

Is the future any brighter?

By Mike Crowhurst

After one review, and two white papers, is the future for rail any brighter?

As you were reading the Railfuture submission to the Government Review in *Railwatch* 100, the Government was making its decisions known.

There was a ministerial statement, white papers on both "rail" and "transport" with several other support documents. Who knows what will have emerged by the time you read this!

The rail white paper is moderately encouraging as far as it goes but the transport paper is more worrying with much potentially damaging for rail.

What they do not add up to, sadly, is the clear new dawn for the rail industry that we had been led to expect when the review was announced.

On the basis of press reports and the minister's statement I initially gave it about six out of 10, but this fell to well below five as I read the white papers in full.

In the first part of our submission we urged the Government to listen carefully to all views from everyone involved, to consider these carefully and seek a consensus before acting, so as to avoid repeating the mistakes of 1993-4.

Initial reports gave grounds for optimism that some of the fundamental structural problems would be addressed, but the end product was much watered down with signs of the heavy hand of the Treasury once again.

To be fair, there is some good news. Firstly, despite the demise of the Strategic Rail Authority, its work on Community Railways will not go to waste.

Second, the long-urged removal of the Railway Inspectorate from the clutches of the Health and Safety Executive will at last happen, although handing it to the Regulator is perhaps not the ideal solution.

There are grounds for some reservations about combining economic and safety regulation, and we would have preferred a proper Transport Safety Authority, but at least it is a move in the right direction.

One can have mixed feelings about the fate of the SRA. We felt it filled a gap in the 1994 structure, but it has not really done what we hoped, and its end was perhaps inevitable.

The real issue is how its functions will be divided up between Network Rail and the Department for Transport, and how much more control the Government will have. In particular giving franchising back to the Government is worrying as it seems likely to increase Treasury influence on this process, with more pressure to award to the lowest bidder and

The Government dumps its Mark II rail strategy

consequent likely decline in quality despite assurances to the contrary. A respectable case could have been made for handing franchising either to Network Rail as "network controller" or to the Regulator as "financial controller".

It remains to be seen whether the civil servants will set up an arms-length railway agency or keep a tight grip on the process themselves.

It was perhaps too much to expect the basic weaknesses of franchising (the short-termism, the waste of management resources) to be addressed.

But there are other issues dodged. For example the Rolling Stock (ROSCOs) issue is dismissed with a vague commitment to "get better value from rolling stock". Neither proper regulation of leasing charges nor a "not for dividend" structure for the ROSCOs are considered.

Understandably there is a decidedly "softly softly" approach to the issue of vertical integration, with the emphasis on joint control centres on the Waterloo model and on bringing the franchise map more into line with Network Rail's internal organisation as is the case in Scotland, by merging franchises into larger units. No problem with that (except that it makes the North of England franchise structure look very odd).

Rail freight is promised "a better deal, with more guaranteed access" but it is clear they will have to pay for it, so rather a two-edged sword. Indeed local services in urban areas look like being put in a similar "pay up or lose it" dilemma with the dice loaded against them by unfair costing rules of various sorts.

One topic which was not expected to be raised (and on which consequently we had not commented) is the future of the Rail Passenger Council and committees. Rumours of abolition began to circulate late in the process, presumably designed to make the actual outcome more palatable.

In the event it is proposed to centralise the administration with only minimal regional presence, and abolish the regional committees leaving just the central council. This is worrying on several counts.

Will the slimline structure cope with even the present case load (which is said to be unevenly distributed round the regions), let alone the prospect of significant closure proposals and the necessary hearings? We doubt it.

Nor does it make much sense to be centralising the RPCs when the Government is trying to

devolve decision making on transport. Reports of a proposed call centre set more alarm bells ringing. And there is the question of accountability - never strong with appointed bodies but likely to be even less with a single central body. Perhaps the regional committees are being punished for mostly being pleasingly willing to deal directly with groups of real passengers such as us!

Certainly they are an improvement on some of their predecessors. Obviously as a users' organisation this will be a major concern for us, and we have already fixed up a meeting with the central RPC in September to discuss our concerns.

Devolution, while welcome in principle (and working well in Scotland and Wales), could prove to be another double edged sword in some regions. Whether it is to regional or local bodies, it makes sense to let them make more policy decisions on transport.

The catch is that they will have to fund all modes of transport from one budget, and it is by no means certain that rail will enjoy a "level playing field".

Cost escalation disproportionately affects rail. Local services are costed on a shared rather than marginal cost basis since privatisation.

"Optimism bias" (the official Treasury fudge factor) is now differentially applied against rail, and to cap it all, passenger transport executives are now being offered the carrot of bus quality contracts if they will stop supporting "expensive" local rail services!

Surely we should have rail quality contracts?

Concentrating on buses is not an encouraging prospect. Nor is it entirely clear how this will work outside metropolitan areas especially where there is no vote for regional assemblies.

In London, Transport for London will get more powers over the "national" rail network, which is welcome and should lead to better integration, but again it is not clear how the proposed structure will work in the surrounding Shire county areas.

We would welcome the Government taking more direct control of rail if we had any confidence that it was committed to the sort of sustainable transport policy set out in the Ten Year Plan.

Ironically we were on course before Hatfield to achieve the 50% passenger and 80% freight growth targets within eight years.

Instead of which we now have

"predict and provide" (or rather promote and provide) for airports, predict and overprovide for motorways if the proposals for the M6 are anything to go by, but no sign of the equivalent long-term investment planning needed throughout the rail system if it is to take a greater share of the load.

It is not as if there is any shortage of demand for rail travel, with both London Underground and National Rail reportedly breaking through the billion passenger barrier last year, yet open access now seems to be dead in the water. Of course we need the existing network to work reliably first, but that should not preclude some serious longer-term thinking about new rail capacity.

Of course we must cure cost escalation, but that has to be by controlling costs, not simply cutting investment. The stop on almost all light rail investment is a classic illustration of how not to do this!

The hint of some rational thinking at last on Crossrail in London is a glimmer of hope, albeit with only a weak single yellow signal on funding.

The one really hopeful sign is the lengthy discussion document on road charging. With congestion charging in London, tolling on the "shadow M6" and the planned lorry vignette scheme, there will be testbeds for three different approaches, so the Government is at last taking the idea seriously and beginning to search for a policy. Not before time!

And as I write this the Parliamentary Environmental Audit committee has clearly fingered road and air transport as major sources of global warming and climate change. Cue for Government action!

What of Railfuture?

I have spent much of August swapping notes with other likeminded organisations, and apart from the meeting with the RPC, we expect to work closely with Transport 2000 who are proposing a document on *Growing the Rail Network*, to which we intend to contribute.

We shall also be writing to the transport minister Kim Howells and in the longer term some joint lobbying with Transport 2000 is a possibility. Meantime we are planning a reissue of *Bustitution - can bus replace train?* - an old favourite, but with the emphasis on cooperation and integration this time rather than competition and replacement.

I expect to call on network development and passenger committees in particular to take the lead on these publications. We will of course report back to members at the conferences planned for November and next spring.

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