TravelWatch
NORTHWEST

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promoting quality public transport……….

House of Commons Transport Committee
7 Millbank
London SW1P 3JA

18th April 2012

Dear Sir,

CALL FOR EVIDENCE: REFORM OF THE RAILWAYS

TravelWatch NorthWest is an independent Community Interest Company representing all public transport users in NW England. We are pleased to give our views as follows to this inquiry.

1. What should be the Government's vision for the railways in 2020, taking account of likely spending constraints? How should the balance be struck between the taxpayer and the farepayer in paying for the railway?

1.1 As 2020 is only 8 years away and most significant railway investment takes very much longer, any vision can only be superficial and short term. There is a need to provide adequate capacity and focus more on the needs of regional railways addressing the challenges of overcrowding, reliability, punctuality, safety and comfort to encourage greater use of public transport rather than the car. Improvements in interconnectivity between various modes (airports, buses, parkway stations, etc.) should enable travellers to have confidence in the ability of a public transport system to take them where they want to go - end to end.

1.2 The balance between taxpayer and farepayer is already causing great hardship, especially for regular commuters and should not be pushed any further on the basis of energy conservation and carbon reduction. A transparent decision has to be taken as to whether the railway is to be a commercial operation or a social utility. The level of government subsidy, a result of the way the privatised railway is structured with too many stakeholders each taking their own profits, remains significantly higher than what it was under public ownership. This problem of high subsidy leads to the demand for a higher contribution from the fare box. Perhaps the real question is how to divert private sector profits into public investment?

1.3 The opportunity should be taken to examine European rail management to see whether any lessons can be learnt from the way that the farepayer/taxpayer balance is arrived at there.

2. How are the targeted efficiency savings (£3.5bn by 2019 on a 2008/09 base) to be delivered? What will be the consequences?

2.1 It is difficult to see how £3.5bn savings can be saved in 7 years time without fundamentally changing the structure of the industry other than by massive increases in fares or cut backs in services, neither of which is acceptable. Proposals to close some booking offices are likely to be counter productive, not save much and give rise to an increase in ticketless travel, hence losing revenue. Checking tickets on trains would probably raise more but not significant amounts. Closing ticket offices or reducing their hours of opening would be a false economy. Passengers like the reassurance of a personal presence and to be able to discuss their purchase with a helpful ticket clerk.

2.2 Similarly staff should not be withdrawn from station platforms which would be an open invitation to vandals and others at these stations which can be pretty busy at times of the day. Station staff perform many vital functions - they are ambassadors for the railway into the local communities, they are available to assist disabled and elderly passengers and their presence gives confidence to reluctant rail users.

2.3 Before setting a target of £3.5bn, would it not be better to ask what savings would be achieved by a range of policy decisions? (and what the consequences of each would be).

2.4 Bureaucracy in the railway seems to be an enormous burden to costs and the waste needs to be eliminated. However, savings of this nature are likely to be unachievable in such a short term when the railway will be going through its most extensive refurbishment for decades, with escalating prices. A target by 2030 may be more realistic. It should also be borne in mind that increased passenger numbers equals increased income (and no doubt better bid offers by franchisees) and allowance for this should be set against the target savings needed.

2.5 With Network Rail costs widely reported to be 30% higher than maintenance costs on the continent, which must include a substantial percentage of high speed lines, a considerable contribution to the savings could be made here. It is however accepted that our loading gauge imposes constraints not found on the continent. A root and branch review of Network Rails costs is required and perhaps proper competition introduced to carry out contracts.

2.6 Network Rail’s costs are perceived to be over the top and there are examples which show this to be the case. Here is an example from Grange over Sands.

A couple of years ago Network Rail decided that a very old crossing needed walling up to replace inadequate wire mesh fencing just off Grange promenade. Perhaps about ten feet of stone wall was required. How was this tackled? By the use of a national contractor who set up a large secure work site in a nearby car park (rent to the council) with messrooms, toilet (public toilet at entrance to car park). They could access the railway by means of a locked and gated crossing off the car park onto the promenade or via the promenade. But they took a series of overnight possessions to use a rail trolley to ferry materials the 100 yards to the worksite and do the work (in sandstone, which is alien in appearance to the local limestone!). The cost perhaps £50k or more. The alternative - engage a local contractor who could safely work during daytime from outside the railway using the promenade for access, with a safety fence between wall and running line with no need to be on the railway at all. Cost perhaps £2000 at most.

3. Will the reforms to rail franchises proposed by the Government, including alliances, deliver better services at lower costs?

3.1 Longer franchises (giving operators time to properly develop a business model) and the combining of operations and track on SWT are promising developments. However just what are franchises for? Passengers have little say in the competitive bidding process and there are few examples where competition really exists between operators, especially in the north. Franchises create barriers of various kinds between TOCs for the passenger - not least in the attitude of TOCs to other TOCs connecting services, covering for cancelled services, ticketing, etc. Urgent attention should be given to integrate franchises in order to reduce boundaries/barriers between them. There is a good case to lower bureaucratic costs and for operators to undertake some activities currently under the stewardship of Network Rail for example fully taking over stations enabling a commercial approach rather than just a maintenance responsibility.

3.2 Alliances should also eliminate the ludicrous arrangements whereby NR has to pay compensation to TOCs for engineering possessions, etc which are really for their benefit. This would encourage the maintenance of a rail service wherever possible rather than resorting to road replacement services which are not popular with passengers.

3.3 We are concerned at the proliferation of franchise bids from non-UK based companies. Any profits such companies make from UK taxpayers will only go to subsidising services in their home countries - so UK rail passengers are subsidising rail services in Germany, France and the Netherlands.

4. How should fares and ticketing be reformed?

4.1 The fares structure is perceived with its very wide variations (e.g. fares Manchester – London from £10 to over £350 depending on how, when and where) as being complex and difficult to understand. Simplification could help but it is important to retain the ability to purchase value for money journeys in advance to attract people from the roads. In reforms the following should all be considered –

- Wider use of smartcards may help, provided they are standardised across the network, inter operator and intermodal and provided they are not hastily introduced before their shortcomings have been rectified.
- Need for good marketing of end to end travel to encourage transfer from the car.
- Focus should be on keeping the railway affordable, whilst delivering attractive and incentivised fare systems e.g. multi journey tickets (carnets), discounts for 2+ travelling together. A standard distance based anytime fare would discourage rural passengers.
- We are concerned at the concept of paying more for peak travel to suppress demand. All TOCs should be encouraged to offer off peak deals.
- Individual TOC advance fares should be broadened to encompass franchise boundaries to be crossed and changes of operator en route – currently if fares on different legs are set by different operators such cheap fares are often not available. In relation to this the sum of a combination of tickets is sometimes less than the though ticket. A web based fare finder could result in wider use of ticket combinations and persuade TOCs to address such anomalies.
- The off peak single fare is often only pence less than the return fare whilst the anytime single fare remains around half the anytime return fare.
- Car parking charges at stations are a related issue as the high level in many places is a serious deterrent to passengers making shorter journeys by rail - unless they can reach stations on foot or by good integrated bus services.
- Passengers buying tickets with restricted availability should be supplied with a printed statement making clear what the availability is. However if they mistakenly board the wrong train they should not be required, as is the case now, to buy a new ticket without the option of receiving a credit for the cost of "invalid" tickets.
- Quality of journey should not necessarily be directly related to the level of fares. The relatively cheap level of fares in the North is used, wrongly we feel, as a justification for the paucity of investment in new trains. This region has a fleet of aging trains with virtually no new build since privatisation, whereas there is hardly a pre-privatisation trains running in the SE on local or regional services.

5. What are the implications of the proposals for rail decentralisation and how should responsibilities be devolved to local authorities?

5.1 Devolving franchise responsibility to local control is well worth exploring. Merseyside has shown the way with positive results. However it must be something much stronger than current LTAs if decentralisation is to be effective and properly co-ordinated and much wider geographically than present counties and metropolitan areas. There will need to be a totally multi-modal focus to ensure that areas do not become dis-enfranchised.

5.2 It will be interesting to see how closely Local Transport Bodies align with the consortia of Local Authorities and Local Enterprise Partnerships responsible for investments in infrastructure. As currently to be constituted they are just another unnecessary layer of bureaucracy.

5.3 The key to devolution will be funding - any devolvement can only work if adequate funding is guaranteed and local authorities not given a poisoned chalice of having to administer cuts.

Thank you for the opportunity to comment.

Yours faithfully,

(signed)

JOHN MOORHOUSE
COMPANY SECRETARY