input from regional governance over rail services would ensure key socioeconomic objectives are accounted and influence infrastructural investment needed to achieve them.

² This section has been informed by WRR (2019a) and WRR (2019d).

³ This section has been informed by TfN (2019), TfGM (2019), North East Joint Transport Committee (2019).

⁴ This section has drawn on TfN (2019) and TfGM (2019), WYCA (2019).

- Regional letting of larger franchises, similarly to Scotland and Wales, would allow regions to draw up specifications aligned to their goals and provide for stronger accountability.
- Devolving infrastructure management on regionally important routes would ensure investment decision-making better reflects passenger interest, and ensure crucial locally specific issues are given sufficient weighting that is absent where managed nationally.
- Better accountability would help prevent ‘false dawns’ of investment promises such as the delayed Northern Hub programme with no clear sign of resolution.
- Listening to regional bodies in national System Operator discussions would help ensure fair timetabling is achieved between local, regional, national and freight services.
- However, in order to exercise expanded functions to relatively new organisations like TfN, their governance and scrutiny arrangements would need to be reviewed and further capacity would need to be developed.

4.2. LOCAL DEVOLUTION

Local or subregional devolution to transport authorities like Transport for Greater Manchester (TfGM) or the North East could include the following.⁵

- Transport for London (TfL)-style power over mass-commuter routes around large cities would allow the ‘metroisation’ of key routes—improving commuter rail. It would need a level of shared responsibility between regional and national governance in terms of track access and timetabling, balancing the requirements of the majority of passengers across different service types.
- Integrated ticketing would allow bus networks (which can be franchised in Mayoral Combined Authorities), light rail and tram networks, and commuter rail to be rolled into multi-modal zonal fare systems.
- Multi-modal and transport planning would enable the development of holistic transport networks across station development, timetabling, and enhanced multi-modal linkages.
- Joint working between local and regional bodies, Network Rail, and TOCs would provide for better understanding of locally specific issues, moving from ‘route-based’ to ‘place-based’ thinking.
- Power over infrastructure investment and strategic planning would ensure rail networks account for new areas of residential and economic activity and the local context of change—including the alignment of rolling stock and infrastructural investment.
- Devolution of train station management and ownership would allow better reflection on the needs of local people with respect to stations, allow investment to re-orientate stations, and allow better land-use on and around station land.

4.3. INDUSTRY PROPOSALS

Through the Rail Delivery Group,⁶ the rail industry has made proposals including the following.⁷

- TfL-style concession contracts for areas with local, accountable transport bodies such as in London, Greater Manchester or West Yorkshire.
- A new independent organising body with oversight to hold the industry to account and ensure alignment of decision-making across the network—alongside ‘removing politics’ from the day-to-day running of the railways.
- Updating regulation for an easier to understand fare system with a ‘best fare guarantee’ for better value for money.
- Introducing more choice of operators on long-distance routes, raising competition.
- Aligning the goals of track and train with targets and incentives that cut across the industry.
- Developing a clear national framework and long-term strategy for freight.

5. CONCLUSION

This broad-ranging Review could see large changes to commercial models, industry governance, and decision-making across investment, strategy and responding to challenges. It is an opportunity for authorities to improve transport networks and their integration with railways by seeing powers over rail decentralised.

5 This section has been informed by TfGM (2019), North East Joint Transport Committee (2019), TfL (2019), and WYCA (2019).

6 A membership organisation representing all passenger and freight rail companies, alongside Network Rail and HS2 Ltd.

7 This section has been informed by RDG (2019).

There are a number of proposals that have been put on the table by local and regional transport authorities for more devolution, including commuter-network concessions, stronger roles in strategic planning, infrastructure management, and better accountability. These are mainly framed as improving focus on passengers and the public, ensuring local needs are taken into account and improving accountability across the network. The potential of this approach is illustrated with Andy Burnham's "Our Network" plans in Greater Manchester, which highlights the opportunities that the Review presents for city regions.

Transport authorities and combined authorities have highlighted their existing track record in managing and delivering infrastructure and rail services. Their responses include their frustrations with the existing system, particularly over delayed or cancelled investment, poor accountability when things go wrong, and poor strategic decision-making that does not reflect local needs.

This Review is an important opportunity for the government to improve rail services by devolving power to the North and its city regions.

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Citation: Johns M and Raikes L (2019) *The future of rail: The opportunities for devolution in the Williams Rail Review*, IPPR North. www.ippr.org/publications/the-future-of-rail

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