

Transport Committee

Oral evidence: [The Williams Rail Review](#), HC 59

Monday 28 October 2019

Ordered by the House of Commons to be published on 28 October 2019.

[Watch the meeting](#)

Members present: Lilian Greenwood (Chair); Jack Brereton; Ruth Cadbury; Huw Merriman; Grahame Morris; Graham Stringer.

Questions 1 - 124

Witnesses

[I](#): Keith Williams, Independent Chair; and Michael Clark, Head of Secretariat, Williams Rail Review.



Examination of witnesses

Witnesses: Keith Williams and Michael Clark.

Q1 **Chair:** Welcome and thank you for coming along today. Would you introduce yourself for the record of our proceedings?

Keith Williams: I am Keith Williams, the independent chair of what is called the Williams rail review.

Michael Clark: I am Michael Clark. I am a senior civil servant who heads Keith's secretariat.

Q2 **Chair:** Keith, you are, as you said, the independent chair of the Government's review of the rail industry. Can you tell us what that means and what your role has been?

Keith Williams: I guess it is an unusual construct, in a sense, because to be the independent chair of a Government review, and one which is going to result in a White Paper, is somewhat unusual. In fact, I was looking for a precedent. I saw that John Cridland had done a review of pensions, which was somewhat similar but did not result in a White Paper.

From my side, that was of interest because, when I did my due diligence on the review and looked into it, I noted that there had been a lot of reviews over the previous decade that had not really moved things forward. This was a wide-ranging review, so I was keen that it had Government support and resulted in a White Paper.

Q3 **Chair:** You have explained why you accepted the role. What do you think you have brought to the table in conducting the review?

Keith Williams: It goes back to your word "independent". Why me for the review? I guess I have something of a background in transport. I was on the board of Transport for London. I ran British Airways for six or seven years, and I worked for British Airways for 18 years, so I have a history in airlines and in transport.

Beyond that, more recently, my involvement has been in customer services, in particular at John Lewis. I guess that made me of interest to the Secretary of State and equally attracted me to the review.

Q4 **Chair:** It is clear that the terms of reference ruled some things out of scope. Infrastructure management and major schemes were out of the scope of the review. Did you have any discussions with the Department about the terms of reference before you agreed to lead the review, and were you happy with the scope of the review at the outset?

Keith Williams: Yes, I had input into the terms of the review. There were a couple of other things that were excluded. One was the existing franchise regime. I can come back to that in a second, if you like. I



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thought it was important that that was excluded. The other is what I call signing a cheque on behalf of the Treasury.

The terms of the review say that we can take account of “reasonable transition costs”, but it was not about opening a cheque book to spend it. I thought that was right, personally. On the latter, I did not think it was right that I took account of the spending regime of Government. On the former one, in terms of the review, I thought that to be independent it was important that I did not review the present. I reviewed the future.

Q5 Chair: Having done the work, or almost concluded the work, I imagine, has that raised any issues? Have you at any point thought, on the things that were excluded, “This is problematic; I can’t really consider the future of rail services without having a look at what the plans are for infrastructure,” or has that worked effectively?

Keith Williams: I have been interested in looking at other reviews that are looking at things like infrastructure anyway. Clearly in the period of the review HS2 has moved on quite a lot. I have met Douglas Oakervee, who is running it at HS2, so there has been some interaction. I am perfectly happy with the scope of the review. Anyway the review itself is fairly wide-ranging in its scope.

Q6 Chair: You raised a question around the spending implications, or the costs, of some of the recommendations that you are perhaps reaching, or of your conclusions. Is that going to cause any difficulties? Is there anything that you might be minded to include that will not be able to be taken forward because the tight hand of the Treasury says no?

Keith Williams: No. If you look at the scope of the review, and as it has developed, clearly we started looking to certain areas. One I pick out is fares and ticketing, for example, which to my mind have been in need of reform for a number of years. When we looked into it, I think we can make change within the parameters that the review set, but those are reasonable transition costs, if you like. Certainly the way we are looking at the review is to look at it in terms of reasonable transition costs.

Q7 Chair: It is not the case that you are thinking, “I would like to do that, but I know that I won’t get support from the Treasury to do it.” You think the outcomes are reasonable.

Keith Williams: During the course of the review, we had some meetings with the Treasury. We met the previous Chancellor. There has been some input at that level. I have to say that the feedback we have had is that fares reform is something that was on their agenda as well.

Q8 Chair: We will perhaps come back to the issue of fares in a moment. I will ask you straightforwardly: have you had the support from the Department and the industry that you needed to conduct your work?

Keith Williams: Yes. When I went into the review, I deliberately went into a due diligence programme. Part of that due diligence programme



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was to talk to people in the industry. I think that was important because, as I mentioned earlier, there have been a lot of reviews into rail, and this was a broad-ranging review and I wanted to test whether there was an appetite for change.

It is real credit to people in the industry and at the DFT and commentators on the industry that we received enormous help and assistance during the review. We had some 750 submissions to the review. I met 250 different groups in the course of the review. I have to say to the Committee that the one thing that comes out is that the industry, the Department itself and passengers are all interested in seeing something happen as a result of the review.

That reflects not only the short-term issue over the timetabling in May 2018 but something more fundamental—a change that has been happening in the industry over the last couple of years. I have received tremendous support from everyone.

Q9 Chair: Do you think there is a bit of a consensus that the current system is broken? Is that why there has been a welcoming and a willingness to engage with you? Is that fair?

Keith Williams: That is a very fair comment. When the review started, the Secretary of State made it clear to me in discussions that he was looking for revolution not evolution. There was a pent-up interest in the industry, whether in the TOCs—the operating companies—in Network Rail or in freight. A number of people were looking for fundamental change.

Q10 Chair: You alluded to the Secretary of State. Obviously, the Secretary of State who commissioned your review has now moved on. Has there been any change in approach since you have had a new Prime Minister and a new Secretary of State in place?

Keith Williams: Clearly, the review was started under the previous Secretary of State, Chris Grayling. We met monthly at stage gates on that. That has now passed on to Grant Shapps, whom I have met twice. I looked at his appearance in front of the Committee a couple of weeks ago. I would say that we share exactly the same fundamental aims, which are to improve services for the passenger. That looks at the basics of the railways. I think we have had a real meeting of minds in looking at a way forward for the railway.

Q11 Chair: Has there been any change of emphasis or focus, or do you think it was very much continuity in respect of support for your work?

Keith Williams: I would say it has been continuity, particularly in the sense that they have let the review team—myself, a group of panel experts and the Department—get on with the work, with a series of checks along the way. There has been no difference in emphasis as a result of a change of Secretary of State.

Q12 Ruth Cadbury: I want to ask something around the revolution or



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evolution question. Of the people who are making comments to you, is anybody raising the overall issue about the disjoint between the infrastructure and operations and the level of public subsidy that the private companies running the railways need to make the system work?

Keith Williams: To take that in stages, we made it clear fairly early in the review that franchising needed to change. We made that clear in February. As we have gone through the review, we have been very careful not to jump ahead of things, but franchising was something that we jumped ahead of. That was because of what was happening in franchising at the time.

If you then look at rail and operating company, track and train, Network Rail has been very open about being open to change itself. The operating companies have made it clear that they would like change as well, because they feel a little bit hemmed in by franchising as it has been. There has been a meeting of minds in that respect.

Q13 **Chair:** You mentioned your expert challenge panel, which included representatives from Network Rail, TfL and a former Transport Minister. Did you have any say in their appointment or in who made up that panel? What do you think they brought to the review? How have they helped your work?

Keith Williams: As I said, I have a little bit of history in transport and some in rail, but in looking to people to help me in the review, a series of names were put forward to me. I was keen that they reflected a number of areas.

Each of the panel members has brought something to the review. Margaret Llewellyn has been particularly interested in looking at freight, which is an important part of the review. Dr Alice Maynard is interested in consumer affairs and accessibility, which again I thought was important to the review. Tom Harris has a history in rail, given that he was a shadow Minister, and an interest in industrial relations and the workforce. He was helpful. Anthony Fearn—Dick Fearn—has a history in rail himself. He ran the Irish railways. It was important to get that knowledge. Tony Poulter had knowledge of the Department, which again was important in giving me that perspective. Finally, Roger Marsh represents local authorities and therefore brings the devolution side of it, which again was of interest to the review. We had a broad spectrum of people.

Michael Clark: There is an important aspect, which gives you a sense of where the review wanted to concentrate, and that is the varied regional representation of those people at the same time.

Keith Williams: Fairly early in the review, in the initial phase, we started to look at various aspects of the review that we felt were important. First and foremost was the passenger, then fares and ticketing, the industrial model, the commercial model, workforce and, finally, implementation. Although we are spending a lot of time on the review itself, I was



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particularly concerned that we looked at implementation at the same time.

- Q14 **Chair:** They were described as an expert challenge panel. Did they bring expertise or did they challenge you? When it says “challenge”, what role did they play? Did they challenge you to think the unthinkable or to think again on issues? How would you describe it?

Keith Williams: If you look at the way the review worked, we started off with what I call a broad playing field and then started to narrow it. I am always reminded of a quote from Einstein, which is that, if you are faced with a problem for an hour, spend 55 minutes analysing the problem and five minutes on the solution, and that will give the best result.

I was very keen that we went through that process of learning. They brought a great deal of knowledge in the various areas of their expertise. Equally, I wanted them to be able to challenge both me and the Department in its thinking. What we have had is a series of stage gates along the way where they had an opportunity to challenge the thinking of the review itself.

- Q15 **Chair:** Have there been any major disagreements, so to speak, or areas where they thought you were not getting it right? Has there been a creative tension?

Keith Williams: There have been quite a number of areas of debate. One that springs to mind is future franchising. Open access is another. Then it has been a case of getting things right and really understanding. To take the example of accessibility, for instance, Alice Maynard has real knowledge and expertise in that area, and has brought something new in terms of challenge and knowledge for the review.

Chair: Good. There is a great deal of interest in that area, not least from some of the people who are in the room.

- Q16 **Grahame Morris:** I was very interested in those responses, Mr Williams. Looking at the expert challenge panel, and indeed the terms of your brief, is it not a huge omission that the voices of the staff who work on the railways—the RMT union—were not represented, and in fact are not even listed as stakeholders? I find that quite a major omission.

You mentioned Tom Harris, a former Transport Minister, and suggested that he was somehow a representative for those working on the railways, but I am not sure if I agree with that. Certainly they have done a lot of work and made a submission to your review. They also carried out a major survey among their members. The results are quite interesting: 94% of railway workers think the railway companies—the train operating companies—are mostly motivated by profit; and 80% think they are trying to increase profits at the cost of jobs and conditions.

That brings me to another point. You mentioned Alice Maynard, the former chair of Scope, who has expertise in that area. What steps have you taken, Mr Williams, to ensure that your review is addressing the



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issue about improving the accessibility of the railways for disabled people?

Keith Williams: I will take both of those questions. On the first one in terms of access to trade unions and industrial relations, I have met all three major unions on more than one occasion. I have met Manuel Cortes of the TSSA, Mick Whelan from ASLEF and Mick Cash. I met Mick Cash again a couple of weeks ago. The review has been very iterative in terms of getting their knowledge.

In fact, one of the things the unions emphasised to me is that to some degree they have been continuity in the railway. They have a lot of knowledge and expertise that I have been very keen to listen to in the course of the review. We can talk later, if you like, about the things we can do on workforce. One of the work streams we deliberately set up was to look at how industrial relations and workforce can work for the future.

On the second question, one of the bodies we have had access to is DPTAC. I have been very keen to learn from them about their experience and knowledge of accessibility. It is something we have taken on board in the course of the review. Equally, we had input from the ORR. We asked the ORR to do a separate study. I have been very keen to have input from both of them, and I think when the review comes out it will reflect that.

Q17 Grahame Morris: I do not think you answered my question about what specific measures the Williams review will recommend in terms of improving the accessibility of the railways for disabled people.

Keith Williams: I can indeed answer that one. We have been looking at accessibility and the issues today around accessibility. I have to say that it has been a learning exercise for me and somewhat of a surprise.

One of the things I learned fairly early in the review is that in a station that is deemed accessible, if one platform is accessible, that station is deemed accessible. Obviously, that does not help you if you are making the return journey, and equally does not help you if you are going from point A, which you do not know is accessible, to point B, which is accessible.

That was very basic learning for me in terms of, "Hey, what we really need to do to start with is to understand what the accessibility is at our stations today." We have 2,500 stations. We do not really know the level of accessibility that exists today. That is a piece of work we could do very quickly.

Q18 Grahame Morris: That is really important, Mr Williams. It links in with the question I asked earlier, and the question my colleague Ruth Cadbury asked, about the operation of the private train operators, their motivation and the consequential impact on the service, particularly in terms of staffing levels and the removal of guards from trains. There are stations in my constituency that are unmanned. We are talking about passenger



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safety—the ORR were involved in a number of meetings last week on the anniversary of the dreadful disaster at Ladbroke Grove—and it must be paramount in the decisions that we make. Is the fact that passengers, particularly disabled passengers, not only value but need personnel on the train, particularly when we have so many unmanned stations, part of your thinking as well?

Keith Williams: Can I take that in a couple of stages? The other thing we have been looking at—to broaden it out and then I will come back to your specifics—are the needs that people are going to have in the future. Accessibility today is changing into accessibility in the future. There probably needs to be more accessibility in the future as the demographics of the population change.

Going back to my previous point, the starting point of that is about fragmentation. One of the things we learned in the review is that the degree of knowledge on accessibility today is partly the result of the fragmentation that exists in rail. One of the things we can do is to bring that knowledge to the table so that we can then look at it in terms of accessibility. There is money available for accessibility today. It is in various pots and maybe we can consolidate that into a real action plan to deal with accessibility at key stations on the network. With 2,500 stations, I cannot pretend in the review that it is going to be an easy task to do things very quickly. What I think we can do is have a plan and focus on the right stations to begin with that will make the most difference in terms of accessibility.

In terms of people on the platform, in a sense what interests me is a whole review. That is a level of detail that I think needs to be actioned by what we put in place in terms of the operator of the system. I will come back to that in a second, if you wish.

Chair: These are important issues. We might come back to them a little later when we are looking at some of the conclusions you have reached. At the moment, I want to focus on what the review looked like and then what the next steps are. We will then look in a bit more detail at your conclusions and your diagnosis, so to speak.

Q19 **Jack Brereton:** I just want to dig a bit deeper into the role that industry has played, and experts in the industry, in leading some of your thinking around the review. Have they played a very significant role in maybe changing some of the views and the outcomes of the review? Has the expert challenge panel played a significant role in informing some of the decisions and outcomes from the review?

Keith Williams: The expert panel has brought its knowledge to both me and to the Department for Transport. The expert panel has detailed knowledge of various issues on rail. They have brought that knowledge to the table. Both I and the Department have learned from that.

Q20 **Jack Brereton:** I understand that they have brought it to the table, but has the review been informed as a result of that knowledge and



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information from the panel, and has it led to changes in the review?

Keith Williams: Yes, as I described earlier, the review started out with a lot of options and what we have been doing is to bring those options into preferred options.

Q21 **Jack Brereton:** So it has?

Keith Williams: The panel has played a definite role in focusing on preferred options from a much broader framework.

Michael Clark: There is one small example that goes back to Margaret Llewellyn's work on freight and her experience. One thing the panel has generally enabled us to do, with a year's worth of work in a very comprehensive review, is to go out and pull in stakeholders that a small central team with Keith would not have had the time and effort to cover. It has multiplied our ability to get out there.

Margaret has travelled around the country, whereas we might only have had time to talk to the freight operating companies, even with the best will in the world. She has managed to talk to ports and manufacturers. She has brought together a couple of roundtables involving freight customers as well as freight. She has really been able to expand our reach and our thinking. That has led us to take a much more strategic approach to how we are going to pitch freight in the review. It will be more expansive and flexible for the businesses that we know want to work with freight.

Chair: We are going to move on to look at the next steps and what is going to happen now that you are drawing to a conclusion the work that you have carried out.

Q22 **Ruth Cadbury:** A couple of weeks ago, the Secretary of State told us that you were, effectively, writing the Government's White Paper. If that is true, will you be signing off the final version, if you are writing it in collaboration? And what about the timing? When are we going to see it?

Keith Williams: Right at the beginning, one of the things I was very conscious of was that there was momentum for change. If there is momentum for change, that is an opportunity, so grasp the opportunity while it is there. We committed to a White Paper in autumn 2019, and that is still our objective.

The review is being narrowed in its options. We are testing some of the options at the moment and the review will be produced, and, assuming that the Government are there to take the White Paper, the White Paper will be ready in the autumn.

Q23 **Ruth Cadbury:** What happens if there is an election?

Keith Williams: Do you know what happens, Michael?

Michael Clark: We will talk to Ministers about that if it happens.



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Keith Williams: You might be able to let me know that later, actually.

Q24 **Ruth Cadbury:** The Secretary of State told us that he would be implementing all your recommendations. Are you confident that will happen, assuming there is no election? Has the DFT pushed back against any of your recommendations?

Keith Williams: I will take the second question first. One of the refreshing parts of the review is that Bernadette Kelly, the permanent secretary, said fairly early in the review that the Department itself was up for change. That was made very clear fairly early on in the review. Indeed, as the review has progressed, there is significant change that will impact the Department. The Department itself is on board for that, so in itself it has taken the recommendations of the review. That is a great assistance.

If I look at the recommendations themselves, the Department seems favourably inclined to the review. As I said, when you have momentum, take advantage. There are certain things I think we can move forward quite quickly. There are other things that may take more time, particularly where legislation is needed.

The current franchise system has a number of franchises that roll on. Although there is a lot of change that we could make immediately, there is a longer-term five to 10-year programme to bring about fundamental change completion.

Q25 **Ruth Cadbury:** If the Government fail to take on board any of your recommendations, are you prepared to speak out?

Keith Williams: Yes. It is a Government White Paper and I am independent chair of that White Paper. At the moment, I do not see any reason why we might disagree on things, but, if we disagree, obviously I should make my disagreements clear. It is a Government White Paper that is taken forward.

When I went into the review, I knew that and I was very aware of that. I thought that was the best way of securing change for something that definitely needed to change. I was quite happy, as I said earlier, to sign up to a White Paper. My job is to influence Government into accepting what I think are the right solutions, but I am an independent chair; I am one voice among experts and myself.

Q26 **Chair:** You have just said that, because some of the franchises are ongoing, there might be a five to 10-year period of implementing some of the things you want. Did you have any frustrations that some franchises have been let in the last few months and have therefore locked in things before your review comes out? Is that something you discussed with the previous Secretary of State? I am thinking of the west coast or the midland main line franchises.



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Keith Williams: Yes, the west coast is one. I was asked about the west coast before it was awarded. What I see there is a contract that has real flexibility in it. To my mind, it fits what we are looking at and it has flexibility. I thought that was important, and I acknowledged it when I took a look at that award. It fits into the construct we are looking at.

Q27 **Chair:** You do not think that the award of those franchises is going to hold up the progress of the things you recommend.

Keith Williams: No, I honestly do not think it will. It is complementary.

Q28 **Jack Brereton:** If we have an election and a future Government come into power, whether Conservative or Labour, are you confident that your review will be implemented in full?

Keith Williams: I certainly hope so, in the sense that if you look at what the report is looking into—we discussed accessibility briefly and there are other aspects we can look at later—there is a lot of progress that can be made in the next two or three years to improve the industry for the benefit of passengers and customers. By that, I mean passengers and freight. There is significant change we can make that I believe should be made in the interests of a railway for the public. I do not see any reason why the proposals would not be adopted, whatever political party came into power.

Q29 **Jack Brereton:** You just touched on the fact that there will need to be legislation for some of the changes you have suggested. What are the first things you would like to see implemented that would not require legislation?

Keith Williams: We talked earlier about accessibility. What I have tried to do is follow what passengers have told us. I said earlier that we spent a lot of time looking at the problem rather than into what I call the solution. I may have frustrated a few people in the early days, because people love to talk about the industry structure and the commercial structure. I deliberately did not want to start there. I wanted to start with what passengers were telling us. What passengers told us has been really informative, not entirely surprising but really informative. The changes that we can make respond to that.

If you look at what passengers talked to us about, they talk very little about whether it is nationalised or not. They talk about their experience, and a few things in particular—reliability and punctuality. When the Secretary of State came a couple of weeks ago, he said that 65% of trains are on time. I would add something to that.

If you look behind it, 55% of passengers are either commuters or travelling for education, and another 9% are business passengers. For two thirds of the people on the railway, punctuality and reliability matter because they are commuters, in education or businesspeople, without looking into leisure where it obviously matters as well. Fundamentally, what people want is a railway that works for them. Their No. 1 issue



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when things go wrong is information; 48% of passengers are concerned about what happens when they are delayed.

Just to take those two for starters, one is about performance. What can we do to improve performance? What can we do to improve information? What can we do on compensation? What can we do on accessibility? There are a number of areas where we believe we can make progress right now in 2020. We do not need to wait for legislation to do that.

Q30 Jack Brereton: How quickly would you like to see those changes implemented? Is it going to take one, two, five or 10 years to implement those initial changes?

Keith Williams: No, I think they can be implemented much quicker. One of the things that has held these things back in the past is the amount of fragmentation in rail. One of the things we can do over time is to improve rail so that it acts as a real network for people. That is important. It still should not absolve us from making change in the short term. We can see a pathway to a number of changes in that respect.

Q31 Jack Brereton: To implement this work will require quite a lot of cross-government working. You have already mentioned the work and meetings that you have had with the Treasury. Have you had meetings with other parts of Government and got support for your proposals?

Keith Williams: That is happening at the moment.

Michael Clark: Since we started the review, given that it was going to end in a Government White Paper, we have had a cross-government officials-level meeting monthly to ensure that none of this was a surprise and to get input from other offices. The other two where we have seen Ministers more than others in the previous Government were the territorial offices, to make sure that we were aligned with policy there in getting input.

Q32 Jack Brereton: You are confident of getting the full support of Government to take this forward.

Keith Williams: Yes. Certainly, I see broad support for a lot of the issues that we have been looking at in terms of moving things forward.

Q33 Chair: Let me come back to the question of how quickly things can be implemented, and the relationship between that and the fragmentation in the industry. With something like Delay Repay 15 or free wi-fi on the network, the Government have said that these are going to happen but the only time they are actually able to happen is when there is a change of franchise; otherwise it would involve compensating the operator.

Potentially, if a franchise has a long time to run, as some of the franchises do, you can see that it can take not just months but years to implement change unless you are prepared to renegotiate the franchise and pay the operator differently. Why do you think some of the things you are going to be recommending can be introduced more quickly? How



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is what you are proposing going to get over the inertia that exists in the fragmented system?

Keith Williams: Can I take Delay Repay as an example? If you look at Delay Repay, there has been no standard among the franchisers. The first thing we can do is look to some sort of standard for Delay Repay. To my mind, it is in the obvious interests of the passenger—the consumer—to have a standard to which they know the network operates. I will come back to Delay Repay in a bit more detail in a second.

It is a similar thing with accessibility. The standards are different in different TOCs. What we can do is put in place a standard that people operate under a code of practice that people operate to. It is actually in the interests of the network and the operators to do that. Our analysis would show that, if you standardise a system, the cost of running that system becomes less than it is today. There is a cost saving to it as well as a benefit to the passenger.

Q34 **Graham Stringer:** I have two questions to follow up on what Jack said. First, you have heard that passengers want punctuality. Nobody is going to disagree with that. Nobody on the railways wants trains to be late.

You said you started with an analysis. What is your analysis of why trains are late?

Keith Williams: If I look at why trains are late, in the performance over time, between about 1999 and 2010 or 2012, there was a steady improvement. That has started to decline. That decline has reflected itself in passenger perception. Passenger perception on value for money ultimately is that they associate the two—delay and cancellation.

Over that period, what has happened is that the network has become much fuller. You can say that there is cause and effect, but if I look at it in terms of performance, the performance has declined in part because of the amount of fragmentation in the running of the railway. One of the things we have been looking at as one of our options is how we might combine track and train together, so that you get a single thought process in both the operation of the rail itself and the operation of the trains on the rail.

Q35 **Graham Stringer:** Let me ask the second question and then try to put them together. One of your answers I did not find credible was that, whichever Government there is, there is buy-in. If Jack's party wins, they would be opposed to privatisation. If my party wins, we would want public ownership. That is a completely different approach to the railways. How would your recommendations deal with that?

Keith Williams: There are a couple of things. We have spoken to both of your parties. What we have been interested in is the degree of congruity between the thinking of the two. Actually, a lot of the things we are looking at will be common to whichever political persuasion is in power.



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What I describe is something that will work. It will work and move things forward in the interests of the passenger.

I go back to what I said earlier. The passenger is fundamentally not interested in whether it is nationalised or not. What they want is something that works. What we can put in place is something that will actually work and move things forward. In the future, you can move one way or the other, but, in the meantime, you can get change that works for the passenger that both parties might agree with.

- Q36 **Graham Stringer:** Maybe. In terms of what you said about there being more trains on the tracks and that leading to congestion and delays in train arrivals, that is partly due to there being a number of pinch points in the system. Sorting out those pinch points is very expensive. It is a huge capital investment. With the way the Treasury works—the question was asked previously in terms of whether all the Departments were operating together—do you believe that it would take a long time to screw billions out of the Treasury?

Keith Williams: I go back to the start point. In terms of the review itself, Government balance sheet and spending was outside its scope. I am not particularly looking at pinch points and capital expenditure.

- Q37 **Graham Stringer:** But it is fundamental to punctuality though, isn't it? One of my obsessions is whether or not there are platforms 15 and 16 at Piccadilly and extensions of platforms at Salford and Oxford Road. If you don't do that, you will get delays.

Keith Williams: I will take that in a couple of formats. The first thing is that today, using your example, you know that there are restrictions on what you can put through. If you look at the timetabling, and I looked in detail at the Glaister review, what you see there is a disconnect, to use your example, in what you could put through those pinch points and what people were trying to put through the pinch points. The result is that you got meltdown in the system.

The first thing you need to do is to put somebody in charge of what exists today in terms of the throughput you can get at the pinch points and in the network. To my mind, the advantage of bringing track and train closer together is that you are more likely to get holistic thinking on what the way forward is. Maybe we can come back to that in a minute.

To use Manchester as an example, I believe that as part of the review we should look at, as we have been looking at, the role of local communities and local areas in determining where spend is. I know from what I see in Manchester that Manchester is in favour of spending some money on those platforms, always within the construct that it needs to work as a network. There is a role, going forward, for local government putting its knowledge into the running of the rail of the future.

Michael Clark: Not to defend my colleagues at the Treasury too much, the billions are there; there is £48 billion for England and Wales in this



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control period. It is a lot of money. On Keith's point, is it being efficiently spent? Can you spend it efficiently on the system, or do you just end up moving pinch points around or creating new ones because it is not looked at as a whole system?

- Q38 **Graham Stringer:** In response to that, there has been a transfer in the next control period away from major capital expenditure on improvements to maintenance and keeping the system in order, so possibly there is not quite as much money for that as you might imagine. Tell me if I am interpreting you incorrectly when you say—it is a sensible response—that you have to look at what you can get through those pinch points. Does that mean you are trading for improved punctuality capacity within the system?

Keith Williams: No, not necessarily. To go back to your first question, what we believe, and our lead option, is that we should make sure there is long-term planning for the railway. On your Manchester example, to my mind we have the five-year control periods, but there needs to be a much broader view of what the policy and spend is going to be on the network, not only at stations but on trains themselves.

One of the interesting things is what is going to happen with decarbonisation. Government need a plan for the network over time on track, train, train procurement and so on. That needs to be a longer-term, 30-year assessment of what is required. Someone then needs to implement that and take control over it, but with the knowledge that can come from local authorities, local government and local partnerships in determining where the best spend is for that community.

- Q39 **Jack Brereton:** You said that the public are not really bothered whether it is public or private. I tend to agree with you. The view is, "How can we get a better rail service?" Obviously, your review is going to come out with a view on what you and the industry think is the best model for the future running of our services. What I am trying to understand is whether that is incongruent with either of the political parties' political priorities. I do not want you to go into the detail, but is it the case that it might be incongruent with the views of either of the main political parties at this time?

Keith Williams: No. As I said earlier, if I look at what we are proposing, there is a large degree of congruity in the thinking on what we can do with rail for the future, absent the debate as to whether or not it is fully nationalised. Obviously, that makes a difference, but in rail today, there is 80% to 85% public ownership anyway.

- Q40 **Jack Brereton:** But, surely, there must be some things you would be recommending that could not be implemented if the political leaning was one way or the other.

Keith Williams: The obvious thing is the role of the private sector. We are looking at a model where essentially the risks sit with the right parties, whether public or private. We can see some role for the private



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sector in the future where it can bring genuine innovation and carry out train services on behalf of the public sector.

- Q41 **Jack Brereton:** The recommendations that you come up with from this review will be focused on the best model to achieve that and will not be taking a view that is judgmental and on a political basis.

Keith Williams: I always go back to the passenger. What is in the best interests of the passenger? Passengers look at privatisation and nationalisation as a secondary-level issue. What interests me is how I can get something that works as a network, because passengers are interested in the network, in the interests of the passenger. That was my starting point, my North star, throughout the period of the review. I know the industry structure—commercial structure—is of interest to you, but I always put that as a secondary-level issue once we have sorted out how we make things work for the passenger.

- Q42 **Grahame Morris:** Can I take issue with that? You are giving the impression that passengers are indifferent to whether the railways are in public ownership. There is already 80% public ownership in the form of Network Rail, with the profitable bits in the hands of the train operating companies.

Since 2013, there have been seven major opinion polls. Every single one has indicated at least a two to one majority in favour of public ownership. Surveys among the staff who work on the railways produce an even bigger majority in favour of public ownership, because they see ending fragmentation and the problems you have rightly identified with the existing model as a priority, and the best way to tackle that is with public ownership. I do not think it is fair to characterise the public as indifferent. They experience the deficiencies in the service and think public ownership is a better way forward.

Keith Williams: I have been looking at the research we conducted independently, so I am giving you the answer from that.

- Q43 **Graham Stringer:** Is that research publicly available?

Michael Clark: The first paper is publicly available; we published it as one of a series of our evidence papers in the summer. I will have to double-check whether the entirety of it is currently out there.

- Q44 **Graham Stringer:** Can you send it to the Committee?

Michael Clark: I would be very happy to send a link to the Committee.

Keith Williams: Your point on fragmentation is a fair one, particularly over the last few years when franchises have been failing. That has had an impact on public sentiment towards rail, particularly when you add other issues that happened in the same timeframe. The May timetabling would be a classic example.

- Q45 **Chair:** Maybe we are coming to the conclusions, which is what I want to



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ask about next. Keith, are you suggesting that your recommendations would work equally well whether the train operations in your new structure, which is what we want to explore, were run by the private sector or the public sector? Are you saying they could work equally well with either ownership model?

Keith Williams: No. We will come to the conclusions in a minute. What I am saying is that, if you look at the way in which we are trying to construct the relationships in the industry, we are particularly interested in what contracts work with what I will call operating companies and make their primary performance based on outcomes for the passenger, which partly answers the question of profitability. What we are looking at is the best way of making the railway work and the operations work for the passenger. What sort of contracts should they be?

Q46 **Chair:** Could those contracts be with not for profit or publicly run services just as much as they could be with a private profit-making entity, or did you not reach a view on that?

Keith Williams: What I said early on in the review is that rail is many different things and we would not come up with a one-size-fits-all solution to things. Nevertheless, we should look at the base level of contracts you would have and build things from there. Commuter routes are very different from long-distance routes. On commuter routes, punctuality and regularity are key. On long distance where demand is lower, you might look for more innovation in those sorts of contracts and bring in somebody who can grow the revenue where there is revenue opportunity.

Chair: We are going to explore that a bit further because we want to move on to look at your emerging conclusions.

Q47 **Huw Merriman:** Chair, I will take your guidance as to when to pause for others to come in. Mr Williams, I am going to go through the general theme that seems to be emerging and then ask you about the independent guiding mind, and latterly what franchising will look like, if indeed it remains.

I start with the view of Chris Grayling, former Secretary of State for Transport, that there needs to be revolution from your review. What will your reforms look like once they are announced? Will it look like more Network Rail, more nationalisation or more privatisation?

Keith Williams: There are a few things. Starting with the Department for Transport, we have already said publicly that its role will change and it will be much more strategic than it is today. Today, the Department for Transport is involved in the minutiae of many aspects of rail. We do not see that as our lead option for the future. We have said that publicly. As I said earlier, Bernadette Kelly has already acknowledged that the Department itself will change.



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The role of the Department will change, always bearing in mind of course that rail ultimately is heavily subsidised by the taxpayer and there has to be control by Government of the funding. It is taxpayers' money that is being spent. It is responsible for strategy. I spoke earlier about the need for a longer-term strategy for rail, not just in terms of where build is going to be and what is going to change, but in the interests of, say, decarbonisation. If that is to happen, we need to start to plan for it now. Trains last 30 years and, if there are decarbonisation targets for 2050, we need at least to start thinking about that today. It needs to happen at a much more strategic level.

Beneath that, on your point about a guiding mind, one of the things that came out of the review Stephen Glaister carried out, and has been said to me by numerous commentators from the industry and elsewhere, is that there needs to be somebody who is accountable for rail, who takes ultimate accountability for track and train. Our lead option is an opportunity in that respect: to establish somebody who is accountable for track and train and the running of the network. I emphasise again that everything the public have been saying to us indicates they want it to work as a network, so that is important. You then look at how you might run the trains. We do not have a one-size-fits-all solution for that, but we have been looking at contracts for services for running different parts of the network.

Q48 **Huw Merriman:** That is a generalisation. I am going to drill down, if I may. You talked about the Department not being involved in the minutiae. We have seen examples where the Department has been involved when there were disagreements about the terms of contracts, GCRs, and whether force majeure does or does not apply. Using that as an example, who is likely to be taking that role in enforcing and determining the terms of contracts?

Keith Williams: I looked at franchise agreements going back to the early days—1995—and franchise agreements today. Inevitably, we find that a contract that was that thick is now this thick. That is the natural way of tackling something when things are not quite working; the nature is to be more prescriptive about what you want as the outcome. How many people should man a station, desk and so on?

Q49 **Huw Merriman:** Who would play the role in determining whether or not those terms are being followed correctly?

Keith Williams: There are two aspects. One, to your first point, is that going forward it would not be the Department. Today, a lot of that would rest with the Department.

Q50 **Huw Merriman:** I know it does now, but my question is: who will do that?

Keith Williams: It would be passed down to somebody who was responsible for the railway.



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Q51 **Huw Merriman:** Would that be passed down to the independent guiding mind?

Keith Williams: The independent guiding mind.

Q52 **Huw Merriman:** In that case, it is crucial who that independent guiding mind would be. I assume they would also make sure that the timetable fiasco did not recur. This Committee argued that the Department should have been on that in terms of project management; it was not. I would assume that this independent guiding mind would be all over bringing the industry together and making sure it runs.

Keith Williams: Yes.

Q53 **Huw Merriman:** The big issue is: who is this independent guiding mind likely to be, public or private?

Keith Williams: I will take that in a couple of stages. Going back to the review on timetabling, it was clear that there was no guiding mind.

Q54 **Huw Merriman:** As a Select Committee, we concluded the same.

Keith Williams: To my mind, you get the inevitable result that each individual is planning for their own part of a timetable. Network Rail is planning for one aspect of it; operating companies are planning for another; and the Department for another. I will not say it is inevitable, but it is more likely that you will get systemic failure as a consequence of too many minds all bringing their own viewpoint to something without somebody acting as the decision maker.

Q55 **Huw Merriman:** Indeed. As a Committee, we found that the whole industry, public and private, was marking its own homework. I come back to the question: who is going to be marking the homework going forward?

Keith Williams: It needs to be somebody with knowledge of rail today. I have not identified a person to do that; it is not part of my role at this minute, but when we get to implementation we will need to find the guiding mind.

Q56 **Huw Merriman:** Surely, that is going to be an absolutely crucial part of this review, is it not? There has been some talk that a newly expanded Network Rail would take on that role. You talked earlier about having the tracks and the train operations merging, so are you looking at Network Rail or a reincarnation of it?

Keith Williams: I heard a very similar rumour back in June. I made it clear in a speech in June that we were not looking for Network Rail to take charge of a national body, if you like, to run rail.

Q57 **Huw Merriman:** You said you heard the rumour, but it had not emanated from the emerging conclusions. Is that what you are saying?

Keith Williams: It had not emanated from the emerging conclusions.



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Q58 Huw Merriman: Can I push you on one part? It seems extraordinary to me that there is such a crucial role in what the future rail revolution looks like, yet your review and the White Paper will not state which body that should be.

Keith Williams: Which body it should be, or which person it should be?

Q59 Huw Merriman: Person, body—the independent guiding mind. Can you tell us what that independent guiding mind is likely to look like? That is the bit I am trying to get at.

Keith Williams: I am sorry; I thought you were looking at people. In terms of the body itself, our lead option is to look for a national body that will be in charge of rail, to answer the specific question about who is in charge of the network.

Q60 Huw Merriman: You cannot tell me whether that is a public body, or a body that is already looking after the tracks.

Michael Clark: We want something new or different that is passenger focused; we want something that has a new culture and will be more collaborative than the current fragmented system. We will look in the review to describe the functions that we think should sit in this body, so that, as Keith was saying, it can be a system-wide body that can take a view across track and train as a network and hold the levers and responsibility with which to do so.

Going back to the previous debate, this is not a review focused on who should own what, but on how best the railway can work. There was an interesting quote from Mick Whelan this morning, who said, “It’s quite interesting. I’ve heard some things about what Keith is saying about getting the railway to work better”—I am paraphrasing very badly because I do not want to use his words, but they are public and you can look them up. “A Government of a certain direction could nudge that left, or a Government of a certain direction could nudge that right if they had a particular view about ownership. It’s quite interesting. What Keith is aiming to do is to try to put those functions together so the railway works in the best interests of passengers.”

That is what I keep going back to. We do not want to say it has to be all the private sector to do this or all the public sector to do that. We are saying that, if you take the railway as it is split up and fragmented now and obviously not working, the first step, if you want to go in either of those two directions, would be to put the responsibilities and accountabilities back together, so that it is working. Should Government X or Government Y wish to go slightly further one way on an ownership issue, we have not precluded any of that because, going back to one of Keith’s original points, we would like this to be long-term change in the industry.

Huw Merriman: I will hand back to you, Chair, because others may be interested in the same topic. This strikes me as going to the absolute



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heart of what the railways will look like and who is going to monitor them. This Committee has scrutinised issues that did not work. For this long-awaited review, which has gone into some depth, not even to identify what that body is going to be looks to me like an absolute cop-out. I do not understand it.

- Q61 **Chair:** It would help me and I think others if I was clear about this. DFT sets strategy. Is this a body that sits between DFT setting the strategic long-term direction and the delivery bodies, which might be Network Rail on one side, as in the infrastructure delivery body, and the operating bodies, which might be, as they currently are, private train operators, but do not have to be? Is it an in-between body, or is it a delivery body that brings together Network Rail and train operations in the same place? I am not entirely sure about the structure. I do not know whether that helps answer Huw's question.

Keith Williams: On that one, it is difficult to be accountable for something if you do not have the responsibility. It is important that we bring together into that body track and train so that it directs track and train. What we cannot do, to my mind, is set up somebody who is accountable for something but has no responsibility for what happens then.

- Q62 **Chair:** It is bringing together Network Rail's responsibilities and operators' responsibilities in a single organisation.

Keith Williams: Yes.

Michael Clark: The responsibility for contracting operations.

Keith Williams: Yes. It might then contract out some of those operations to third parties.

- Q63 **Chair:** For example, if it is awarding contracts to provide train services, the same body that is responsible for maintaining track and infrastructure is also the body that is contracting for the provision of services.

Keith Williams: It would contract out some of its services for somebody to run parts of the network.

- Q64 **Chair:** But the new body presumably encompasses Network Rail. Would that be right? Is it encompassing Network Rail and some functions that at the moment sit with DFT?

Michael Clark: We are currently looking at the best way of working that structure through. On Huw's point, the current thinking on ownership is that we are not looking to change with the review aspects that are now inside or outside the public or private sector. We are trying to put the functions together in a more sensible way so that, as Keith said, they can work with accountabilities and responsibilities in the right place, not necessarily to move them across sectors.

- Q65 **Huw Merriman:** Does the guiding mind need to be independent of the



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TOCs and Network Rail on that basis, or can it be one of those bodies?

Keith Williams: The guiding mind?

Huw Merriman: Yes.

Keith Williams: The guiding mind will carry responsibility so, if you like, it will own the problem, but it might then contract out parts of that for people to deliver to that contract.

Q66 **Huw Merriman:** It looks like a larger Network Rail on that basis.

Keith Williams: No. To Michael's point, I would say it is very different from Network Rail, because Network Rail today is responsible for infrastructure. What we are particularly interested in is making the infrastructure work for the passenger. Its primary focus should be a national body that works in the interests of the passenger.

Q67 **Huw Merriman:** At the moment, we have something like a devolved Network Rail; the system operators work more closely with the train operators in terms of delivery. Is it likely to look like a more devolved and slightly different body responsible for the track and that partnership, and therefore likely to be a public sector rather than a private sector body?

Keith Williams: Yes.

Q68 **Graham Stringer:** I share Huw's lack of understanding of the controlling mind. Can I start from a slightly different point of view? What was your analysis of the failings of the Strategic Rail Authority? I ask because it sounds a little bit like that.

Keith Williams: I looked at the Strategic Rail Authority back in 2003; I looked at its functions and at the people involved at the time, and spoke to the people who were involved before the change. I describe this as different because it is a body that carries responsibility and accountability for delivery in the interests of the passenger, and then it needs a strong party looking into it to make sure that it carries out the functions that have been set as its directive. These are the things we want the national rail body to do. That should be set by Government, the DFT, and making sure that it delivers what it sets out to deliver should be the role of regulation.

Q69 **Graham Stringer:** That is very general. Let me deal with a real problem. I think you have covered up a lot of difficulties by talking about a collaborative approach. If you look at the south-west, Network Rail was asked to collaborate with the train operating companies, and the evidence, quite simply, is that it did not. There are a number of reasons for that, but, when you get to the end analysis, if there are still private train companies operating on the rail network, and there is a particularly profitable time and track that a train operating company wants to use, somebody has to decide that. Who is going to decide who gets that slot or train track?



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Keith Williams: You are looking at profit.

Q70 **Graham Stringer:** I am looking at who decides whether Virgin, FirstGroup or whoever runs, say, the 9.15 out of St Pancras to Cambridge.

Keith Williams: What we are looking at is a level of contract specification that at base level specifies the service and delivery of it but is not dependent on profit motive—there is usually a profit motive; it is dependent on delivery for the passenger.

Q71 **Graham Stringer:** That is taking the place of the Department for Transport at the present time, which currently sets the contracts and offers them. Is this body going to take over the role of the Department for Transport?

Keith Williams: The contracting, yes.

Q72 **Graham Stringer:** Can I ask a question related to the same thing? When we had train operating companies and Network Rail before us following the timetable fiasco, I asked, and they were unable to answer, how many people were dealing with timetabling at the time, compared with British Rail. Since then, I have been told by people who have been in the industry for a long time that probably three or four times as many people are doing the timetabling and, by the way, getting it wrong.

It seems to me that, with every reorganisation of the railways and every change of franchising, the Strategic Rail Authority or Railtrack get more and more managers, more and more people, and less efficiency in the system. It seems to me that you are putting even more people into the system with this proposal. Can you tell us that there will be better timetabling and fewer people doing it? You can go through the administration.

Keith Williams: One of the effects of fragmentation is that you build up lots and lots of people power, to your point. The classic, as you are probably aware, is what is called schedule 4 and schedule 8, which deal with delay and how that is allocated between the TOCs and Network Rail. I looked at the schedules. The number of people involved is enormous, and what they are doing is allocating delay costs. That is not in the interests of the passenger. One of the things I am keen to do is to simplify things like schedule 4 and schedule 8 in the interests of the passenger, and I think we can do that under the construct we are looking at.

I have been looking at the timetabling that is coming up for December. I know that you had Grant Shapps here a few weeks ago. Grant was talking about the sleepless nights people were having over the December timetabling. If you look at that December timetabling today, there are still issues at the edges that have not been resolved. To my mind, that is because you have not had a guiding mind to resolve issues far earlier in the process. If you have somebody far earlier in the process to resolve



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the issues, you get the savings you are referring to. If you sort things out early, it stops things from developing over time. When I look at the December timetable, there are still issues there that might have been resolved earlier.

Q73 Graham Stringer: Will there be fewer people in top administrative and managerial jobs under your structure than there are at the present time?

Keith Williams: In the round, certainly. When I look at the complications that come from fragmentation, I see opportunity in simplification and cost reduction.

Q74 Graham Stringer: Will that be part of the recommendations?

Keith Williams: It is one of the things we are looking at as an area where you can establish cost savings. I mentioned compensation earlier. We do see opportunity in saving cost in the administration of compensation by having a standard throughout the network rather than having individual TOCs all doing their own thing.

Q75 Huw Merriman: I come back to the franchising point. You made it clear that the existing franchising model is finished. Could you talk us through the key points of the model that you would like to come in as a replacement as it relates to delivery of train services?

Keith Williams: Franchises have been there for a number of years and the network has grown through the franchise period. If I look at why we said back in February that the current system needed to change, a number of aspects stem from that. The first is that failures in the franchise system were envisaged when it was set up, but the number of failures happening was eroding public confidence in the network. The revenue assumptions were not where they were, and, ultimately, we needed to move to a system where that was recognised and the revenue risk sits where it is best taken.

A couple of advantages stem from that. The first is that it struck me that the length of the franchises was becoming suboptimal. A number of operators said to me, "We have a franchise; we have a set-up period; then we have a couple of years of what we call a level playing field; and then we are looking potentially to exit." That did not seem to me to be in the best interests of the franchise itself. I think there is an opportunity to look at longer lives. I think that is in the interests of not only the passenger but the industry. When I look at fares and ticketing, which has needed reform for quite some time—we can discuss that later—the best opportunity there is to do something with the revenue risk in the short term.

Q76 Huw Merriman: You have talked about revenue risk and franchises being longer. Are you looking more at the concession model on that basis where the train operator is not responsible for any risks or rewards; it is just paid to operate the service by TfL or a transport body? Is that what is likely to emerge?



Keith Williams: As I said, we are not looking for a one-size-fits-all solution, because we recognise that the network is different in different areas, but, as a base model, running something along the lines of a passenger service contract is certainly of interest as one of the options. You can have a base contract that rewards efficiency as a primary measure.

Q77 Huw Merriman: We have that at the moment. To a certain extent, GTR runs on a management contract basis, and you have TfL and other regional bodies, but, for example, do you think the Chiltern line, which has seen quite a lot of innovation, is likely to fall under a concession operation?

Keith Williams: TfL is one of the models we looked at. To my mind, TfL has brought in lots of innovation over its period. If you take a part of the network that works very efficiently today and there is an opportunity for somebody to introduce innovation, I do not see why you would not reward somebody for that innovation. However, it is a base model. What we are really interested in is something that works for the passenger as a contract for services.

I will give you an example on long distance. I went up to York a few weeks ago. If you consider LNER, that is looking at single-leg pricing and other innovation models—for example, how you sell to passengers upgrades to first class. If somebody can do that and bring in innovation, I do not think we should completely stifle that within the opportunity for rail.

Q78 Huw Merriman: If you have a private model, generally the risks and rewards go to the operators. If they make errors, they suffer the consequences, and we have seen examples of that with Stagecoach on the east coast. If you pay just on the basis of, “Deliver the service for us,” you are less likely to see innovation. You could also say you are more likely to see consequences because that operator does not own the risk.

Keith Williams: If I look at industries in which I have been involved, for example, airlines contract out a lot of services in favour of the airline and they work very efficiently. Not only do they work efficiently; it helps the airline in terms of punctuality and regularity. They are simple service contracts.

Q79 Huw Merriman: But the airline you have given as an example is a private airline contracting out. I am talking about a state body contracting out on this basis. That leads me to another point. For example, with TfL or responsible public bodies you have politicians making decisions on the basis of politics. If a decision was made not to increase fares for political purposes, that has consequences down the line in terms of future investment. Again, if you have a model involving private operators, putting up fares is not popular, but they are likely to do what is right in terms of the business model and therefore the



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customer. With the concession model that you are looking at, are we now open to political risk, whereas before we may have been open to other risks?

Keith Williams: I do not think that is the case. As long as the national body is carrying the revenue risk and, therefore, the fare risk, and it is clear what it has to operate and deliver to—that will be set in Government—that it has to balance its budget and has its own income and expenditure, obviously it will be incentivised to deliver to that performance.

Q80 **Huw Merriman:** What we are talking about is very similar to the southern network, which has entertained us or perhaps depressed us for a number of years. There have been particular challenges there, but it does not seem to have worked, yet we are talking about a model that could effectively replicate that across the country.

Keith Williams: I think that comes down to having that guiding mind in the middle with the right incentives to make the operations work for it.

Q81 **Chair:** In terms of the model, to some extent it sounds potentially a bit like TfL but at a national level. TfL has responsibility for its infrastructure and investment but also for ensuring delivery of service. Generally, it does that on a concession rather than franchise basis. Would that be fair?

Keith Williams: Yes. The reason I am hesitant is that one of the things about TfL is how far it extends out of London. One of the things we may discuss later is the role of devolution and local involvement.

Q82 **Chair:** TfL is primarily responsible for a commuter network of various sorts.

Keith Williams: It contracts out some of its London Overground as an example.

Q83 **Chair:** It does not contract out the Underground, for example; that is run in the public sector, whereas the Overground is run by a private sector organisation but without revenue risk, and is quite firmly managed, I would suggest, by TfL in making sure it meets its service standards.

Keith Williams: One important addition is that it is still run in the construct of a network. Although we might look at TfL, there are a lot of stations that, for instance, the East London line runs that cross a national network. I just want to emphasise that we still need to take account of the national network as well.

Q84 **Chair:** Is TfL in a way a model we can look at when trying to envisage what your new guiding mind looks like, or not?

Keith Williams: To some degree, yes.

Q85 **Ruth Cadbury:** We have covered structure and privatisation, but I want to cover the question I touched on earlier: the level of public subsidy. Net Government support to the rail industry has tripled since privatisation



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20 years ago, and that does not include loans to Network Rail. Some of that will be to do with greater use of rail and greater passenger numbers, but have you had a chance to look at the extent to which that massive subsidy is to do with inefficiencies in the structures and so on? I would be interested in your response.

Keith Williams: I said earlier that our primary duty is not to look at the balance sheet and income and expenditure, but one of the things I have been keen to look at is: are there things we can do to reduce the costs of the industry?

One thing that has struck me going through the review is the sheer amount of fragmentation. The amount of fragmentation increases the costs of rail, so there are opportunities to take out costs as we go along. Undoubtedly, there are opportunities to take out costs. When I first came to look at rail, ironically, rail income is about £11 billion a year. I ran a company, British Airways, which had income of over £11 billion a year. The amount of complexity in rail that did not exist in BA is enormous in terms of the fragmentation costs as a result of the way the industry has been reshaped over time, so I do think there is opportunity to take out cost.

Q86 Chair: To come back to the simplification of the way things happen, if you continue to have contracting out, inevitably when things go wrong there will be a disagreement about whose fault it is. Under the current system if a train is late—you mentioned schedule 4 and schedule 8—there is effectively a contractual disagreement. Was it Network Rail's fault or the fault of the private operator? If you are still having private operations contracted out, inevitably will there not be those contractual interfaces where there is an allocation of blame and, therefore, who has to stump up the cost?

Keith Williams: I am going to give you the classic example, which I discovered on schedules 4 and 8, where there is an opportunity for simplification. Somebody told me there was a legal case. A bird had been caught in the overhead wires, and there was a legal case involved as to whether that was the fault of Network Rail or the operator, in terms of the delay compensation.

Q87 Graham Stringer: It was the bird's fault, presumably.

Keith Williams: In an airline situation, with an airline that had lots of contracts for services, we did not get down to that level of argument on each individual thing that went wrong to allocate compensation; it was based around a contract. As long as somebody was operating to the contract, it was much simpler than I see in schedule 4 and schedule 8, which have been there since 1995 and are largely unchanged.

Q88 Chair: Let us just take that example a little further. In your new structure that you envisage, when a train is delayed as a result of a bird hitting the overhead wires, does nobody worry about whose fault that is?



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Keith Williams: I think you look at it in the context of the performance over time, on that network.

- Q89 **Ruth Cadbury:** Is there not an inordinate amount of cost in having that row about whose responsibility it is? That goes back to the complicated structure; an awful lot of people are being paid to sort out those rows rather than actually making sure the trains run on time and the issue with the bird—

Keith Williams: Yes, I would rather they were focused on the latter—on the trains running on time—than the other.

Michael Clark: Does not TfL Overground have a kind of, “Not my fault but it is my problem” type of mantra? It has tried contracting to do away with this fight over who is to blame and then who gets money moving around the system from one part to another. It would rather worry about getting it right and getting passengers back on track, and it bears the ultimate risk for that, which seems like quite an attractive model.

- Q90 **Chair:** So that is something you are incorporating into your model. In that instance, the passengers get compensated and the implications would be sorted out because, within the contract for providing the operations, it would be about your overall performance. As long as you are achieving the overall performance, you get paid your money. Is that how you envisage it happening?

Keith Williams: Yes. If you look at Heathrow today as an example, obviously the airport is responsible for the delivery at the airport. The airline tries to run on time within that, but, when there is delay, we do not constantly try to argue as to who is going to pay compensation to whom.

Chair: Okay, that is helpful. Grahame, I think we are coming over to you.

- Q91 **Grahame Morris:** I am conscious that there are some areas that we need to cover, so I am going to gallop through this. This links in with something you said earlier. You recognise there is a difference between commuter and intercity routes, and you said that you could not have a prescriptive, one-size-fits-all model. In the context of devolving decision making or influence across the regions of Britain, how would rail services be integrated at a national level, if there was some measure of local decision making about the best configuration to suit particular needs—for example, in the northern region?

Keith Williams: Obviously, you have Transport for the North in the north, and Northern Powerhouse Rail. At the moment, you have different constructs for Scotland, obviously. Effectively, it has some devolution today. Wales is different. But what we are really striving for here is to recognise that the role of local and international has changed outside rail, let alone in rail. More authority is given to localities than there has maybe been in the past, and we can see that that can work for the benefit of rail.



With Manchester, there are undoubtedly some decisions that Manchester or the north could take and bring to the table in terms of the best spend or the best way of running rail for that locality. We do not want to lose that in the review. We are very interested in options of partnership to make that work better for the railway as a whole, always within the construct that this is a network and needs to work as a network.

Q92 **Grahame Morris:** Would that be part of the remit of this guiding mind, to make the regions and countries of the United Kingdom aware of this flexibility?

Keith Williams: Yes, and certainly we think it should have duties in that respect. Of course, another aspect of this is that there has to be the competence to pass on that authority. If you are going to pass on the authority for rail, you need to be sure that it is passed on to somebody who is competent to do it.

Q93 **Grahame Morris:** I just have one more question, Chair. It follows on again from a comment you made to the Committee earlier. You talked about putting passengers at the heart of the railway. In fact, you said that you wanted to make the railway operate and work in the interests of passengers.

How does that square with their experience now, when fares have risen by 20% in real terms since 1995 and passenger satisfaction is at a 10-year low? We have heard that public subsidies dwarf private investment in the railways by a factor of 10 to one, and between them the train operating companies and the ROSCOs have taken out an estimated minimum £2.5 billion in dividends in the last five years. What does that mean in practice—that this new model, even with its flexibilities, will operate in the interests of passengers?

Keith Williams: As I say, that new model might not pass on all the risk and reward into the operating companies. It might take some of that itself, where it makes sense.

Q94 **Grahame Morris:** But is your selling point about fares, reliability and access, particularly for people with disabilities?

Keith Williams: I was going to go on to say that one of the things that matters here is what I call value for money. If you are not getting a service and you are paying a high fare for doing that, that is not value for money. People would be more accepting of fares if they saw a service that worked more than 65% of the time.

Q95 **Grahame Morris:** Mr Williams, you are doing a brilliant tightrope act here. I do not mean that in an offensive way—it is brilliant. You are saying that your model will fit whichever political direction that we are going to follow. But whatever you think of the rights and wrongs of public ownership, it seems self-evident that, if the private sector is taking out £1.25 billion a year from the industry, and that money could go to improve accessibility for disabled people and ensure that we have a more



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reliable and punctual railway, providing better value for money in terms of fare increases, it is an obvious route to go, is it not?

Keith Williams: Subject to a few things, really. What has happened to my mind within rail is that fares and ticketing have fallen behind where I think they could get to. Is that better done in the public or the private sector? People who can bring innovation into the industry ought to be rewarded for that.

The classic example for me would be Trainline; when people look at delay or whatever, they tend to go to Trainline. Doubtless, a lot of people think that it is actually part of the public network, but actually it is privately owned—it has just been IPO-ed. But it has been very successful in terms of how it has communicated with passengers. Equally, it is now looking into other areas, such as split ticketing, where it is bringing out the anomalies that passengers face in ensuring that they get the best fare. So the industry can move forward and make those improvements itself.

Q96 **Grahame Morris:** My colleague has some ideas about how we might be able to do that in terms of financial disincentives.

Keith Williams: To take split ticketing as an example, I travel up to the north occasionally, and the fare from London to Newcastle is £330. With a split ticket and the same journey time—three hours and 15 minutes—it is £176 cheaper. It is an anomaly in the system.

Grahame Morris: That is absolutely outrageous.

Q97 **Chair:** How will your reforms change that?

Keith Williams: The first thing is that, when you are living in a world of fragmented revenues, it is more difficult to change. There has to be a political will for that change. I read the various meetings of this Committee, and, in 2006, it was looking at fares and ticketing reform. It looked again in 2013 and again in 2016, from memory, at the issue of fares.

What has happened in the meantime is that the market has started to bring out efficiencies. With applications on phones, a number of companies out there now will inform passengers of the best ticket for that journey. So it is happening anyway, and it is incumbent on the rail industry to acknowledge that and move forward with it, in terms of fare simplification and tackling ticket anomalies. I think it will bring advantage. It will bring more public trust, which is in the interests of the passenger, and it could open up opportunities in pay-as-you-go, which I think is the future. There is a real opportunity there, but you need a guiding mind to establish that in practice. When TfL simplified its ticketing systems, it grew its revenues rather than shrinking them, so there is a real opportunity there.

Q98 **Chair:** Obviously, the RDG has put forward some ideas for fares reform in its recommendations. Do you think that it is right or wrong? Are you



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going to cover the same area but perhaps in different ways?

Keith Williams: I think there is a real opportunity, which the RDG has identified, which is to start to work at pace. I mentioned earlier that LNER is starting to look at single-leg pricing for some of its journeys north to south and south to north. We need to learn from the experience of that and build on it, and that is an opportunity in the early phases of the review.

Chair: Sorry, Graham, did you want to come in?

Q99 **Graham Stringer:** I have two final questions. Network Rail, in my view, has become more effective but less efficient. It is more effective at dealing with emergencies quickly, but its cost base is increasing. How would a controlling mind deal with those regulatory costs? Would it continue with the nonsense of fining public sector bodies and circulating taxpayers' money?

Keith Williams: One thing that struck me going into the review was the money-go-round that exists. We spoke about schedules 4 and 8. There seems to be a pot of money, and, because the revenues are not growing in the way that people anticipated, there are more arguments about how the share-out of that money is going to happen. We can simplify how the railway works, which will reduce the need for that.

Q100 **Graham Stringer:** But there still might be, because the railways are run by human beings, and sometimes they are better at their jobs than at other times. If they are not very good at their jobs and the basic costs go up, do we still have the same regulatory bodies for road and rail, or is the controlling mind going to deal with that regulation and improving that cost base?

Keith Williams: It goes back to something you raised earlier. There needs to be a strong regulator to ensure that, if you have a national body, it is held to account for delivery of what it says it is going to deliver. It goes back to your question about the SRA. I see a very strong regulation into ensuring delivery.

Q101 **Graham Stringer:** I have one last question. We have touched on regional bodies having more influence on investment. There is no doubt that Transport for the North would like more say over HS2 and the railway network and stations, many of which in the north of England are not accessible. How do you see that? While we talk about simplifying it and getting efficiencies out of simplification, if regional bodies in the midlands and the north get involved, it is complicating it. Can you explain your thinking on that?

Keith Williams: That is a really good point. I have spoken to all of them, and they do want more involvement. That varies between wanting partnership to wanting what I would call ownership. I believe they should have more input into working regionally, so they actually get what they



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want for their region. As I say, that is always in the construct that rail still needs to work as a network, so you need to take account of that.

What I do not know today is what the development will be of each of those regional bodies in terms of the ability to take ownership. I was looking at a Public Accounts Committee hearing a few weeks ago on the south-west. One of the representations there was that there was no ability today to take ownership. There might be in the future.

Q102 Graham Stringer: To take the issue of stations—not the very large ones like Piccadilly; I think there are about 260 stations in the area, but that might be wrong—there is no doubt that Transport for the North would like to take control of them, because they are not very good. Certainly, on disabled access and in other areas they are not very good. Who would take the decision about where the ownership or running of those stations lay?

Keith Williams: There are a number of factors there, and I can extend your example. Let us say that you are developing a new community, which wants to have a railway in its locality and is willing to put forward something towards paying for it. That ought to be something that they can represent in to develop for that locality.

Q103 Graham Stringer: But who would take the decision?

Michael Clark: We were thinking that a benefit of the new body is that it would be one interlocutor for the railway, which would make it easier for regions or local transport authorities to interact with the railway, whereas at the moment you have to go, potentially, depending on what it is, to Network Rail, the Department and a variety of operators. One thing we would like to simplify is that route into the railway and getting a decision and getting involved. That is one of the benefits that we hope would come from the new system.

We also hope that it could be quite scalable, to go back to Keith's point about capability. Transport for the North is quite an evolved example of a body; it already co-franchises, so it has quite a lot of experience. But in what is quite a mixed picture across England in terms of interest and ability, we need to find a scalable model and the strategic partnership that Keith was talking about, which we hope could work to differing degrees. It could go quicker, slower, deeper or shallower, depending on interest and capability, and be flexible to develop over time.

Keith Williams: Another point is that there is more opportunity to integrate modes that way as well. If you want to maximise modes within Manchester, for instance, that opportunity is better if you have local input into what is the best mode of transport for that area.

Q104 Chair: I have two follow-up questions on that. One is, if you have more regional devolution, which I can see is attractive to the regions because they have more influence on the services that meet the needs of regional users, how do you ensure that that does not lead to a diminution of



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service for national operators—whether it is freight, which often crosses multiple regions, or services, like the cross-country, which goes across multiple regions? How do you deal with that tension?

The other is, if you were Transport for the North or Midlands Connect, I would guess that you would actually like to have a pot of money so that you could make decisions about infrastructure as well as services, but there is a huge argument around who gets what and how that money is apportioned. How do you ensure that there is some sort of equity, and how far do you see that sort of devolution happening?

Keith Williams: We are sort of running ahead here, because we are looking in terms of what the review can do, and I think you are looking out further. The review direction of travel is exactly the way you described, but on every turn I have been keen to emphasise the role of the network over the role of the local or devolved community. One thing that has been made clear to us is that rail needs to operate as a network.

I want to specifically cover freight, because we have not done that so far. Ultimately, the role of freight is partly a political issue and about where this Government want to take freight. I am very conscious of the benefits that freight can bring. Each freight train takes out something like the equivalent of 80 trucks on the road, so we feel that freight has a role to play. One thing that we are keen to look at is how that national body has a certainty that it will handle freight; it should not subsume it to passenger. When I came to the review, I was thinking about passenger, but I definitely started to think passenger and freight, and I can see the benefits of freight. It is one of the changes that I have absorbed over the period of the review. We are definitely thinking that some part of that body needs to be dedicated to freight.

Q105 **Chair:** It sounds as if you are saying that, whatever role there is for the regions, the national body almost has to be supreme, because otherwise you lose control of the whole network benefits. Is that right?

Keith Williams: Yes, I looked at detail of the East London line, where you have both coming together, and you have to realise that it is about operating the construct of the national network.

Chair: I think we might want to explore a little further the question of compensation, because, Huw, it has been a particular interest of yours. Shall I hand over to you on that aspect?

Q106 **Huw Merriman:** Yes, perhaps I could just go for it in that regard. I think a lot of the members of the Select Committee have signed up to this proposal. At the moment, Network Rail compensates the train operators for the delays that occur, which is ultimately supposed to be for the passengers, but about two thirds of passengers do not claim for the delay. Therefore, the train operators could be said to be sitting on a pot. The proposed legislation that a number of us have signed up to was to see train operators have to ring-fence that pot and invest it in technology that allows passengers to tap on and tap off. As soon as they have left



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the delayed train after 15 or 30 minutes, they would receive compensation directly into their bank account, perhaps without even knowing that they have been delayed. Have you looked into that or similar models in terms of finding a better way of compensating long-suffering passengers for delays?

Keith Williams: That is a good question. Compensation has been of interest to me because, when we talk about trust in rail, one element is the question of whether someone gets compensation when things go badly wrong. If you look at it at the moment, it is another example of fragmentation, with different operators operating to different rules. That is the basis for customers not understanding what they are entitled to; there needs to be a much clearer guideline on what people are entitled to, and it should be the same throughout the network. It can then be operated more centrally, and, a bit like in the airline world, passengers can be informed on their rights to compensation.

On direct payment, the issue for me is more around it being relatively small sums of money, frequently, with probably more cost to get it into passengers' bank account. What I think we can do over time is to set something up that is national and therefore cheaper to operate in the cost of administering compensation.

Q107 **Huw Merriman:** How this would work is that you would not really need any administration. As soon as you have dealt with the infrastructure and investment so that you can tap on and tap off the train—and we know that technology already exists—it means that you do not need to do any form-filling and no one has to manage it because, automatically, you are compensated for the delay that has occurred. So it actually cuts costs.

Keith Williams: Yes, once you have a simplified system of fares and ticketing. The issue today is that potentially you have multiple tickets, which is open to fraud in terms of claims for compensation. One reason why I am interested in fares and ticketing is, if you get a much simpler system, it makes compensation much easier as well.

Q108 **Huw Merriman:** That was one of the pet projects, if you like. What are your general proposals on compensation? Obviously, I have touched on that one that I am particularly fond of. Again, I applaud the way in which you talk about fragmentation, the short-termism, lack of accountability and conflicting interests. Ironing that out will help, but are there any proposals that you can see your review putting forward into the White Paper?

Keith Williams: In terms of compensation?

Huw Merriman: Yes.

Keith Williams: Certainly. We think we can do something on compensation relatively quickly, which makes it much easier in terms of information and ability to claim, and ultimately the administration costs for it as well.



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Q109 **Huw Merriman:** South East and Southern have Delay Repay for 15 minutes. There may be others, but there are lots of other passengers that have to wait 30 minutes. Are you likely to lead towards that?

Keith Williams: We are looking at whether we can have a simplified system that works throughout the network.

Q110 **Chair:** It sounds like people would apply centrally for compensation rather than to the individual operator. Is that how you envisage it?

Keith Williams: Potentially, over the long term, that would be right. But certainly we can make steps towards that fairly quickly, I think.

Q111 **Huw Merriman:** How will passengers be represented in your new structure for the rail industry? We have talked about passenger access in terms of mobility and compensation, but how would the passenger generally be king or queen?

Keith Williams: There is a passenger champion. We have been looking at various options—whether we put that in the regulator or keep a separate passenger champion, to really focus on it. That is something we are just finalising at the moment as to the best answer.

Q112 **Huw Merriman:** We have looked before at this with the ORR and asked it whether it should be involved in some of the determinations in the contract, but it always says that it will be a matter for the Department, which I suppose is fair enough. Do you see that role being played by the independent arm's length body that we talked about, or do you think the regulator will have more teeth to work alongside that? How do you see those two bodies interacting?

Keith Williams: Yes, we see a role for regulation and potentially a role for a passenger champion as well, to make sure that some of the things we have been talking about actually happen in practice.

Michael Clark: To go back to one of the points we mentioned, if the body takes more of that risk and the claims come back to it, you would expect it to be incentivised also to be more in touch with the passenger than, say, the Department is now, isolated in the middle of Westminster. So it will be on the hook for quite a lot of that revenue and passenger satisfaction itself. We would envisage it having quite a lot of thrust to look after the passenger. It would be much more passenger-focused than some bits of the current railway. As Keith said, it is about having a discrete check on it from outside to make sure it really is living up to what it says it does, on the passenger front.

Q113 **Chair:** With the passenger champion, are you seeing that as a new function within an expanded ORR, or as a separate body, or is it a rethink of what Transport Focus does? How do you see that?

Keith Williams: Yes, we are still looking at the best way forward in that. The two names you mention are the ORR and Transport Focus, who are there today. What we do not want to do is keep on creating new things.



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Let us use what is there to best advantage. We are still thinking about how that should be formulated.

Q114 **Chair:** Thinking about the future and how we will know whether this is really happening, what is the one key change that you think the Government need to take forward to demonstrate that they have really understood the need for reform? What would you be looking for?

Keith Williams: Can I take short term, medium term and longer term?

Chair: Sure.

Keith Williams: Short term is very much about the things that you have raised and that we have talked about. There are things that we can do in 2020 and 2021 to actually make a difference.

Q115 **Chair:** If you are the passenger, what is going to look different?

Keith Williams: You should start to see improvements in communication. You should start to see improvements on compensation. You should start to see improvements in accessibility—at least a direction for and achievement on accessibility. You should also see a change of focus over time. One of the things we have not discussed is what I call the cultural change into a railway that is focused on passengers. If you look at the work that Network Rail, for instance, is doing at the minute, Andrew Haines is trying to reorient Network Rail into focus around passenger. There is a lot of work to do there to bring in cultural change to something that is focused on passengers rather than other things. That takes time, but you need to start somewhere.

You raise questions about a guiding mind, et cetera. There, you need a definite focus on creating a culture in terms of interest in passenger. You start to make all those changes before you get to legislation. Legislation will tackle the medium and long term, but I would really encourage us to look at what we can achieve in the short term, because there is nothing like momentum to bring about change and for people to see change.

Q116 **Chair:** Can I press you for a bit more detail? Obviously, there are some disabled people looking at this, hearing you say these words about improved accessibility, and thinking, “It is unlikely in the space of 2020 that the station that is currently impossible for me to access because it has stairs and no lift is going to change.” Give me an example of the things that might be better.

Keith Williams: Let me give you an example of that one. We have 2,500 stations today. Clearly, you cannot fix all the issues on 2,500 stations. The problem today is that we don’t know the issues on the 2,500 stations. What we do know, however, is that about 60% of passengers go through 85 stations. So there is something we can do there. We need to look at those 85 stations they may be using because they are the big stations, but what is the pattern of people coming through to those stations? If you are disabled, there is no point in having a main station if



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you cannot get from your originating point to that station. If we create a pathway to that, it gives people more confidence to undertake the journey in the first place. To me, that is a real example of getting to know what we need to fix.

The money is there. The issue about the money is that it is in several different pots today. What we need to do is to look at a plan and allocate the money to that plan. That is a tangible result that can be achieved relatively quickly absent legislation, but you need somebody to guide it.

Q117 Chair: Is that going to make any difference to the disabled person who wants to travel by train, or is it about them thinking, "At least I know my station is rubbish"? I don't understand how that is going to be better for them.

Keith Williams: There is money there to improve things at stations. That is not the issue. It is actually not a money problem today. It is over 2,500 stations, but there is improvement that we can make just by understanding the problem and allocating money to the key points.

Q118 Grahame Morris: Mr Williams has said we don't really understand the nature of the problem, but we know there are 2,500 stations and we know that only 11% of them are manned all of the time. We know that 45% of them are only manned for part of the time, which might only be two hours at peak times. So we know for the vast majority of stations, particularly in the north, there are no personnel; these stations are unmanned.

On the question of how we measure whether passengers see an improved service, particularly for one section, for disabled passengers, there is a quick win, is there not, in terms of designing this new model?

Keith Williams: What—

Q119 Grahame Morris: By addressing the fact that there are so few staff on stations, which is compounded by the train operating companies seeking to remove guards from trains, which is outrageous where most of the stations are unmanned and I find myself as a passenger with some disabilities helping more disabled passengers on and off the train.

Keith Williams: Look, I can sympathise with—I cannot comment on individual stations. I hope you understand that. I cannot comment on the issues at individual stations, but what I can do is—

Q120 Grahame Morris: It is the vast majority though. If you just look at the percentages, if only 11% are manned all the time, that means 89% are only manned part of the time or are completely unmanned.

Keith Williams: Forgive me, but the scope of the review is not to look at manning of stations. That is something that the body, once it is set up, ought to look at.



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Michael Clark: I think you are right. Staff have a very important role to play in improving customer service and accessibility, and how best to use those staff. Is different training needed? Do the TOCs need to provide something different? How best do we interact with what Network Rail is doing, who owns the station and who is responsible for doing what? All those things need to be looked at and properly addressed. It might not be necessarily that you would want someone manning a station if it is not in use that much. That might not be the best use of a skilled worker, but maybe you will look at response time on application so that someone can get there or how you have someone responsible for a certain area.

What Keith is talking about is a better way of planning that by way of allocating money that at the moment is fragmented around different parts. Everyone is using different standards; there is no information available about where it is working and where it is not working.

Q121 **Grahame Morris:** There is no consistency.

Michael Clark: There is no consistency.

Q122 **Chair:** So a national overview of what accessibility looks like and where you need to put your money to improve things.

Keith Williams: The money is there.

Q123 **Chair:** I am conscious of time ticking on and we will have to run off and vote in a short while. You have said a little bit about how it might look different for passengers. How might it look different for the workforce?

Keith Williams: We have not covered workforce. I have met each of the union leaders. One of them said something to me that really struck fairly early on. He said, "We are seen as the continuity in the industry. Because there are so many changes happening in the industry, therefore we are seen as the continuity." That resonated with me in the sense that you need to have a loyalty, and that is made more difficult where you have numerous changes of franchises. As one of them said to me, somebody might have four or five uniforms in their locker over time.

As I mentioned earlier, one of the opportunities that the review brings is to look at a longer-term contract for those services, which I think will work in the interests of the workforce.

We have been talking to the trade unions about a few things. One is about looking at the demographics of the workforce. That is changing over time. It needs to be planned through because there is a spike in the workforce of around 50-year-olds that we need to plan for. We need to plan for drivers within that, because there have been driver shortages over time. There needs to be much more holistic planning there.

The other thing is diversity. If you look at the workforce today, it is 87% male and 13% female. I know ASLEF, for instance, has been trying to do a lot about train drivers to change the dynamic, which is even worse for



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them. There are a lot of things you can do working with the trade unions and planning to bring what I would call the workforce for the future together.

At a high level, that needs leadership. One of the things there is to look at how leaders are trained and how they are brought along. You and I both attended a Women in Rail session where there were a lot of women looking for development, and there is an opportunity there as well. I think there are opportunities to bring along the workforce.

Q124 **Chair:** You have a huge agenda. We look forward to seeing this White Paper. It sounds like it is going to be before the end of the year.

Keith Williams: I certainly hope so.

Chair: All other things remaining equal, which obviously we don't know. Colleagues, do you have any further questions?

Huw Merriman: I have but I think time has defeated us.

Chair: I think probably time has defeated us, in which case thank you very much for giving evidence today.