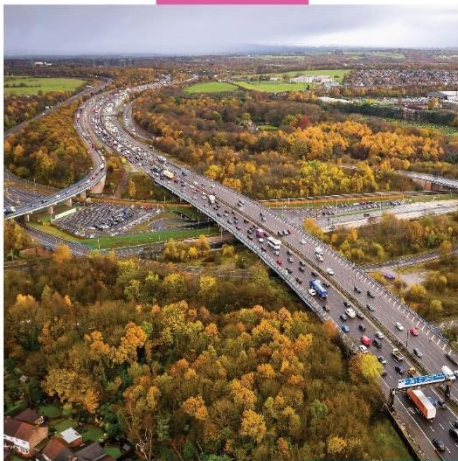


TfN Response to the Williams Rail Review – Internal Note

Response to Call for Evidence Questions



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TfN Response to Williams Review

Question 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?

Transport for the North (TfN), representing transport authorities across the North of England, believe that due to the limited Terms of Reference for this stage of the Williams Review, there are some thematic gaps in the evidence presented in the papers. These are:

- Governance Models and Appraisal Methods that Support Local Decision Making;
- Economic Growth and Re-balancing the Economy;
- Rail's Role in Transforming Communities and the Environment; and
- The Role and Relative Importance of Freight.

These themes are outlined below along with a summary of what the evidence shows and the key sources of available information that should be taken into consideration.

Governance Models and Appraisal Methods that Support Local Decision Making

The role of rail with the customers it serves now and could serve in the future, and its role in the wider community, to help meet wider economic, environmental and social objectives, fundamentally differ between different areas in the UK. For this reason, it is TfN's view that decisions that affect the running of the railway across the country should, where possible, be taken locally by the people who have the greatest understanding of local issues and opportunities.

The Williams Review evidence papers do not look at the effectiveness of decision making and governance in terms of: devolution / route / region-based decision making and governance compared to a national or centralised model. This comparison is not investigated in terms of both the efficiency of the commercial model, impact of those decisions on meeting objectives and the agility of the model to adapt to changing circumstances in the short and longer term.

The soon to be released Blake Jones Review in response to the May 2018 timetable issues is a central piece of evidence in this area that should be considered through the Williams Review. One of the major problems discussed is devolved authorities', such as TfN's, lack of ability to directly influence the planned and unplanned events that shape the provision of rail services. For this reason, it recommends giving local leaders the greatest ability to influence this provision when services are being specified.

The previously submitted (2013) Business Case for Rail Devolution in the North of England states that devolving decision-making will ensure that priorities for the development of rail in the North are increasingly focussed on supporting economic prosperity and regeneration.

Similarly, the Urban Transport Group's 2017 report 'Rail Devolution Works' argues for more rail devolution by using the success stories of the London Overground, Scotrail, Merseyrail and Tyne & Wear Metro networks. Each of these have their own unique characteristics but have delivered degrees of patronage growth and increase in customer satisfaction.

The National Infrastructure's 2018 report on 'Transport and Housing for Thriving City Regions' advocates:

- City-led plans for transport to connect housing and jobs;
- Devolved, long-term funding to give certainty to all cities; and
- Major projects in the fastest growing, most congested cities.

The simplification of fares and a strategy for integrated ticketing are critical for rail (and cross-modal travel) in the North and will be addressed in TfN's forthcoming Long-Term Fares Strategy. In the interim, the Rail Delivery Group through their 2019 report 'Easier Fares For All' made a case for simplification of the fare system and advocated for more local control of fares as a catalyst for the North.

The DfT's 2012 report 'Rail Decentralisation – Devolving Decision-making on Passenger Rail Services in England' included a consultation on whether decentralisation has the potential to produce the following outcomes:

- Cost reduction and enhanced value for money [this is something that TfN is taking forward very seriously and is one of five key outcomes defined as 'reduce the cost per passenger mile and per freight tonne km of services in the North' – i.e. reducing unit costs for the full service outputs that we want, not cutting services or quality];
- Local democratic control;
- Benefits for passengers;
- Supporting and stimulating economic growth; and
- Contribution to carbon reduction.

Of the 183 respondents to the consultation, about 70% expressed support for the principle of decentralisation.

A critique of the conflicting messaging of different stakeholders can give through the franchise specification process is not included. The Brown review 2012 recommended that the franchise specification process should be more localised.

Similarly, the McNulty Report recommended clearer objectives, devolved decision-making, changes to structures and interfaces, more effective incentives and better regulation.

Another key area the evidence does not go into detail on is appraisal and decision-making approaches and whether the appraisal values or approaches constrain rail's ability to demonstrate the extent to which it meets objectives. While the approach to appraisal is part of a separate consultation, it is critical in implementing strategy and investment and therefore should be acknowledged in terms of a future proposition and how alternatives may facilitate appraisal and decision making becoming more or less appropriate. Historic underinvestment, suppressed demand and challenges with monetising wider objectives all create additional challenges for the North to overcome.

The evidence base for this in the North is centred around the responses to The Transport Committee Rail Infrastructure Investment Inquiry. TfN identify the problems with the current business case assessment process as:

- A barrier to re-balancing the economy; and
- Hindering ambition for transformative infrastructure investment.

Their recommendations include:

- The appraisal of economic benefits, alongside other objectives, needs to reflect spreading growth across the country;
- Using TfN's appraisal and modelling framework to assess the real value for money of transformational rail schemes; and
- Supporting Network Rail's proposals for governance and engagement in the North of England reflecting Transport for the North's planned statutory role.

Other issues identified through TfN's oral evidence include:

- The cost of developing business cases;
- Focusing on current passenger numbers, instead of on the number of passengers that could switch to the railway;
- Five-year blocks of development in the rail network (no longer relevant for enhancements);
- Regional bodies having not enough voice towards national decisions that have huge regional implications;
- The prominence of rolling stock strategy and new trains to help meet objectives, and the importance of recognising the commercial complexities of rolling stock deployment the number of bodies involved; and
- The absence of a national transport strategy.

Evidence Summary

Blake Jones Review: Joint Review of the Rail North Partnership, 2019, (not yet published)

- Urban Transport Group, 2017, *Rail Devolution Works*,
(<http://www.urbantransportgroup.org/system/files/general-docs/UTG%20%E2%80%93%20Rail%20Devolution%20Works.pdf>)
- Department for Transport, 2011, *Realising the Potential of GB Rail*,
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/4203/realising-the-potential-of-gb-rail-summary.pdf)
- Department for Transport, 2012, *The Brown Review of the Rail Franchising Programme*,
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49453/cm-8526.pdf)
- Department for Transport, 2012, *Rail Decentralisation – Devolving decision-making on passenger rail services in England*,
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/2704/main-document.pdf)
- Transport for the North, 2018, *Long Term Rail Strategy – Revised Draft*,
(https://transportforthenorth.com/wp-content/uploads/Long-Term-Rail-Strategy_TfN.pdf)
- Rail Delivery Group, 2019, *Easier Fares For All*,
(https://www.raildeliverygroup.com/files/Publications/2019-02_easier_fares_for_all.pdf)
- National Transport Commission, 2018, *National Infrastructure Assessment*,
(https://www.nic.org.uk/wp-content/uploads/CCS001_CCS0618917350-001_NIC-NIA_Accessible.pdf)
- Rail North, 2013, *Rail Devolution for the North of England*,
(not available online)
- Rail North and TfN responses to The Transport Committee Rail Infrastructure Investment Inquiry,
(various)

Economic Growth and Re-balancing the Economy

A key national priority is using targeted investment to re-balance the economy of the United Kingdom (UK), and future investment in rail has a key role to play in this. The current Williams Review evidence papers contain little on the impact rail can have on transforming and re-balancing the economy, and on the economic value of rail to assist local growth plans, despite there being a broad and growing evidence base in this area.

A seminal document produced in this field in the North of England is the Northern Powerhouse Independent Economic Review (NPIER). This report sought to understand 'the scale, nature and causes of the North's performance gap, distinctive sectoral strengths and capabilities at the level of the North, and future growth prospects for the North'. It is apparent that no one northern city or area can on its own be productive enough to turn around the decades of underperformance and this serves to underline the importance of agglomeration. To address this, connectivity and transport, and in particular rail, feature heavily in the report and it has been used as a key part of the evidence base for Northern Powerhouse Rail (NPR). The specific challenge in the North is overcoming historic underinvestment in rail which prevents it meeting the objectives we set for it and in turn re-balancing the economy.

Another key document is TfN's Strategic Transport Plan (STP) which sets out the principles for a funding framework that advocate:

- **Evidence-based decision making** - facilitating growth in a sustainable way across the North, delivering economic and social benefits;
- **Strategic consistency** – with the overarching goal of facilitating economic growth and improving living standards;
- **Locally-raised funding should be spent locally** – TfN-led investment, funding raised by localities to be spent locally (e.g. user charges, commercial revenue, local taxation). This needs to be considered alongside equitable allocations of critically needed centralised funding that recognise current disparities in provision and growth; and
- **Mode-agnostic solutions** – multimodal planning, focus investment where and when it has the greatest impact [albeit clearly focussing on modes that best meet overall objectives underpinning the environment, sustainable growth and transport provision]

In the Campaign for Better Transport's 2015 report 'Stepping Stones to a Rebalanced Britain' the following points were made on why the North's rail services need investment now:

- The Northern franchise is unfairly represented in national policy-making;
- Investment now would make the most of other spending already committed;
- There is a pressing need to redress the historic lack of investment; and
- Investment would be strategic in supporting growth in the north's core cities.

Further evidence can be found in the House of Commons' Transport Committee (June 2018), Rail Infrastructure Investment Inquiry, Fourth Report of Session 2017-19 which recommends that upcoming spending:

- Is supported by the DfT's rebalancing toolkit;
- Demonstrates better distribution of benefits;

- Acknowledges that current transport appraisal disadvantages regions in need of economic regeneration; and
- Is supportive of the devolution of decision-making within Network Rail.

Whilst TfN has not analysed the Inquiry outcomes to understand if they go far enough, the final two points here lead into the next thematic gap around local characteristics and decision making.

Evidence Summary

- SQW, 2016, *The Northern Powerhouse Independent Economic Review*, (<https://www.transportfornorth.com/wp-content/uploads/Northern-Powerhouse-Independent-Economic-Review-Executive-Summary.pdf>)
- Transport for the North, 2019, *Strategic Transport Plan*, (<https://transportfornorth.com/wp-content/uploads/TfN-final-strategic-transport-plan-2019.pdf>)
- Campaign for Better Transport, 2015, *Stepping Stones to a rebalanced Britain*, (https://bettertransport.org.uk/sites/default/files/research-files/Stepping_Stones_final_version.pdf)
- House of Commons Transport Committee, 2018, *Rail infrastructure investment: Fourth Report of Session 2017-19*, (<https://publications.parliament.uk/pa/cm201719/cmselect/cmtrans/582/582.pdf>)

Rail's Role in Transforming Communities and the Environment

As well as driving economic growth, rail in the North of England has a key role to play in delivering better social outcomes, addressing entrenched deprivation, enhancing the built and natural environment and transforming communities.

Community rail is a growing grassroots movement made up of Community Rail Partnerships and groups across Britain. There are approximately 60 Community Rail Partnerships across the country along with more than 1,000 smaller Community Rail Groups and the movement is particularly strong in the North of England. They engage communities, businesses, schools, colleges and universities and help people get the most from their railways, promoting education and awareness, social inclusion and sustainable travel, working alongside train operators to bring about service improvements, and bringing stations back to life. DfT's recent Community Rail Development Strategy is an excellent source of evidence for this. TfN would like to see assurances that the important role that such groups play will be preserved in the future industry structure. Further information on the role of community rail can be found at the Association of Community Rail Partnerships (<https://communityrail.org.uk>) who have separately provided a response to the review. Another source of evidence is the recently updated Long Term Rail Strategy for the North of England. The latest iteration has created a 'Community' objective that is designed to highlight the importance of creating a railway which supports the social fabric of the communities it serves, providing journey opportunities which enable access to

education, training and leisure opportunities as well as employment, and plays a full part in addressing transport poverty, quality of life, isolation, and deprivation across the North.

The UK Government and cities have legal obligations in terms of climate change and air quality as well as these environmental goals being key objectives underpinning policy and strategy. TfN believe that rail should have a prominent role in meeting these obligations.

In the Williams Review evidence, rail's role in terms of enhancing the environment, particularly along congested corridors and in congested areas is not strongly reported, both in terms of evidence of modal shift effectiveness (passenger and freight to improve emissions and local air quality), or the impact (positive or negative) on biodiversity, heritage, landscape etc. There should be a much stronger indication of how rail can be used as a positive tool for improving environmental performance.

The North has some of the worst air quality issues in the country, as highlighted by recent analysis by Kings College London estimated that 1.6 million life years will be lost in Greater Manchester in the coming century due to its poisonous air. The study issued last year by IPPR North highlights that Central Manchester has the highest rate of emergency hospital admissions for asthma in England (more than double National average) and Manchester Council ranks as the second worst in England for PM10 particulate pollution – linked to lung cancer and asthma. Whilst the bus fleet and car traffic contribute significantly, the rail network also has a role to play in transforming Manchester's health.

Surprisingly, the DfT do not hold information on how many of the 37 failing air quality zones in the UK have rail lines served by diesel stock, and therefore the extent they are contributing to air pollution (<https://www.energyvoice.com/other-news/167667/government-does-not-know-extent-of-air-pollution-from-diesel-trains/>). Given the prevalence of diesel services across the North of England, and the scaling back of electrification plans on some routes, more data on this issue is clearly required.

Evidence Summary

- Department for Transport, 2018, *Connecting Communities with Railways: The Community Rail Development Strategy*, (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/756054/connecting-communities-with-the-railways-the-community-rail-development-strategy.pdf)
- Transport for the North, 2018, *Long Term Rail Strategy – Revised Draft*, (https://transportforthenorth.com/wp-content/uploads/Long-Term-Rail-Strategy_TfN.pdf)
- Institute for Public Policy Research (North), 2018, *Atmosphere – Towards a Proper Strategy for Tackling Greater Manchester's Air Pollution Crisis*, (https://www.ippr.org/files/2018-06/1528816909_gm-air-quality-june18.pdf)

The Role and Relative Importance of Freight

Freight is a critical part of the national rail network and TfN believe that it should be a key consideration of any recommendations that emerge from the Williams Review. The current system often sees freight marginalised to fit around ever-increasing numbers of passenger services with no clear evidence on the value of freight paths. Shifting industry patterns mean that freight is shifting from less heavily used parts of the network, to intermodal traffic which is more focussed on routes that are busier for passenger traffic.

TfN's Enhanced Freight and Logistics Analysis is a key document that should be considered and advocates the following:

- The need to maximise the use of existing assets and prioritise their use for the greatest value they bring to the North; and
- The need to ensure that the North has a modal mix that delivers the most effective investment (against our objectives) in infrastructure, technology and policy, whilst supporting economic growth in the North through an efficient logistics industry.

The analysis sets out why it is essential that the North has a resilient and reliable transport network in order to ensure that the increasing volumes of goods continue to move whether it be directly through Ports in the North or via the major Ports in the south; both of which require rail connectivity, appropriate gauge clearance and sufficient capacity to respond to the needs of the industry.

Rail's role in providing an alternative to the M62 for east -west movements of freight across the North for example cannot and should not be underestimated. The forecast increase in unitised cargo cannot simply be accommodated on the North's road network therefore all modes need to be in use and where opportunities exist to shift goods from road to rail, these opportunities should be realised. It should be noted that decisions currently being made on the Transpennine Route Upgrade (TRU), and in the longer term on Northern Powerhouse Rail (NPR), will have a big impact on the ability of rail to play a role in the regional and national debate for cross-Pennine movements.

Other Themes for Consideration

One further theme that needs consideration within the review 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.

Evidence Summary

- Transport for the North, 2018, *Enhanced Freight and Logistics Analysis Report*,
(<https://transportforthenorth.com/wp-content/uploads/Freight-and-Logistics-Enhanced-Analysis-Report.pdf>)
- *Blake Jones Review: Joint Review of the Rail North Partnership*, 2019,
(not yet published)

Question 2:

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

While the objectives and aims are comprehensive, given their very high-level nature they do not address the crux of the issues in specific areas. There is a risk that local specific issues will not be weighted highly enough. For example, in some areas and for some users the following objectives taken from TfN's Strategic Transport Plan (STP) and Long Term Rail Strategy (LTRS) – which TfN would like to see a broad alignment with – are very key specific objectives and would have different emphasis and priority in different places.

STP:

- Increasing efficiency, reliability, integration, and resilience in the transport system;
- Transforming economic performance;
- Improving inclusivity, health, and access to opportunities for all; and
- Promoting and enhancing the built, historic, and natural environment.

LTRS:

- A step-change in **connectivity**;
- Provision of **capacity** within the infrastructure and the train services needed for growth;
- A rail network which **customers** find easy to access and use;
- A railway which supports the **communities** it serves; and
- Enhanced **cost-effectiveness** of running the railway.

While the Williams Review Wider Society objective does act as a catch-all for some of these objectives, TfN feel that some of them, such as promoting and enhancing the environment and supporting communities, need to be more directly highlighted as objectives.

Acknowledging that the objectives are designed to be high level, it is TfN's recommendation that the following minor amendments be made:

- The heading 'Passengers' should be altered to 'Customers' to account for all railway users (including freight);
- The affordability and value objective could be expanded to 'Improving long-term affordability, equity of funding and value for the taxpayer'

- In the Wider Society objective, the words 'to the country' should be altered to 'locally and nationwide' and 'growing' should be replaced with 'growing and enhancing....'; and
- It is also recommended that freight be more prominently recognised, rather than simply placed in brackets at the end of the third objective.

Further to this, 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.

Evidence Summary

- Transport for the North, 2019, *Strategic Transport Plan*, (<https://transportforthenorth.com/wp-content/uploads/TfN-final-strategic-transport-plan-2019.pdf>)
- Transport for the North, 2018, *Long Term Rail Strategy – Revised Draft*, (https://transportforthenorth.com/wp-content/uploads/Long-Term-Rail-Strategy_TfN.pdf)

Question 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?

TfN is broadly in agreement with the problem statements that have been made but feel that the following issues constraining the success of the railway could be enhanced or added:

- Passenger trust - 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. 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 TfN's view that this accountability should be at a local level.
- Affordability and value for money – there being adequate funding to enhance the railway to maximise its efficiency in supporting the economy, society and the environment, while improving value for money by tackling head-on the issues of unit 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. By way of an example in the North, the track access charges for Merseyrail Electrics increased by 340% between CP5 and CP6. 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. There are also issues around the significant profits made by ROSCOs (who are outside the remit of the ORR) and 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.
- The imbalance of the economy and the process by which investment decisions are made. Investment should be equitable across the country and the industry should offer a consistent level of service and quality for given user types. Historic underinvestment in rail in the North make this a critical point.
- The conflict of competing uses of rail and how to determine priority. As demonstrated in the Enhanced Freight and Logistics Analysis there is significant freight growth forecast which cannot simply be accommodated on the road network. This is a capacity issue which would result in unacceptable environmental costs if not addressed. Opportunities should be sought to

deliver a modal shift towards rail and support new economic opportunities sustainably given how this can increase resilience, remove vehicles from congested road networks and deliver associated emissions improvements. However, given the limits of capacity, without investment (physical or technological) increases in freight at peak passenger times will have to be at the expense of passenger paths. Therefore, TfN advocate significant investment to increase overall rail capacity.

- The short-term trade-off between capacity provision (higher frequency as well as longer trains) and reliability is a key challenge the rail industry faces. Decision making needs to consider which of the two takes precedence and should be in accordance with a joined-up strategy aligned to wider objectives. In the medium to long-term investment in infrastructure enhancements that allow the reliable operation of the services we need will ease the pressure on these trade-offs and should be prioritised.
- The review notes the lack of single strategic direction and that the industry is becoming fragmented with unclear accountabilities. This implies that there should be single strategic direction. However, in solving fragmentation it is essential that there is a better understanding of local issues. The industry needs to be aligned to and responsive to local circumstances and priorities at the same time as being efficient, equitable and clear in its strategic aims.
- Integration both within rail and with local transport networks is also a key issue – not just in terms of accessibility and timing but also technology and ticketing.
- Rolling stock - 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.
- Innovation - Looking ahead, the industry needs to embrace new technologies in order to improve the services. For example, Merseytravel have consulted with passengers on new rolling stock who requested that level boarding be provided. To facilitate this, their new trains will incorporate innovative sliding step technology, to allow ease of access onto the new trains.

The Blake Jones Review summarises the issues in the North of England (which we believe have been picked up through the Williams Review) as follows:

- There are clear differences between the actions of the industry and the basic interests and priorities of passengers due to decisions being made by entities with objectives that do not align with ours, due to commercial imperatives and prime legal accountability being to shareholders and not to specifiers;
- There is a lack of clarity over the responsibilities of problems, obligations and remits in the rail sector – a clear lack of accountability;

- Communication of, and within, the decision-making process is an area that needs improvement; and
- Passenger and business trust in the rail industry has been undermined by recent events – local and national government trust has also been tested.

Also, the ORR Independent Enquiry into the May 2018 timetable issues states the following (which are generally picked up by the Williams review issues, albeit not necessarily specifically particularly in terms of planning and delivery of major changes and passenger (and freight) impacts of infrastructure programme and timetable planning processes; the need for better collaboration and alignment to common specific goals in the industry and risk management):

- A major problem identified from the May 2018 disruption was that 'no one took control';
- There are systematic weaknesses in the planning and delivery of major network changes (see for example the Northern Hub) due to the absence of integration between planning services, specification of infrastructure and rolling stock, and the ultimate delivery of timetables;
- Insufficient consideration of passenger interests when assessing delivery risk in the infrastructure programme and timetable planning processes;
- Inadequate provision of passenger information during disruption;
- Inefficiencies within the timetabling process, in terms of collaborative working and the use of technology; and
- The diffuse nature of accountability in the rail industry results in a lack of clarity about roles and responsibilities for the oversight and control of complex system risks – incentives, objectives and accountabilities often do not align and are frequently in direct conflict.

While priorities will be different in different areas and for different user types, broadly TfN believes that if the passenger and freight are at the heart of the solutions (issue 1) and if the sector was able to innovate and adapt (issue 5) then accountability (issue 3) and strategic direction (issue 2) should be determined to support these aims. Productivity and tackling long-term costs is critically important but there is a potential conflict between tackling long-term costs and achieving desired outcomes for wider society. However, if the aim is to achieve the same for less this will enable the industry to better serve its customers and re-invest in the most important areas.

Question 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?

The most relevant objectives from TfN's Strategic Transport Plan and Long Term Rail Strategy are highlighted in our answer to Question 2. Comparing the Williams review objectives and criteria to these objectives has highlighted some particular gaps in the criteria and also some areas where there could be enhancements. These are particularly themed around the ability of the industry to respond to local issues and the extent to which rail enables economic, environmental and social benefits. It is critical that assessment criteria are driven by an ultimate set of objectives (e.g. social, environmental, economic) and in turn by the network outcomes that they give rise to.

The criteria would be strengthened by adding the following:

- Add emphasis on outcomes of rail provision in terms of economic growth, enhancing communities and the environment. This doesn't fit neatly into the headings of Passengers, Affordability, The Fundamentals or System Changes as reflects the resulting impacts of good rail services rather than a direct impact on users and operators. A further category of outcomes could be added: Economic and Local including items such as:
 - Supporting sustainable and inclusive economic growth that brings social and quality of life benefits: the decisions made for investment and operations in the railway should recognise rail's role in supporting and enhancing good economic growth through capacity and connectivity;
 - Supporting (or enhancing) local communities: the criteria should reflect the importance of ensuring the railway is at the heart of supporting and improving the social fabric of the communities it serves, through providing journey opportunities which enable access to education, training and leisure opportunities as well as employment, and playing a full part in addressing transport poverty, isolation, and deprivation across the North, while also delivering environmental benefits through modal shift; and
 - Agility and flexibility: the rail industry and its governance must be agile and flexible to respond to local priorities, local issues and be able to input where there is market failure.
- The criteria do not include a mechanism for considering how effectively and equitably the organisational structure will assess value for money and allocate and prioritise limited public funding.

The following criteria could be enhanced:

- **Passengers 1:** Punctuality and reliability are highlighted, rightly, as key determinants of passenger satisfaction. However, there are other critical

drivers of satisfaction, access to jobs and economic growth including: capacity, journey time, frequency and connectivity (and other aspects of journey comfort and amenity). We therefore recommend expanding the Passenger criteria to include a criterion on service provision and quality. There are differing standards across the country, therefore we recommend that this criterion acknowledges equity in service provision for given journey purposes. This could be a new criterion or be an expansion of public trust (for users as well as non-users) or accessible and simple to use;

- **System Changes 5 / Affordability 2:** We recommend expanding System Changes 5 (long-term thinking and innovation) or Affordability 2 (commercial sustainability) to ensure system resilience for passenger growth or flexibility to adapt to local needs;
- **Passengers 5:** This could include choice for customers as well as accessibility;
- **System Changes 1:** Decision making 'at the right level' should be altered to 'decision making at the right level and by people / groups who have local as well as strategic knowledge and accountability';
- **Fundamentals 3:** Freight should be more prominent across all criteria (see final point below);
- **Seven Outcomes:** In all seven of the outcomes local economic, social and environmental opportunities could be more strongly emphasised; and
- **Passengers (all):** As noted in our response to Question 2, we believe 'Passengers' should be re-titled as 'Customers' to ensure the needs of freight users are captured.

Prioritisation of criteria is very challenging as for different users or providers there will be different priorities in different areas and it is critical that it is not assumed that one size fits all in term of priorities. However, three key areas from the current criteria that have been highlighted by TfN stakeholders are performance, value for money and public trust.

Taking account of this we believe the fundamentals of safety and environment underlay any proposition and cannot be compromised. Passenger (Or 'Customer' as we have suggested – including improving performance and regaining trust) and Affordability (value for money) Criteria are then equally important strategically, and will differ locally and depending on circumstances and the overall political direction of the rail industry. We believe that unlocking the potential rail has to deliver economic, environmental and societal benefits (and therefore prioritising Customer outcomes) is critical and affordability should be a means to supporting it. The order of priority given for the System Changes Outputs criteria makes logical sense in broad general terms.

In conclusion to this response to the four questions it is TfN's view that there is little in the evidence, issues and assessment criteria that relates to local issues, the links between rail and wider community objectives, and the role of (and appropriateness of) appraisal, forecasting and governance in determining policy and investment decisions.