

# Officer Decisions

## Head of Planning, Transportation and Environment - Dave Black

Summary of Matter or Issue Requiring Decision

Respond to the Williams Review on Future of Rail

Devon County Council is a partner in the Peninsula Rail Task Force and has contributed to the joint partnership response. Beyond this we would also like to make some observations about the present structure and how it has worked for Devon and some thoughts on future structures and what they might deliver.

Devon County Council agree with the three high level objectives for the review and that a future rail structure needs to deliver the best possible outcomes for passengers, in terms of reliability, service levels and value for money, maximises opportunities to improve affordability to avoid an increasing cost to taxpayers.

#### Background

The South West has not noticeably benefitted from the rail franchising process since rail privatisation. When the present Great Western franchise started in April 2006 higher quality rolling stock was moved to other franchises resulting in a reduction in capacity. This was eventually replaced by elderly low-quality units, but has led to an ongoing capacity issue, as passenger numbers significantly increased. Until the recent investment in IET trains there had been no new trains for the South West. With the proposed extensions to the present franchise, Devon and the greater South West, will remain entirely dependent on ex-British Rail multiple units for local services. The most modern of these are now approaching thirty years old, with many older than this. Despite significant increases in passenger numbers capacity remains an ongoing issue and there has been no investment in new, or improved, rolling stock for local and regional services.

There has also been very limited improvements to the timetables delivered. While most former Inter-City routes, have seen improved frequencies Paddington to the South West remains hourly with a varied and confusing stopping pattern and significant variations in journey time. Although some improvements are planned from December 2019 the base service will remain hourly and some peak services will retain calls at Thames Valley stations.

The South West has also lost out due to the award of a “no growth” franchise in 2006 which has been successively extended since 2013. While the extensions have delivered some minor improvements, the opportunity for a step change, as delivered by the new Anglia franchise, has been lost to the region.

We would suggest that going forwards the franchising process needs to be:

#### Transparency

In many cases it is unclear why a particular franchise option was selected. It may be purely as the most cost-effective option, but it would be useful to know that this is the primary criteria and what the difference in cost for other (better) options was. Despite massive growth in passenger numbers and revenue there often seem to be limited benefits for passengers and no plan for further growth. In some recent examples a change of operator has also produced disbenefits, with ongoing disputes and staff shortages.

We suggest that a defined base specification should form the starting point for all new franchises, in whatever form they are let. This would form the minimum level for bids and while it would be possible to add to this base it should not be possible to provide less. The base specification would be consulted on and established before the procurement process commenced. It would also be available publicly in as easy to understand format as possible. When the franchise is let it should be clear why that option has been selected and equally why other options have been rejected.

#### Ability to deliver

In whatever form they are let, future franchises need to be sufficiently long to encourage the train operator to invest in rolling stock and infrastructure. The model adopted with the Chiltern franchise has allowed delivery of upgrades to trains, track and stations, made possible by a long-term integrated franchise and seems to have worked well. We would suggest this would be a possible model for future franchises. This would also help overcome Network Rail's inability to deliver infrastructure improvements on time and to budget, by giving responsibility to the train operator.

#### Integration

The present split between Network Rail and TOC's seems to have produced a situation where no one has responsibility for developing the network. Network Rail carries out infrastructure renewals and replacements where required, without necessarily having an overall plan to make best use of the individual improvements delivered. As an example, much of the line from Exeter to Barnstaple has been re-laid with new track, but no overall plan exists to improve line speed, cut journey times and potentially reduce resources required. Going forward it must be an option to re-integrate the infrastructure with the train operation, so the incentive to reduce journey times, operate a robust timetable and consider possible developments sits wholly with one entity.

#### Timetable development

The recent issues with Govia Thameslink and Northern seem to have resulted in a halt to all timetable improvements. This is particularly frustrating for the South West, as improvements planned for introduction in December 2018 have been postponed for at least twelve months and potentially indefinitely. The main reason for this delay seems to be the inability of Network Rail to validate and provide certainty on timetable plans and deliver an outcome of a reliably functioning network. Going forward, as part of greater integration, it would seem desirable for Train operators to be able to validate their own timetables. Only where there is more than one train operator, or a dispute about a particular path, or a change has had an adverse impact on another TOC does there seem a requirement for an outside intervention and overview.

#### Development

Over the period of privatisation much of the development of local rail services and provision of new stations has been driven by local authorities, or groups such as the Devon & Cornwall Rail Partnership. Most minor timetable improvements have required external funding to bring them about, although many have subsequently become established as part of the franchise. New stations are also largely reliant on an outside body acting as project manager and finding funding, even where they are supported by the rail industry. Going forward the new structure needs to be owned by the rail industry who work jointly with the Sub National Transport Body to agree specific interventions. This would allow an operator to build up expertise and experience in delivery which would in turn give certainty to stakeholders and to invest and deliver improvements which they think are commercially worthwhile. To do this needs a long franchise period, to justify investment decisions, flexibility of resources and removal of the DfT from every operational decision.

#### Structure

The present operational structure has had the effect of introducing much greater political control than existed during pre-privatisation British Rail. Network Rail is state owned and funded, while all decisions regarding franchises and investment in the network are made by the DfT, seemingly down to a micro-management level. The role of train operators has been reduced to little more than day to day management and implementation of the DfT's requirements. In previous structures the Rail Regulator and Strategic Rail Authority gave more autonomy to the process and it would seem desirable to return to some form of overall strategic control. For the future the establishment of Sub-National transport bodies might allow an opportunity for a regional approach to local rail services, with a greater involvement with the specification for franchises. Most rail passengers are not greatly interested in the structure of the industry, wanting only a reliable and affordable train service on which they can get a seat. Unfortunately, the present structure seems incapable of delivering this, which has produced much debate about the private/public split. There also seems to be concern at decreasing interest in bidding for franchises. In order to ensure value for money an option might be to have state owned operator who bids for the base specification for each franchise. In this way it would be possible to compare this price with the bids from other operators and ensure that however the service is provided it offers the best value for money.

#### Summary

We would agree that the present operating model is not delivering a satisfactory outcome. An alternative approach that was able to deliver a better outcome for all parties and improve stakeholder involvement would be welcomed. It is also important that standards are reviewed in order to bring costs under control. We look forward to a new approach to provision of rail services.

Summary of Reason(s) for Decision Taken

Summary of Alternatives or Options considered and rejected

The option of not responding was rejected as it would be useful for the Review to see a response from officers at DCC  
The Review is open to anyone to respond - it was considered that other rail stakeholders affiliated to DCC may wish respond independently

Details of any conflict of interest and dispensation granted to the Officer taking the decision or by any Member of the Council in delegating responsibility for any specific express delegation

None

Contact for enquiries/further information

Dave Black

Decision Date

16 April 2019

A copy of this decision and any supporting documentation considered by the Officer taking this decision may also be made available or inspection by the public at the Council's Offices or posted upon payment of any copying and postage charges. Any member of the public wishing to take up either of these options is asked to please ring 01392 382888 or email: [members.services@devon.gov.uk](mailto:members.services@devon.gov.uk)