

Williams Rail Review: an update on progress

Good morning everyone.

I am delighted to join you in Bradford this morning (15 July 2019).

This is a city with a proud history.

And this building has played an important part in it.

You might know that Winston Churchill spoke here twice. First in 1914 he gave a speech about Irish Unionism. And then in 1942, as Prime Minister, following the Battle of El Alamein – he gave a rousing address, right outside this building to a cheering crowd of thousands.

Urging Britons to gather up all their strength for the next stage of the War.

It ended with the crowd singing unprompted ‘For he’s a jolly good fellow.’

So admittedly I have something of a tough act to follow today.

But while I can’t promise you Churchillian standards of oratory.

And I’m not expecting you all to burst into song when I’ve finished.

I do want to talk about an issue that it is of immense importance to this country

I am here today because the outcome of my [review](#) will affect passengers everywhere, all over the network, and I want to hear what you think about your railway, both the challenges and opportunities.

The government set up the review because it recognised that the time had come for change.

The [huge disruption that followed the May 2018 timetable introduction](#) caused misery for thousands of passengers, particularly here in the north.

In the aftermath I was asked to lead this review with a brief to deliver ‘revolution’ not ‘evolution’. That’s the spirit in which I have taken the review forward.

My objective is to create an industry that is built around its customers and the communities and local businesses it serves.

It must also provide value to taxpayers, who provide a significant amount of the railways funding. Achieving that requires significant change, the scale of which is comparable in some areas to the scale of change seen at privatisation.

The circumstances that led to the review's launch – timetabling disruption, problems experienced with some major investment projects and the collapse of the Virgin Trains East Coast franchise (something that's pertinent to this region) – are all symptomatic of deeper, more fundamental issues in the railway.

The fact is that the railway in 2019 is hugely different from the railway as it was following privatisation. The sector, on the other hand, is much the same.

While we should not lose sight of the significant benefits that the privatised industry has delivered – more trains, more passengers, more investment in infrastructure, as the new ombudsman and the roll out of the DR15 compensation scheme across the network.

Today's railway is not set up to be flexible.

To lead or adapt to major change.

Or to focus the necessary to provide the sort of service that modern passengers expect, and have become used to in other sectors, like aviation.

I won't be setting out my recommendations today.

But what I will do is give a clear sense of the scale of the challenge we face to build a more nimble, responsive railway.

That embraces innovation and change.

And the comes together to focus on the customers – passengers and freight – who keep the railway in business. I will share with you the key areas where, based on what I've heard and the evidence I've seen over the past 9 months, I believe reform should be focused.

I will also set out what I think are the key ingredients of a brand-new offer for the travelling public.

The ORR has been working with the review in this and I am very grateful to Dan Brown, ORR's Director of strategy and policy, for being here today to talk through the work it has published today on enhancing compensation and accessibility.

The hard work that the ORR has put in is hugely valued and appreciated.

Hopefully, between us, we will tee-up a lively panel discussion, which I look forward too.

Before I begin I want to first mention the tragic event in south Wales a fortnight ago, which resulted in 2 deaths.

Over the last 25 years the UK railway has built a world leading safety record which the industry is quite rightly proud of. Maintaining it has been a central consideration in the development of our reforms.

However, this accident a sad reminder that we absolutely cannot take safety for granted.

I can only offer my sincere condolences to the families and friends of those affected.

Looking back at the listening phase

When the review launched 10 months ago, I started the review by listening.

Myself, members of my expert challenge panel and the team have had hundreds of meetings all over the country.

We have met passengers, train operators, community groups, mayors, politicians, engineers, businesses, campaign groups, investors, trade unions, employees... the list goes on.

We have run a [2 stage call for evidence](#) which has attracted almost 700 responses. Testament to the passion and dedication that people feel towards the railway and the important role it plays in everyday lives.

We have held focus groups, consultation events and roundtables to further test our emerging ideas.

This has given us a clear and evidence-based understanding of what passengers, the industry, and communities across the UK see as the key challenges and opportunities for the railway.

For Bradford, I know that there are some large investments happening to improve journeys in this area. This includes the introduction of modern trains, upgraded signalling and station improvements, as well as the major upgrade work happening at nearby Leeds station.

But I also know the time it is taking to deliver improvements is creating frustration and means that passengers aren't always getting the quality service they deserve.

I am talking to Richard George, who looked at the northern network in detail in the wake of the timetable crisis, to understand how the review can contribute to his work to improve services across this area.

As well as listening, the review has been building its evidence base and published evidence papers on: the user experience; passenger perceptions and trust; the costs and benefits of the railway for our economy and society, including the importance of freight; comparisons between rail systems around the world; and rail's position in a future will integrated transport network, where passengers will expect to buy seamless door to door travel.

We're now in the process of narrowing down both the options for reform and our final recommendations.

Putting passengers at the heart of reform

When I started the review, I promised to put passengers first.

To ensure we do not stray from that commitment, the measures we are considering all contribute to 10 fundamental, evidence based, passenger needs.

These draw heavily on work done by Transport Focus, ORR, Which?, Campaign for Better Transport and others who responded to our call for evidence.

We see 5 of these as the 'core passenger offer'.

In no particular order, these are:

Reliability and punctuality – which we know are top of passengers' priorities and crucial to re-building trust.

Safety and security.

Value for money – judged based on whether the journey experience and quality corresponds with the price of the fare.

Consistency and transparency – by providing the same high-quality experience, together with a clear and easily comprehensible ticket system.

And lastly accessibility.

A further 5 user needs go beyond the basics, but are important to maintaining high levels of satisfaction. These include:

Accountability and leadership – the travelling public want to know someone is in charge and who to contact when things go wrong.

Accurate information and communication before, during and after journeys and particularly during disruption so that they can make informed, decisions about their journey.

Passengers also want to proper compensation and redress – so claiming is easy and train companies more proactive in telling passengers when compensation is due.

Whatever recommendations I make, they must satisfy these basic passenger needs.

These are our guiding principles.

And when we are engaged in complex and technical discussions on commercial models and industry structures – keep our feet to the fire of what passengers want and deserve from the railway.

We have used them alongside the assessment criteria we published earlier in the year to formulate clear, passenger focused, recommendations.

Over the next few months we'll present these to the Secretary of State, the Chancellor and the Prime Minister, whoever that may be.

This will be followed by a government white paper.

Vision for the future

I have been frank with the department for transport about the scale of change required – including a different role for DfT – to create a genuinely customer-focused industry.

It is onboard with the direction we're heading in.

The Secretary of State has, since the beginning of the review, has challenged me to deliver revolution not evolution. And DfT Permanent Secretary, Bernadette Kelly, has spoken openly of her and her department's appetite for change recognising that that the department has become too immersed in delivery.

She understands that, at the end of this review, simply tinkering at the edges will not be credible.

And the government will have to step back from the railway.

But creating greater distance from government, must also bring the railway closer to passengers.

What comes next must be anchored in the regions and communities – and nearer to the people – the railway serves.

I want to see the creation of a thoroughly modern, 21st century service provider.

A railway that is run in the public's interest, delivering for passengers, supporting local economies, embracing innovation and new business models to improve journey experience and reduce costs.

It must be open, collaborative, embrace and create opportunities – for its people, passengers, communities and businesses.

It must also sustain and enhance opportunities for our important freight industry, moving goods and materials around the country and helping to reduce congestion and pollution on the roads.

We need to change both the design and culture of the railway so it prioritises customers – passengers and freight.

And for regions like the north and cities across the country, there must be greater opportunities to influence and inform decisions about services and upgrades in your area.

This will require:

Clear leadership and purpose.

A new relationship between the public and private sectors.

A simpler and more agile structure that is responsive to changing travel and working patterns, to new technologies and business models, ensuring the sector can meet the expectations of the 21st century passenger.

And strong regulation to maintain – and wherever possible enhance – safety and protect consumers.

Focus for reform

To achieve this vision, I believe reform should be focused on 5 key areas.

A new passenger offer, focused on customer service excellence and driven by performance measures to bring about genuine behavioural and cultural change.

This offer should also include initiatives to strengthen the consumer voice, improve accessibility, compensation, and passenger information. There will be more on these proposals from the ORR shortly.

Second, simplified fares and ticketing. To create a modern, customer focused railway we must tackle fares reform. The structure hasn't been substantially updated since 1995 and is holding back innovation and customer-focused improvements across the network.

I can't tell you how much change there's been to fares and ticketing in the aviation industry over that time – selling flight tickets has become a major industry in itself.

Some of the companies doing it are worth more than the airlines – innovating and collaborating, driving down costs for the industry and passengers, as well as offering passengers much more choice about how and when they travel.

Companies like Trainline are demonstrating that innovation is possible for rail. But modernising the fares and ticketing structure can unlock much more of this.

Helping to grow ridership by making better use of off-peak services and driving other improvements like the wider rollout of pay as you go.

Both passengers and the industry want to see change. It will require tough decisions, create winners and some losers. But, action is needed if we're to bring the railway into line with what the travelling public expects in the 21st century.

Next, a new industry structure, reducing fragmentation, better aligning track and train, creating clear accountability and a greater distance between government and running the day to day railway.

What has come through strongly in our call for evidence is consensus for a more rational and effective way of organising the industry. And, that

organisations at heart of it – including Network Rail, the RDG, DfT, the RSSB and the ORR – are open to change.

A wide range of organisations have argued in favour of a new arm's length body or bodies to act as a 'guiding mind'.

It is an idea we're looking at closely. In principle, it could have clear merit, working to solve some of the challenges the industry faces around accountability and fragmentation.

But what would it really mean to have a new public-sector body when government is providing so much of the funding?

How could that be accommodated?

And what would be the right scope of any bodies responsibilities be?

These are interesting and difficult questions that need consideration.

Wherever we get to, I'm clear that the railway needs a structure that enhances strategic planning, including at the local level, and facilitates better engagement on specification, and delivery of regional enhancements.

Where there is local appetite and capability the new structure could also provide a clear way for regions or cities to make the case to operate and invest in the railway in future.

One thing I am not considering is giving Network Rail control over the trains, as recent reports in the media suggest.

This is no judgement on Network Rail – I've been impressed with their professionalism and the direction of their Put Passengers First initiative. But you don't create a customer focused railway by putting engineers in charge.

Fourth, a new commercial model. What's absolutely clear is that the current franchising model has had its day.

What worked in the 25 years after privatisation is now holding the sector back. It hampers collaboration, stops the railway working as a system and encourages operators to protect narrow commercial interest above passengers.

As a result, passengers experience difficulty moving between different lines and operators particularly during disruption, don't get the information they want and expect about the source delays and how to navigate round them, and are left with a lurking feeling that train companies prioritise profit over customer service.

I won't be recommending what comes next here today, but the principles are clear.

A different relationship between the public and private sector that lets train operators get on with running services in the interest of passengers.

Greater flexibility so that the sector can respond to changing travel patterns and long-term incentives for creativity and innovation.

Given the people related challenges facing the industry – from innovation, through industrial relations to diversity, leadership and skills – we are also developing a range of proposals on leadership, skills, diversity and increased engagement to help reform and involve the rail workforce over the long term.

We want to attract and retain an agile, diverse and flexible workforce.

But there are no silver bullets for the long-standing issues arising from sector fragmentation and a history of adversarial industrial relations.

We've met a lot of hardworking people and while frankly industrial relations are bad, everyone wants the same thing – a great railway.

Nevertheless, reform will take time, will, collaboration and trust.

Conclusion

So, this is where we are.

Listening has told us the government, industry, the regions, passengers, politicians from across the spectrum and everyone else with a stake in the railway are united in a desire for root and branch change. So, the opportunity to deliver genuine, lasting reform here is huge.

The industry is complex and getting to our final destination may take some time, but passengers must see and feel tangible changes quickly if we are to turn around declining satisfaction and trust.

Change will need tough decisions to be taken and require collaboration and partnership working across the sector, but the prize will be big.

I look forward to discussing our emerging think in greater detail with you all and the panel over the next hours or so.

Thank you.