Mayor’s foreword

Greater Manchester is a growing, thriving city. **People want and deserve a transport system that works together and works well.** As Mayor of Greater Manchester, I want to make all travel easier for the people of Greater Manchester – for shoppers, for commuters, for businesses, for our young and for our old. I want everybody in the city-region to be able to make the journeys they need to make, when they need to make them – reliably and affordably.

**For this to happen, we need rail services to be integrated with our wider transport system.**

In Greater Manchester we are building new walking and cycling routes, reforming our bus services and extending and developing our successful tram network. But the weak link in the chain is our rail service. Our local network operates in a silo. The infrastructure is old and services are unreliable. For many people, the May 2018 timetable change, and the chaos that ensued, damaged trust irreparably.

With a reliance on centralised funding and nearly all decisions being made by people outside of Greater Manchester, it is no wonder passengers feel neglected.

This must change, which is why I welcome the Williams Rail Review.

Our own research, conducted by Transport for Greater Manchester in partnership with Which?, has confirmed what we already suspected to be true – our railway system is simply not delivering for the people of Greater Manchester.

Many passengers feel that the network has been so unreliable that it has become unusable. We hear stories of people being left in tears after spending hours trying to get home, and of others who have had to change jobs because they just couldn’t reliably get to their place of employment. Too many people have switched to the car – adding to traffic congestion and air pollution. In short, our rail service is impeding people’s livelihoods and our economy.

When passengers told us what they wanted from their railways, their ideas were not surprising. All they ask for is a safe, accessible, reliable and affordable service, with a person in charge that can be held to account when they have a problem.

It is clear that the industry needs fundamental reform. The recent new franchises promised people a huge improvement but very few of these promises have been delivered. There are complex reasons for this – many of which are set out in this response. But the most important thing is not what has gone wrong. It is the path taken to put things right that matters now.

Greater Manchester’s record of success with Metrolink shows that you can deliver high quality services when those who design and deliver them are close and accountable to the customers they serve. Metrolink customers are increasingly satisfied with their service – in 2018, 89 per cent of passengers were satisfied with the overall service. Passenger satisfaction also continues to be high across a number of other key areas including punctuality, journey and waiting time, frequency of services and value for money. After being in post for over two
years as Mayor, I am convinced that devolution is critical to a successfully reformed local railway.

Whilst the establishment of Transport for the North has been an important step, the railway industry must be re-structured to allow city-regions to make more decisions for and on behalf of local people. Which is why I am calling for greater devolution - firstly of ‘GM Rail’ services, and possibly later, of infrastructure too.

I am not calling for GM Rail for devolution’s sake. But recent history has shown us that the current arrangements for the rail industry have failed the customer. **I am calling for devolution so that I can deliver a genuinely accountable railway network that is part of an integrated transport network, working in the best interests of the travelling public.**

Crucially, by giving us greater control, and the ability to integrate rail with Metrolink, it will help address some of the limitations of the rail system, particularly around capacity and ticketing.

Greater Manchester has the most ambitious and wide-ranging agenda of any place in the country and our long-term ambition is to make our city-region a better place to grow up, get on and grow old. If we are to achieve this, transport needs to be planned strategically, with an awareness of local and regional factors so that it can support and join up new areas of residential or economic activity. It needs a proper integrated transport system to help build resilient and sustainable communities.

Change of this scale takes time and hard work and we are more than willing to take on our share of the heavy lifting. But time is pressing. We have already waited too long to see a rail service befitting one of the world’s most dynamic places. We need action now.

**I urge the Williams Review to recognise the level of ambition that Greater Manchester has in GM Rail, and its role in an integrated transport network, and to recommend the required scale and scope of change.** We cannot accept another review or further delay.

I look forward to seeing Keith Williams’ recommendations and to working in partnership with government and others to help deliver the transformation of the railways that people in Greater Manchester desperately need.
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1. **Summary**

1.1 Greater Manchester welcomes this root and branch review of the rail industry and the opportunity to respond formally to what we trust will result in meaningful and far-reaching reform. Doing nothing is not an option. The rail industry is failing in too many ways – as we have seen from the events of last summer – to lose this opportunity. We therefore warmly welcome the Williams Review as a means to drive forward much needed change.

1.2 Our focus within this response is orientated around the questions posed by the review team. At the same time Transport for Greater Manchester (TfGM) is developing a Greater Manchester Rail Prospectus which will set out our key aims for rail-based transport (including the Metrolink network) over the short, medium and long term. We will be publishing this later this year.

1.3 ‘GM Rail’ will be articulated more fully in the forthcoming Prospectus. It describes Greater Manchester’s vision of rail’s central role in a highly integrated city-region wide transport system, characterised by a fares and ticketing regime - including a daily cap – which encourages modal shift, and a dedicated commuter rail service that enables seamless transfers to and from other public transport systems. Crucially, Greater Manchester is working towards creating a new public transport culture, which works for everybody and contributes to building a greener, healthier, more resilient and more efficient city-region.

1.4 The key points of our response to the William’s terms of reference are:

- **The commercial arrangements across the entire rail system need fundamental reform in the interests of growth.** The difficulty of doing business with Network Rail in any meaningful way is acting as a major barrier to growth and development in our regions.
- **Rail service provision must evolve to meet the needs of the places it serves as part of a truly integrated travel offer.** There must be a huge cultural change. The railway industry exists to provide travel opportunities for people who live and work in communities, cities and regions – not to serve its own regulatory processes. More effort must be made to make better integrated and multi-modal decisions at a regional level. This is particularly important as capacity is constrained, and demand will increase.
- **Rail must play its full part in rebalancing the economy.** Delivering this objective should be embedded in how investments in the railway are made.
- **Lack of agility is a common theme throughout our response.** Devolving decision-making, budgets and funding; rethinking cumbersome industry processes; de-centralising activities as far as possible will all help unlock the current rigidity.
- **Change does not take place quickly.** We recognise that. We are ready to work with all parties to see much needed reform through and make tough decisions.
1.5 Greater Manchester plans to be at the vanguard of this reform. We will be publishing our Rail Prospectus later in the year. The evidence provided in this response is pointing to more local and regional focus. We will set out the pathway to delivering this vision including:

- Establishing the railway as a core component of an integrated travel system for Greater Manchester
- A new model for engagement in the design and direction of future franchises in the North – focusing on designs that best work with regional agendas and the formation of ‘GM Rail’
- Pursuing fares and ticketing reform to deliver multi-modal zonal ticketing in the Greater Manchester area
- Pursuing legal and organisational capability with our Transport for the North (TfN) partners to become a procurement authority for rail services
- Working with Networks Rail’s own organisational development agenda to build true regional partnerships, including further infrastructure devolution where appropriate
- Working with Department for Transport (DfT), Her Majesty’s Treasury and the Ministry of Housing, Communities and Local Government (MHCLG) to drive through further devolution powers, including building capability, establishing fair and sustained funding settlements and ensuring suitable democratic accountability.
- Enabling modally agnostic investment decisions to be made – allowing regions to commit available resources in the best way to serve the people they represent.
2. **Greater Manchester Context**

2.1 Any review of the rail system must be made within the wider context of the places and communities in which it operates, as our response highlights in commenting on the importance of reforming the agility of the rail planning system to respond to challenges and opportunities. Individual economies of city regions in the North have experienced strong economic progress. The North as a region as a whole though lags behind London and the South East in economic performance. A significant and widening performance gap between the North and the rest of the UK has become evident and will continue to grow unless action is taken to reverse this trend. As set out in detail later in this submission, a transformation of the railway and the way in which it is planned will be essential in unlocking the opportunities for economic growth and rebalancing through skills-led agglomeration and international trade through Manchester Airport. The success of the UK in the global marketplace and the success of the Government’s Northern Powerhouse and Industrial Strategies depends upon transforming the economy of the North. **Rail must play its full part in delivering the challenge of rebalancing the national economy.**

2.2 The **Greater Manchester Strategy** sets out an ambitious vision “to make Greater Manchester one of the best places in the world to grow up, get on and grow old”. Our **Greater Manchester Transport Strategy 2040**, under our mission of ‘making travel easier’, builds on this. We see Greater Manchester as being at the heart of a globalised Northern Powerhouse economy with a skilled workforce, competing on the global stage to attract investment, businesses, workers and tourists. High-class multi-modal connections will support long-term, sustainable economic growth and opportunities for all. The Strategy is centred on five ‘spatial themes’ covering all modes - explicitly adopting a journey-focused approach to planning and delivery. These themes are:

- **A globally connected city**: Global connectivity for freight and passengers via Manchester Airport, and the Manchester Ship Canal for international freight movements (as well as connections to other key ports).
- **Delivering better city-to-city links**: Connections to major city regions across the North, particularly the major Northern Powerhouse cities, and to other major cities such as Birmingham, London, Glasgow and Edinburgh.
- **Getting into and around the regional centre**: Travel to and within Manchester City Centre and the adjacent high density areas of The Quays (Salford Quays and Trafford Wharfside).
- **Travel across the wider city region**: Journeys across the city region and to/from neighbouring areas, including commuting, business, logistics and leisure travel across a diverse mix of town centres, employment areas, major hospitals, educational establishments and visitor attractions outside the centre.
- **Connected neighbourhoods**: Movements in and around neighbourhoods and local centres, including access to facilities like shops, schools, healthcare, recreation and local employment, as well as local connections to public transport.
2.3 The people of Greater Manchester (and those who travel to work or visit) do not live their lives around rail routes. They have diverse, complex and varying travel requirements. Our job is to make their travel easier whatever the mode they use. The rail industry needs to work with us to help deliver truly integrated travel opportunities.

2.4 We also need our railway to respond to the imperative to move towards sustainable low/zero carbon travel. Our Transport Strategy also sets out a quantified future vision for 2040. Greater Manchester’s "Right Mix" vision aims for a 50:50 car to non-car mode-split for trips in 2040, which will be needed to meet the ambitions of the Greater Manchester Strategy. To achieve that – from a starting-point of 61:39 in favour of car – rail will need to play an important part in the mix of modes that must offer a reliable and attractive alternative to the car.

2.5 The Greater Manchester Spatial Framework Revised Draft (GMSF) sets out a spatial strategy for housing and employment land growth across Greater Manchester. The aim of the GMSF is to provide a sustainable plan for how Greater Manchester will meet its expected growth. Overall the GMSF is looking to accommodate up to 180,000 jobs and provide a minimum of 201,000 new homes, by 2037. A review of the rail industry to prepare to accommodate this demand sustainably in line with our ‘right mix’ vision could not be more timely.

2.6 Passengers, customers, businesses, communities and freight users are the lifeblood of the railway, using the essential infrastructure to get to jobs, education, healthcare, leisure activities and do business. The current railway framework is failing to deliver fully for Greater Manchester.

**Customer Voice:** Our research shows that over 40% of frequent rail travellers are actively dissatisfied with their current experience, and 15% of frequent users have reduced their rail travel over the last two years.

2.7 It is critical that rail customers and passengers’ voices are heard. **The industry is accountable to deliver these basic requirements well.** Passengers want a service they can rely on, that turns up when stated, and gets them to their destination within a reasonable timeframe.

2.8 Central to this is ensuring that rail industry structures do not inhibit integration and co-ordinated planning and delivery. Trade-offs made at a national rail planning level cannot be allowed to compromise the delivery of regional or local synergies. We want as many people as possible to take advantage of the benefits that rail provides. To do this, we need a more flexible, integrated and sustainable transport system, reinforced by integrated planning of land-use and transport.

2.9 The Greater Manchester Rail Prospectus will set out our specific aims for rail-based transport – including the very successful Metrolink network - over the short, medium and long-term. The Prospectus will also explain the steps to achieving ‘GM Rail’ and how rail-based transport can make travel easier for the people of Greater Manchester, including the move towards increasing devolution - allowing effective
local and regional decision-making. This is a long term move towards developing a set of local rail services, complementing other transport services in the city region, to serve the people of Greater Manchester. This will facilitate better multi-modal planning and delivery; more resilience and better use of capacity. In the longer term, we see this being accompanied with an expanded, consistent funding settlement. We look forward to working with the Review Team, our TfN colleagues, wider Government and industry to make this happen.

3. Responses to Rail Review Terms of Reference

3.1 This chapter presents Greater Manchester’s written contribution to the terms of reference as set by the review, namely:

- Commercial models for the provision of rail services that prioritise the interests of passengers and taxpayers;
- Rail industry structures that promote clear accountability and effective joint-working for both passengers and the freight sector;
- A system that is financially sustainable and able to address long-term cost pressures;
- A railway that is able to offer good value fares for passengers, while keeping costs down for taxpayers;
- Improved industrial relations, to reduce disruption and improve reliability for passengers; and
- A rail sector with the agility to respond to future challenges and opportunities.

**TOR 1: Commercial models for the provision of rail services that prioritise the interests of passengers and taxpayers**

*Working with Network Rail*

3.2 In considering this aspect, we strongly encourage the Review Team to address all aspects of the commercial model involved in the provision of the railway. Our concern is that in considering service provision only, the review *risks overlooking the very desperate need to look at the commercial model for Network Rail*. The Track Access agreement is not seen by operators as a practical contract that enables good business to be undertaken with their (monopoly) provider. For development activity (which is often funded by third parties), the GRIP process *seems to block progress and investment*. This must be addressed in any industry reform, so that participants, stakeholders and funders believe any change is going to be meaningful. For example:

- **Cost of delivery**: Upfront and emerging costs are uncontested, disproportionately high and always increase.
- **Bureaucracy**: Network Rail’s labyrinth structures and processes are a barrier to entry by 3rd parties. Often, local authorities have to fund engagement by
Network Rail only to be told ‘no’. There feels as if there is no appetite or energy to work with funders to take innovative approaches to solving problems.

- **Risk-allocation**: Network Rail take no risk on third-party funding schemes. Liability for poor-decision making or late delivery by Network Rail always falls to the third party.

- **Accountability within Network Rail**: Planning, engineering and operational parts of Network Rail do not present as a single team to outsiders, and does not behave in a customer-focused way. We hope that Andrew Haines’ organisational changes will start to address this.

- **Local focus**: The route structure of Network Rail is orientated around the radial routes from London. Clearly this is a physical reality. However people do not live in routes, they live in places. Network Rail should start addressing planning and enhancement as a network of places, not a set of routes. The establishment of a new Network Rail Northern Route Managing Director is a welcome start, from which fundamental reform must follow. **Genuine joint working with both local transport authorities and sub-national transport bodies, in support of active advocacy for the northern agendas within Network Rail, will be essential.**

- **Wider awareness of consequences of decisions or lack thereof**: Network Rail must be more in tune with the impacts that their decisions have on the wider spatial context in which they exist. Too often local and regional plans are blighted, or resources wasted because of changes or delays by Network Rail process or individuals.

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**Market differentiation and revenue risk transfer**

3.3 To better meet the current and future requirements of the travelling public, we recommend rail services should evolve to allow focus on core passenger markets, which in Greater Manchester are:

- Travel to work areas
- Inter-regional and intercity services
- Local services
- Airport services

3.4 This could require changes to existing franchise shapes. However, we believe that starting to work through this now will help pave the way for the right form of devolution and to investment that is orientated around service provision, rather than
engineering schemes. Our work on the Prospectus will provide an opportunity to continue this conversation in more detail.

3.5 Recently, contracts have transferred revenue and cost risk to operators as far as practicable. As the railway has become more congested, and major infrastructure investments have not responded to the challenges in delivery, this model has not worked well, particularly for contracts that are very highly specified and where so many costs are (effectively) fixed.

3.6 For inter-regional/intercity services where a higher proportion of travel is discretionary, there may be a case to transfer more revenue risk to the operator - revenue probably does serve as a good proxy for overall passenger benefits. But in a constrained network the allocation of paths must fairly balance the requirements of the majority of passengers – not necessarily operators.

At present local services in Greater Manchester operated by Northern are effectively ‘last on the graph’ in planning terms which makes them more vulnerable at timetable changes than inter-regional/inter-city operators and presents difficulties in delivering new service groups. Yet the provision and development of these services are fundamental to securing the access to skills that will drive productivity in the Regional Centre in particular. Currently we have a situation in South Manchester where Northern franchise commitments are unable to be delivered and poor service intervals between trains are common due to the priorities given to other operators.

3.7 For travel to work areas, particularly in the metropolitan areas, and for local services, a concession model will almost certainly be a better option. The specification of these contracts must be shaped with wider regional/local multi-modal transport objectives in mind.

3.8 Following the Bus Services Act becoming law in June 2017, we are making progress on the assessment of potential options for reforming the current bus market but we are conscious that bus is only one component of the Greater Manchester transport system. We believe that rail must form part of this conversation as we move forward to ensure it plays its full part in tackling the parallel objectives of growth (and economic rebalancing) with the critical need to move towards environmentally efficient travel options. To do this properly, cities and regions must be able to include rail, and investment in rail, in wider spatial and multi-modal transport planning. Greater Manchester’s vision for a fully-integrated system with greater local controls will, when delivered, mean that decisions about any single mode will never be made in isolation but instead as part of a whole network focussed on the optimum combination of services across modes to deliver the options that the travelling public needs.

*Track access and performance schedules*
3.9 Transactional activity between operators and Network Rail relating to performance and access (Schedule 4 and Schedule 8 of the Track Access Agreement) is a commercial arrangement that has good intentions. In practice, recently, it has not served passengers well. The scale of money flows between train operating companies (TOCs) and Network Rail and the oft-cited ‘misalignment’ of incentives between operators and Network Rail seems to preoccupy too many people in the industry. Instead, everyone working in the industry should be working to be doing everything possible to make every train run on time every day. The current system is very much infrastructure-led, with the operators receiving compensation for loss of revenue, without sufficient incentive to champion a solution that is better for passengers.

3.10 There are several developments that could contribute (for example) to making the regime better – particularly linking engineering and operational impacts to the experience of passengers and freight operators:

- Delay repay: The direct financial impacts to passengers of delay should be felt by Network Rail. At the moment, the Schedule 8 payment rate is set by an incredibly complicated periodic review recalibration.
- The success of engineering activity should be measured on quality (no failures on completed work), efficiency (getting the most possible done in the time available) and timeliness (prompt hand-backs).
- Engineering planning work should include both a comprehensive passenger handling plan, and an operational readiness plan, agreed with the relevant operators including contingency plans where necessary.
- Moving to passenger (and freight) delay minutes rather than PPM as an industry metric.

3.11 We advocate performance regimes which incentivise the right passenger outcomes during disruption. For example, getting passengers to their destinations, providing accurate information and supporting vulnerable travellers.

Length of franchise/service provision contracts

3.12 The considerations for the length of a service provision contract are complex. The current system seems to take too much time and it is increasingly difficult to specify accurately, with forecasts of Northern patronage consistently proving to be below realised outcomes. This is hampering the ability of the industry to plan effectively.

In most UK rail franchises the benefits to customers come during the very early years which are then followed by steady state as operating groups seek to recoup the cost of their investments. There is limited flexibility to make meaningful changes later in franchise terms, regardless of changes in demand that may occur through the lifetime of the franchise.

3.13 Going forwards, the contracting model should include the following features:
- **Ability to develop a constructive relationship between industry bodies and with stakeholders and funders.** Longer term contracts with suitable breakpoints, and a more realistic acknowledgement of where risk is sitting, and who is managing (or accepting) it, would be helpful. The West Coast Partnership model, which is looking towards a longer-term arrangement between the operator, the DfT and HS2, as HS2 takes shape, has covered some good ground here.

- **Ability to adapt to a changing environment.** This includes potentially re-shaping service patterns and adopting new technologies. Longer contracts with suitable breakpoints could help here too, subject to such arrangements providing genuine flexibility to fully respond to changes in realized demand mid-franchise. Our experience of working with both Network Rail and Operators is that they do not ‘own’ the regional strategy. For Network Rail, it is because they are very asset-focused, for operators, because they do not have the resource or commercial incentive to significantly engage in longer term planning.

- **Flexibility within the contracting authority to facilitate multi-modal solutions, particularly within metropolitan areas.** This must include fares and ticketing, information provision and access to stations. A more holistic approach to transport funding and how and where it is spent is also needed.

3.14 Overall there needs to be more flexibility within the model to adapt to local and regional requirements, recognising that different areas have specific requirements which reflect the historic development of their suburban areas and the railway network. Transport must be planned strategically and delivered tactically, with an awareness of local and regional factors so that it can support and join up new areas of residential or economic activity, and deliver an integrated transport system to help build resilient and sustainable communities. Moving decision-making from the centre (whether at Network Rail, or at Westminster) wherever possible for funding, specification, planning or operational matters will be key to achieving this flexibility. Using the power of devolved authorities and other regional authorities will be instrumental in enabling this responsiveness and in better reflecting local travel demand conditions, whilst maintaining genuine democratic accountability.

3.15 The development of our Prospectus and articulation of ‘GM Rail’ will involve a rethink (and potential re-mapping) of existing franchised services. We will consider the next steps in potentially devolving further decision-making from Central Government, including a long term move towards local Greater Manchester rail services, which are part of a locally integrated transport network in the city-region.

**Investment**

3.16 The railway industry has been poor at attracting investment. New commercial models must address the significant institutional barriers the industry presents to the wider investment community. The main barriers we have found to third-party investment in delivery of infrastructure improvements are:

- Lack of flexibility by Network Rail to approach or decide on any solution except through the extremely laborious and expensive GRIP process
• Financial exposure is too high where mechanisms for return are insufficiently predictable or adaptable
• Onerous standards and conditions which potentially preclude some suppliers from undertaking smaller, low risk projects
• Insufficient asset knowledge by Network Rail leading to an unacceptably high risk
• The high costs associated with (effectively) indemnifying Network Rail.

3.17 Innovative revenue streams should be sought (in the way that leasing charges have given significant access to capital in the rolling stock market) to underpin investment. This will enable long-term solutions to be planned and delivered to address the transport challenges of the future.

3.18 The Hansford Review covered some of this ground in 2017. It is disappointing that we have not seen significant changes in practice following the recommendations from this review. In response to the Hansford review we submitted details of instances of where failings of investment delivery have damaged Greater Manchester and wasted our resources.

Examples of the schemes within Greater Manchester where cost escalations, delivery delays and late changes to scope include:

- Altrincham Interchange
- Blackrod Station DDA scheme
- Manchester Victoria Station
- Bolton Interchange – Skylink Bridge
- Hindley Park & Ride land boundaries and ownership issues
- Hazel Grove car park extension
- Salford Central additional platforms
- Irlam station building development.

3.19 Greater Manchester has previously set out in some detail our view on barriers to investment in rail through our Case for Change submitted in 2017. A key theme within this submission was our desire to devolve investment decisions to a locally accountable body, enabling decision making to take account of local and regional multi-modal transport priorities and leverage further benefits across modes. This will drive a locally-led customer-centric culture that puts our customer at the heart of Greater Manchester’s service, projects and enhancements.

TOR 2: Rail industry structures that promote clear accountability and effective joint-working for both passengers and the freight sector

3.20 The rail industry is complicated system, and a degree of complexity will remain however it is structured. Recent challenges have exposed this complexity in a way that has undermined public trust. Revised structures (even if there is complexity and
detail behind the scenes) must be straightforward and intuitive for passengers and freight customers, taxpayers and stakeholders. Specifically:

- **Greater public transparency about where and how railway resources are spent.** The relationship between the periodic review process (HLOS, SOFA and Periodic Review settlement) and the delivery of services on the ground through franchising is impenetrable to anyone who is not a rail expert. This needs to change. This is critical to making best use of resources and achieving financial sustainability.

**Customer Voice:** It was clear from the focus groups we held in February and March 2019 that individual passengers’ understanding of how the railway is structured and operates is often limited and vague. The overall consensus was that there is a lack of clarity with regard to overall responsibility and accountability within the rail industry from a customer perspective. Passengers felt that greater local accountability and oversight via Transport for Greater Manchester, politicians such as Metro Mayors and/ or local authority Leaders is needed when it came to decision making over railways in Greater Manchester.

- **De-centralisation of decision-making where possible.** Centralisation both within Government, and within Network Rail has brought effective decision-making within the industry almost to a halt. Clearer accountability must be accompanied by corresponding empowerment of individuals and bodies. We recommend a clearer hierarchy of accountability across the industry which can be used to unlock this impasse. This needs to be supported by a more collaborative approach to aligning local and national objectives to ensure that these are complementary and balanced.

3.21 Passengers want a system that they can trust and is locally accountable. Too often, passengers in the North have lost out from decisions that have not involved them, or their elected representatives. They have also been frustrated by “false dawns” of investment promises that have not been fulfilled or have been watered down over time. This is why greater local and regional decision-making is so important.

**Case Study:** The Northern Hub programme was developed in 2010 and consisted of 17 separate schemes. In the nine years since the original proposal, only eight schemes have been delivered, with a further four paused awaiting a decision on the Transport and Works Act application. The other five schemes have not been progressed beyond the original proposal.

Delivery of these schemes has been protracted and, in the case of improvements at Piccadilly and Oxford Road stations, subject to affordability challenges. Since the May 2018 timetable problems, it’s apparent that the bottleneck in central Manchester has still not been resolved. Along with the transport issues the
Transport for Greater Manchester response to Williams Review call for evidence

unresolved Transport and Works Act Order is putting on hold key city centre developments, impacting on local investment and growth.

3.22 Alongside this Review, we welcome the direction of travel initiated by Andrew Haines for Network Rail in his 100-day review. We advocate building on this further, both within Network Rail as an organisation, and other public sector/government-side bodies.

3.23 Large scale enhancements produce meaningful outputs that passengers and the public can understand. Again, regional and local agendas are important here, because they place priority on where people live, work and visit - not engineering schemes. The industry is not always honest about the time it takes to plan and deliver interventions. It tends to be very specific about what it thinks it is getting from an enhancement scheme, without valuing and building in adaptability for changing circumstances. In some cases, by the time schemes are implemented the needs of the network have changed. At the same time, there are examples where large enhancements take so long to deliver that by the time they are in place, requirements have changed. The approach of planning through to delivery needs to take place closer to passengers so that it can better align with passenger needs, with an improved link between the investment decisions and service delivery, with more open and honest communication during the development and when any delays become apparent.

Recent electrification schemes in England such as Great Western and Bolton have been significantly delayed and delivered over budget. In Greater Manchester the scheme appeared poorly planned with failure to take into account ground conditions along the route being one of a number of factors which led to the scheme being finally delivered almost two years late.

TOR 3: A system that is financially sustainable and able to address long-term cost pressures

3.24 Financial sustainability is both achievable and necessary in the industry. Rail has a vital role to play in the transport needs of the 21st century. As the industry has become more centralised and the funding settlements more complicated and obscure (to outsiders), so has the ability to discuss how and where resources are spent. Our recommendation is two-fold.

3.25 First, the development of solutions must become more flexible – with more emphasis on the benefits of ‘steps towards’ rather than blinkered focus on a single solution, designed at a moment in time. As part of the development and design,
there needs to be more recognition of the benefits of building more resilience into design, as well as considering what the long-term future needs may be beyond the immediate funding cycle. Recognising we cannot always build the maximum possible schemes, it is important to not ‘value engineer’ a solution that makes no provision for flexibility in the future. For some types of investment, a continuous programme may be more cost effective. Smaller components of projects are delivered each year, which can then be exploited as they come live. This could overcome the rather crippling all-or-nothing approach that seems to occur for the grand schemes. This would support skills development and retention and provide economies of scale and consistency for the supply chain, without the abortive costs of pausing and re-starting projects.

3.26 Second, there must be more opportunity to make aligned multi-modal decisions in areas where it is sensible to do so. For TfGM, this is essential. This means that regional funding decisions must become integrated while carefully managing demand for travel, to encourage people to think about how and when they travel and by which mode. The aim should be to make more effective use of the different modes by playing to their strengths and opportunities. This approach also supports ‘modal agnosticism’ which is so important in creating long-term sustainable solutions for our towns and cities.

3.27 With bus reform high on Greater Manchester’s agenda, Metrolink managed locally and our large scale expansion of the cycling and walking network in the city-region, one of the key missing pieces of the local transport system which is still centrally controlled is rail. The creation of a Greater Manchester commuter-focused rail system will allow city-regions to make more decisions for and on behalf of local people.

TOR 4: A railway that is able to offer good value fares for passengers, while keeping costs down for taxpayers

3.28 The current rail ticketing offer does not fulfil TfGM’s aspirations for fares and ticketing. The Greater Manchester Transport Strategy 2040 outlines our key customer-focused objectives relating to fares and ticketing, including: simplicity, convenience, value for money, inclusivity and trustworthiness.

3.29 The widely-held perception is that rail fares are expensive, offer poor value for money and are overly complicated. Together this has resulted in an erosion of passengers’ trust. Creating choice does result in some inevitable complexity and can allow flexibility and for passengers to take advantage of the best fare for their journey. This suits some trips better than others. What might be the best options for relatively infrequent intercity trips is not likely to be the same for daily travel in a multi-modal environment.

3.30 At the moment rail fares are not perceived as clear, fair or consistent. This must be addressed to rebuild passenger confidence. Transparency will always be key in
achieving this, and in this regard, it is crucial that customers, regardless of their payment method can easily identify the best fare option for their journey.

For example between Stockport and Central Manchester there are no fewer than 18 different types of single/return ticket with Northern, Transpennine Express, Virgin Trains and Transport for Wales all retailing their own walk-on tickets. This inevitably creates much confusion for the passenger and automatic ticket machines do not explain clearly the conditions of travel for each product.

3.31 TfGM shares the Rail Delivery Group’s wider aspirations as part of in their ‘Easier Fares for All’ proposals to restructure fares to better meet passengers’ needs. In particular, we support their calls for commuter pay-as-you-go pricing allowing for seamless travel between transport modes and facilitating greater travel flexibility. Such a move would align with TfGM’s long-term ambition to deliver a full multi-modal zonal fares system in the Greater Manchester area. Crucially, travellers need to be able to view the GM fixed track system as part of a unified fares regime, enabling seamless interchange between tram, bus and train.

3.32 TfGM believes multi-modal zonal fares, with a daily cap, and ticketing is the single biggest enabler of frictionless travel within the Greater Manchester area, and will form a core element of our forward strategy. We want to build on the success of the Metrolink zonal fares system, by extending this to all forms of public transport. London is often cited as an exemplar in this area, and there is no question that Oyster/contactless has revolutionised the ease and convenience of public transport travel in the city. This is what we want for Greater Manchester too.

**Customer Voice:** Our focus groups confirm that integration between modes of transport would have the most impact on improving travel. Integrated fares, information and timetables, combined with reliable delivery, are more important to customers than industry structures.

Greater London benefits from its contactless/Oyster system with fare capping which makes it easy for passengers to make multi-modal journeys while being assured of receiving the best fare. Rail fares are also discounted within the contactless/Oyster area compared to standard paper tickets. This is not the case in Greater Manchester where passengers face buying two often expensive tickets when using two or more modes of transport with proportionally more expensive standard rail fares than in Greater London.

3.33 Implementing this requires some important behind-the-scene changes in operational modes. On the bus side, our Bus Reform package will be a critical enabler. On the rail side, some unpicking of existing rail structures and regulation will be necessary, and we are ready and willing to work with industry partners to progress this goal. Our
Prospectus will seek to bring this work together so that we focus on seamless end-to-end journey delivery, whatever the mode.

3.34 For **longer-distance** and **leisure travellers**, we would welcome a broader offer for passengers in order to encourage the spread of demand across the day and to encourage modal shift.

A number of rail operators including c2c, Great Western Railway and Southern, retail GroupSave tickets whereby groups of 3-9 adults can save 1/3 from off-peak tickets when travelling together. Transpennine Express is due to introduce this as part of its franchise commitment but there are no proposals for Northern to do the same.

3.35 Improved **ticketing technology**, such as contactless or mobile ticketing will help make purchasing and using tickets easier for most. Account-based ticketing is a further step towards an integrated, multi-modal ticketing, which we fully support. Whilst these solutions are for ‘carrying’ the purchased fare and will not solve the complexity underlying the structure, technological innovation is an important aspect of any ticketing reform. Rail must adopt and continually adapt to new technologies, customer expectations and behaviour evolve too. For example, automatic delay repay, or notification of when the price of advance purchase tickets will change.

**Customer Voice:** Compensation is often complicated and disjointed. Even though passengers welcomed Delay Repay 15 being introduced, the process of claiming is too much hassle. The system should be simple and standardised across all operators.

3.36 Technology must also be used by service providers themselves to ensure that those unable to use technology or other services have the same opportunities to travel as everyone else.

**TOR 5: Improved industrial relations, to reduce disruption and improve reliability for passengers**

3.37 TfGM fully supports all moves to improve the industrial relations climate.

**TOR 6: A rail sector with the agility to respond to future challenges and opportunities**

3.38 From a Greater Manchester perspective, rail travel has played a major role in supporting the agglomeration-led growth in the city region since the turn of the
century, as the table below\(^1\) shows. The growth in commuting into central Manchester by rail and (more recently, following major local investment) Metrolink have significantly outperformed all other modes. It has also consistently outperformed the predicted growth suggested by national rail forecasting and fitted more closely with local forecasting. This rail renaissance has been fundamental in decoupling economic growth and the growth in car traffic into the centre; and in extending access to skills for incumbent and new businesses. However, with the local economic growth set to continue, these benefits are now at risk from both rolling stock and network capacity constraints, unless a closer alignment can be made between local economic planning and planning for the railway.

![Figure V14: Inbound Trips by Mode across the City Centre cordon (AM Peak)](image)

3.39 In addition, at both a city region and pan-Northern level, rail travel is ever more crucial to the growth of aviation and the maximisation of the impact of Manchester International Airport. Through locally driven strategies over recent decades, the Airport has benefitted from enhanced rail links to Piccadilly and the development of a multi-modal transport interchange. The 2016 Manchester Airport Sustainable Development Plan (SDP)\(^2\), which supported the Airport’s own £1billion investment in its Transformation programme, placed the railway at the heart of its growth strategy through a combination of investment in HS2, Northern Powerhouse Rail, Transpennine rail capacity and a long term growth plan for the local rail system. The SDP proposes that rail travel, which accounted for approximately 15% of ground access travel made by the 22million Airport passenger trips in 2015, will provide for 25% of the 45million trips expected by the early 2030s - an increase from 3.3 million rail journeys to over 11 million within the next 10-15 years.

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\(^1\) [https://tfgm.com/2040](https://tfgm.com/2040)

\(^2\) [https://www.manchesterairport.co.uk/about-us/曼彻斯特机场-总体规划/](https://www.manchesterairport.co.uk/about-us/曼彻斯特机场-总体规划/)
Against this critical economic backdrop, we strongly agree that agility is something lacking in the industry. There is no magic solution to making a complicated, asset dependent high fixed-cost interdependent network fleet-of-foot. We recommend that the Williams review focusses on addressing the following blockers:

- Streamline flows of money (particularly in relation to funding-settlements) so that there is line of sight between investment and passenger services. This needs to ensure that all investment results in a clearly defined output that meets the requirements of passengers and is made within the context of the wider transport system.

- Stronger delegated authority to regional and local authorities, including both funding and decision-making, supported by changes to the decision-making process to better reflect local variations and needs.

- Flexibility to create new revenue streams within the supply chain.

**Case Study:** Greater Manchester owns and is accountable for the largest light rail network in the UK. The Metrolink network includes 93 stops (comparable to the Greater Manchester rail network – 97 stations) along approximately 60 route miles.

The network includes direct responsibility for the management of some 20 miles of former heavy rail track, infrastructure and stations (i.e. the former Oldham-Rochdale heavy rail lines, which was transferred to Greater Manchester in 2009). Other heavy rail lines which were transferred over 20 years ago have seen transformation change in the services offered to customers.

Monitoring and evaluation undertaken in 2016 compared the estimated number of trips on the Oldham Loop heavy rail service in its last full year of operation with more recent trip volumes carried by Metrolink and highlighted a more-than-trebling of the use of the alignment. This can be explained by the increase in service frequency, the extended hour of operation, the increased number of stops serving the corridor, and the better penetration of Oldham and Rochdale town centres as well as the city centre. This is typical on other former heavy rail alignments converted to Metrolink such as the Bury line.

A broader approach to project/investment appraisal is needed. We suggest a complete reconsideration of the approach that takes better account of the following:

- Wider transport, land-use and social benefits – including crowding on essential services. This will be a key focus for our Prospectus, ensuring that any future ‘GM Rail’ service offering fits with both local and regional growth strategies (i.e. GMSF) and passenger needs.

- The opportunity of delivering staged investment and capturing the benefits of building resilience into designs. This would facilitate lower immediate cost but support further enhancements at a later stage, without having to revisit the whole investment.
• Local needs. Many regional and metropolitan areas rely on transport investments in order to generate the economic activity from which economic benefits flow. Current appraisal methodologies favour investment where economic activity is already strong, and do not acknowledge the economy rebalancing value of schemes outside the South East.

**Case Study:** As part of recent Access for All nominations, there was a call for local priorities to be identified within submissions. Our prioritisation took account of a number of local factors including incidences of disability in the area, the rail station’s proximity to visitor attractions and key places of employment and housing growth with a view to how investing in rail stations has the opportunity to increase footfall and address key challenges identified within our Greater Manchester Transport Strategy 2040 and Spatial Framework. The outcome of the nomination however was not reflective of our local priorities with our top two priorities not being successful, with Government awarding funding to priority three and four.

We believe there is greater opportunity for investment decisions of this nature to be devolved to combined authorities to ensure funding is able to take account of wider transport, land-use and social benefits.

TfGM-funded investment in rail services has consistently produced better demand and revenue than conventional appraisal methods forecast. For example, introduction of Sunday services on the Atherton line was so successful it was continued by the TOC when funding ceased. The service has since been increased to 2tph under the current franchise.

3.43 Collectively, these changes would help to make the case for staged delivery of complex enhancements, provide more consistency to the supply chain by bringing separate projects into more of a delivery programme and support the investment and retention of skills within the industry.

3.44 Acknowledging that change is easy to plan, but difficult to implement, strategies must be devised to encourage and reward those who deliver and embrace change needed. Change also needs to be supported by evidence, with strong decision making to ensure that the outcomes are the optimal for the wider network.

3.45 Streamlining of industry processes to better align with other planning authorities. Although we understand the principle of Network Rail’s GRIP process, in practice it is seen as a blocker to investment and is too complex to support the agile investment decisions we are seeking.
3.46 It is important to recognise that while many of the current issues with the rail industry are associated with the franchising process and the challenges facing operators, the underlying cause and barriers to further development sits with Network Rail. Many of the problems can be linked to a failure to deliver investment and poor alignment of objectives and measures of success with the needs of passengers.