

TfN Proposition for the Williams Review



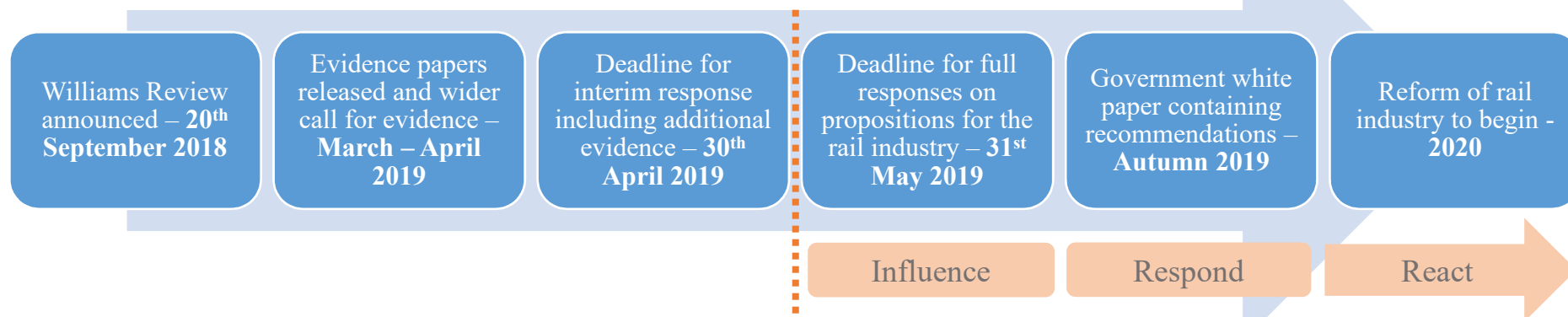
Rail North Committee – 14/05/2019

Background Information

Williams Review

A root and branch review of Britain's railway, independently chaired by Keith Williams

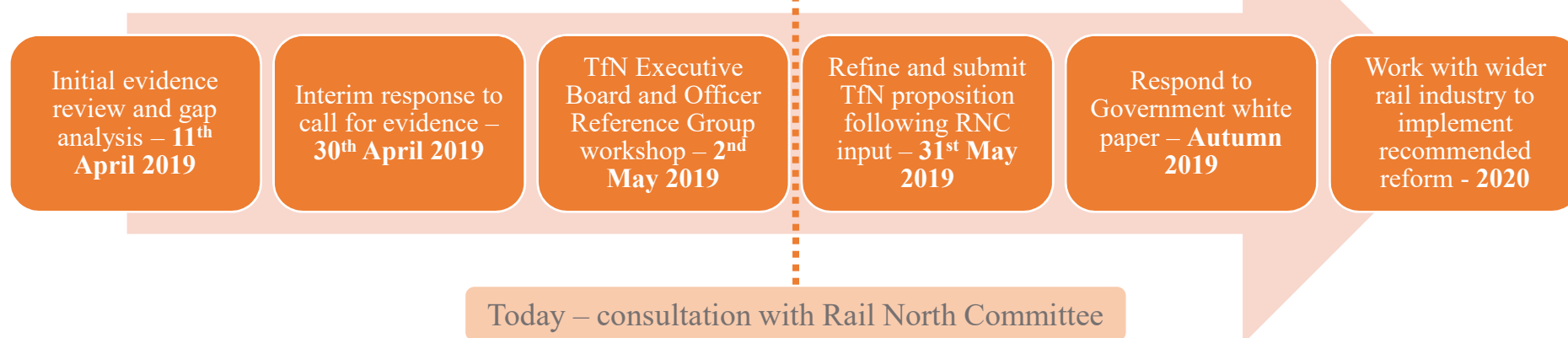
Looking at the structure of the whole rail industry and the way passenger services are delivered



TfN Response

An opportunity to feed a coordinated proposition for the North of England into the Review

Consulting all authorities and presenting a united response for the benefit of all rail customers



The TfN Proposition – Part 1



Existing position



Basis for TfN proposition

Vertical separation

Vertically integrated, tracks and trains run by same entity

Vertically separated

Why? – recent timetable issues demonstrated the key failings of disaggregation

National model – localisation of infrastructure investment and management to sub-national ‘families’

For the North – ‘TfN Infrastructure’ collaborating with an operator across the same geography to lobby for more infrastructure investment and target it where the benefits will be greatest for customers in the North

Risks and dependencies – capability / desire to take over, manage and maintain a £multi-billion portfolio of physical assets

Outcomes – stronger policy alignment (including the skills agenda), integrated investment of available funding

Horizontal integration

Single, large national rail operator

Larger numbers of smaller operators

Why? – too many operators across mixed geographies lacking local accountability

National model – a handful of ‘umbrella’ sub-national operators with micro-franchises to deliver benefits for local communities

For the North – ‘TfN Trains’ manage / operate all services (except long distance) and procure micro-franchises to deliver specific benefits (e.g. Greater Manchester Trains, North East Trains etc.) – TfN to manage cross-boundary conflicts

Risks and dependencies – micro-franchises potentially add complexity rather than simplicity – conflicting priorities between regions

Outcomes – a simpler network providing better value for all customers including consistent fares and integrated ticketing

Key requirement – the proposed model will require an independent national ‘system operator’ to coordinate freight / long distance / timetabling and enable the sub-national bodies to remain outward facing

The TfN Proposition – Part 2



Existing position



Basis for TfN proposition

Length of arrangements



Why? – Frequent cycles of change perceived to be stifling investment and innovation

National model – longer arrangements (circa 15 years) with clear break point reviews to avoid complacency and stagnation – flexibility is key

For the North – TfN overseeing all services in perpetuity and procuring micro-franchises (e.g. Greater Manchester Trains) on long term (circa 15 year) arrangements with clear break points to drive stability and investment

Risks and dependencies – Longer arrangements means less competition and so greater regulation may be required

Outcomes – greater incentive for investment which can be targeted where it is needed most

Decision making and accountability



Why? – a culture of blame and a lack of true accountability – local bodies held to account with no ability to dictate change

National model – decision making and accountability devolved to sub-national transport bodies

For the North – TfN set policy for both track and train and oversee / coordinate local decision making by business units for specific geographies – have political oversight but at arms length to allow day-to-day operation at the technical level for the long term benefit of the railway

Risks and dependencies – question over where the financial risk sits and of local capability to manage such complex systems

Outcomes – stronger policy alignment (environment, social economy), local accountability but with the ability to dictate change