Wiltshire Council

Environment Select Committee

16 January 2018

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Local Provision on Public Transport - Rail

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Purpose of Report

1.   To scrutinise the relationship between the Council and train operating companies; to ascertain whether the Council is working proactively with the rail industry to improve transport outcomes for Wiltshire residents and to assess the economic benefits of Wiltshire's railway stations.

Background

2.   The structure of the national railway in England, Wales and Scotland was set by the Railways Act 1993; subsequently amended. The current industry structure has the following components relevant to passenger services:

- The Secretary of State for Transport, acting through the Department for Transport (DfT) as director of policy, franchising authority and owner of Network Rail;
- Network Rail, the public body responsible for the rail infrastructure, network operation and allocation of track capacity;
- The Office of Rail and Road, the financial and safety regulator;
- Franchised passenger operators that operate within a service specification determined by the Department for Transport.
- Train leasing companies

3.   The Railways Act 1993 places upon Wiltshire Council neither responsibilities nor powers, but the possible need and ability to consider rail issues arises from other legislation, including the Transport Act 1985, the Transport Act 2000 (modified by the Local Transport Act 2008) and the Local Government Act 2000.

4.   The rail network serving Wiltshire has remained substantially unchanged since 1970. There were some reductions in capacity and flexibility in the 1980s, including reductions in the number of platforms available at Salisbury and Westbury. A snapshot taken around 2010 would have shown the following passenger services operating through the county (weekday trains per hour indicated, except as noted):

- Paddington-Swindon-Chippenham-Bristol (2)
- Paddington-Westbury-Exeter-Plymouth (irregular; about 10 per day)
- Waterloo-Salisbury (2), Yeovil (1.5) and Exeter (1)
- Cardiff-Bristol-Salisbury-Southampton-Portsmouth (1)

- Gloucester-Bristol-Westbury (1) and Weymouth (irregular; 7 per day)
- Salisbury-Southampton-Eastleigh (1)
- Swindon-Westbury (two per day)

5.   It is important to acknowledge that the above pattern of services arose from the natural development of service improvements initiated in the 1970s and 1980s. Population and route characteristics favoured the development of Paddington-Bristol as a high-speed inter-city railway. This provided a favourable outcome for Chippenham, but left smaller towns such as Corsham without a viable passenger train service that could facilitate a station reopening. In contrast, the Waterloo-Exeter and Cardiff-Portsmouth routes served a more dispersed population that did not justify inter-city service patterns, so smaller towns such as Bradford on Avon and Tisbury have benefitted from radical increases in train frequency as the economics favoured serving diverse local travel markets.

6.   Other routes did not have the critical market size to justify industry-led service development. Thus it is that the level of service between Westbury, Frome, Yeovil and Weymouth has remained almost static during decades of improvement on other routes. Swindon-Melksham-Westbury suffered a token service of two trains per day each way until December 2013 when a Wiltshire Council-promoted improvement commenced, generally known as TransWilts. This route now has nine trains each way on weekdays and a Sunday service including early morning.

7.   Although the operation of franchised passenger services is not entirely along commercial principles, the overall direction of rail passenger franchising strategy, set by the DfT, follows twin goals of capacity and reliability. For this reason, service development follows routes that are already experiencing demand growth. It has been left for other organisations to identify "gaps" in services where latent demand exists, and to promote new services to meet this demand.

Main Considerations for the Council

Relations with the rail industry

8.   Although there have been a number of reorganisations of the rail industry, including privatisation in the 1990s and several rounds of refranchising of passenger services, the current state of development of rail services through Wiltshire reflects some rather stable features:

- The top-level direction by the Department for Transport prioritises capacity and performance of existing services;
- The economics of rail transport tends to favour large passenger flows, leading to a focus on inter-city travel and commuting into major urban areas (even though the peaky, tidal flows of the latter are difficult to accommodate economically).
- The franchising structure provides little incentive for the rail industry to risk compromising existing flows in pursuit of growing new travel opportunities;
- The industry approach to demand forecasting includes "top-slicing" so that demand from smaller settlements is ignored, even when it is significant in aggregate;

- Franchise boundaries geographically constrain options for new through services;
- The geographical situation of Wiltshire puts it at risk from the demands of other authorities; in particular for reducing journey times between London and the South West.
- Meeting demand growth on existing routes has utilised nearly all the capacity available on a network designed for 1980s traffic levels, leaving little scope for innovative routes or new stations;
- Journeys involving connections are hindered by a lack of coordination between routes.

9. Thus rail passenger services through Wiltshire have reached almost the limit of what would be achievable by industry-led development under the conventional approach. There is some risk that further development of rail services following the same approach would have aspects detrimental to Wiltshire. Further increase to the benefits rail provides for Wiltshire involves overcoming the above obstacles.

10. The Council's formal policy in relation to rail was last expressed in the Local Transport Plan 2011-2026 (LTP3):

- Increase rail connectivity through the provision of bus-rail links and assist with the implementation of some new stations. Support the function of rail stations as transport hubs and proactively work with partners to introduce service and corridor improvements particularly between Chippenham, Salisbury and Trowbridge. Cover the administrative costs of community rail partnerships and where appropriate and necessary, safeguard and purchase land for rail improvements.

11. Circumstances have changed since the Local Transport Plan was formulated, and the Swindon and Wiltshire Local Enterprise Partnership is sponsoring development of a new Rail Strategy; work to be undertaken in 2018. In the interim, rail strategy is guided by the existing LTP3 policy, by the Wiltshire Core Strategy and by any local and national evidence that can be used to overcome the obstacles listed above. The general approach is through constructive discussion with the industry and with neighbouring authorities to argue for an alternative to the conventional approaches outlined above. This is backed by practical moves toward increasing Wiltshire's contribution to rail demand that reinforce the arguments used.

12. The successful council-sponsored improvement to the TransWilts service has provided some momentum for further improvements to be considered. Part of the land safeguarded at Melksham station has been utilised for a station car park and the whole site is subject to a joint master planning exercise in conjunction with Great Western Railway (the train operator), Network Rail and with the TransWilts Community Rail Partnership that secured funding for the work.

13. TransWilts CRP is one of two new Community Rail Partnerships relevant to Wiltshire that have been formed since LTP3 was written. It, along with the existing Heart of Wessex and Three Rivers CRPs have formal status recognised by the Department for Transport and train operators. The fourth partnership, Blackmore Vale CRP is of recent formation and includes Tisbury in its remit.

Originally focused on improving stations and marketing secondary services with volunteer support, CRPs are being used increasingly to promote service improvements for which they have a valuable role in bringing together train operators, Network Rail and local authorities.

14. Wiltshire Council still provides some financial support for the two CRPs existing at the time LTP3 was drafted and has officer representation on the partnership steering groups. However, representation and regular administrative funding has not been extended to the two newcomers. The partnerships, from their community roots, have diverse structures and operations and the Council has an outstanding task to reconcile its relations with CRPs to the Council's formal policy and governance.

15. All of the existing passenger rail services operating in Wiltshire cross boundaries into other local authority areas, so collaborative working is essential. Various groupings, formal and informal have been created to pursue train service development where there is not a CRP fulfilling the purpose.

16. Wiltshire chairs the Salisbury-Exeter consortium known as SELCA. This grouping was successful in overseeing the introduction of hourly services between Salisbury and Exeter, but has since suffered from a lack of strategic direction. It has been largely abandoned by the train operators, Network Rail and neighbouring transport authorities, being replaced in strategic function by an informal grouping with officer representation, known as the West of England Line Strategy Group.

17. The promoters of rail services around Bristol known as MetroWest (currently the West of England Combined Authority) have officer-level meetings with neighbours including Wiltshire to discuss cross-boundary services. Officer meetings have also started during 2017 covering the potential route between Bristol and Oxford. There is no budget attached to these groupings, which serve mainly to co-ordinate and share other budgeted work, such as the Corsham Station Feasibility Study.

18. The Department for Transport consults on the specification for new rail franchises. In addition to providing its own evidence-based response to these consultations, the Council endeavours to reach consensus with other bodies in the region as the DfT has given strong indication that it favours joined-up responses.

19. Most of the early exploratory work on new services occurs through informal groupings as described above. Station improvements and new stations are a local consideration and the Council engages directly with train operators and Network Rail at various levels. Joint schemes completed in recent years include improvements at Trowbridge, cycle parking at several stations and access improvements at Westbury (the latter being part-funded by the GWR Customer and Communities Improvement Fund). The Council also works directly with train operators when it has funding to pursue schemes beyond preliminary stages, as is happened with the commissioning of TransWilts and is happening currently with various infrastructure schemes as tabulated below.

20.   Where (as is increasingly the case) service improvements rely on major infrastructure schemes (whether new stations or line capacity) the rate of progress becomes dependent upon availability of funding to cover the cost of the business case development (through Strategic / Outline / Full stages) with ongoing uncertainty over whether or not funding for the full scheme would be available at the end of the process.

21.   There is intermittent Government funding for new stations that requires bidders to have a ready-made case. There is an expectation that a significant local contribution to the total cost would be required. In addition to this, the Department for Transport's policy is to require the promoters of new passenger services to provide revenue funding for the first three years of operation, after which the DfT will undertake an economic assessment before adopting the service as part of its franchising. As a local funder, the Council would be in the unfortunate position of having a single source of supply (the incumbent franchise). The position is different during refranchising, when the DfT may incorporate third-party schemes in the Invitation to Tender as "priced options". Although this was how the TransWilts service was to have been initiated, the outcome was achieved differently as the refranchising was abandoned and a direct award made to the incumbent operator, First.

22.   Delays in electrification of the Great Western Main Line have contributed to a DfT decision to postpone the GW refranchising so that the current franchise would be subject to a further direct award until 2022. While this may provide some short-term stability, the current franchise consultation is seeking views on the reshaping of the franchise, with a possible split into two separate franchises.

23.   Alongside this, the new South Western franchisee is tasked with reporting to the Secretary of State on options for optimising services that cross the franchise boundary into GW territory, including:

   •   Portsmouth-Cardiff
   •   Southampton-Swindon
   •   Weymouth-Bristol

24.   The cross-boundary report obligation seems to have been the DfT's response to service proposals from various stakeholders including Wiltshire Council supplied as input to the South Western refranchising consultation. Attempts are now being made to link this report to the work being undertaken on identifying capacity upgrades for the TransWilts route. However, the delayed electrification and other issues have exacerbated the difficulty of engaging with the rail industry and obtaining timely and specialist-backed information.

25.   The following table lists rail initiatives in which the Council is currently engaged.

Initiative	Partners / stakeholders	Notes
Swindon & Wiltshire Rail Strategy.	Swindon and Wiltshire Local Enterprise Partnership and Swindon Borough Council	For tender early 2018

Wilton Station (feasibility including demand forecasting)	GWR, SWR, Wilton Town Council, TransWilts CRP	Stage completion early 2018
Salisbury Interchange (feasibility)	SWR and Network Rail	Stage completion March 2018
Chippenham Station major scheme development	GWR and Network Rail	
Melksham Station master plan (options development for facilities, access and capacity improvement)	TransWilts Community Rail Partnership, GWR, Network Rail	Current phase for completion by end of March 2018. Funded by grant (CCIF).
TransWilts Infrastructure Capacity (including integrated timetable). Consultancy work to identify additional rail infrastructure required to permit additional TransWilts services and better connections or through services centred on Westbury.	GWR, SWR, Network Rail, Swindon Borough Council other authorities on routes affected; TransWilts, Three Rivers and Heart of Wessex Community Rail Partnerships.	Current phase for completion by end of March 2018.
South Western December 2018 timetable	SWR	Consultation closed December 2017
South Western service optimisation	SWR, GWR	SWR franchise commitment to produce a report on optimising cross-boundary services; related to the TransWilts capacity work and resulting from previous consultation inputs including those from Wiltshire Council and TransWilts CRP
West of England Line Strategy Group (Salisbury-Exeter)	Local authority and LEP officer group; train operators and Network Rail	Group without decision-making powers investigating options to allow improved services, with a particular emphasis on reducing journey times to the Exeter end of the route.
Community Rail	Heart of Wessex CRP Three Rivers CRP TransWilts CRP Blackmore Vale CRP	The Council provides funding, and officer representation on the steering groups of the first two partnerships only.

Great Western Franchise consultation (DfT)		Closing 21 February 2018
Community Rail consultation (DfT)		Closing 28 January 2018
Bristol-Oxford services	Oxfordshire CC, Swindon BC, Bristol Combined Authority	Officer meetings sharing progress on individual elements. Primary obstacle is track capacity as high-speed services have expanded since the previous Bristol-Oxford service around 2000. NR capacity study unpublished and NR awaiting funding for next stage.

Economic benefits of Wiltshire stations

26.   Annually, there are over 7 million rail passenger journeys starting or ending in Wiltshire, on a growth trend of around 200,000 additional journeys per year.

27.   Commuting comprises less than a third of these rail journeys, with business journeys, education, social and leisure travel all being significant.

28.   Wider Economic Benefits are now used as part of the justification for many major schemes. The calculations can account for specific types of benefit, but there is no convincing method of arriving at a single economic value for Wiltshire, particularly once second-order effects (such as quality of life affecting Wiltshire's attractiveness to key people) are considered.

Safeguarding Considerations

29.   Improving the availability of public transport, including rail passenger services, reduces the barriers to independent mobility.

30.   Using the railway can be difficult or intimidating for some people. When the opportunity has arisen (for example, in industry consultations), the Council has supported the retention of staffed ticket offices.

31.   Community Rail Partnerships provide an additional, albeit intermittent, human presence at stations that can reassure travellers. Some CRP groups have devised schemes to help vulnerable travellers.

Public Health Implications

32.   The principal public health influence is in considering how modal shift to rail can mitigate the effects of traffic congestion, particularly where there are air quality issues.

Environmental and Climate Change Considerations

33. Although transferring journeys from car to rail is generally beneficial in terms of energy and emissions saving, there are occasions when the environmental case for supporting rail developments is less straightforward. This is particularly so when long rail journeys may substitute for short journeys by other modes.

34. According to the Wiltshire Core Strategy, "Out-commuting may have some beneficial effect on the local economy through income earned outside the area being spent in Wiltshire, but this is far outweighed by the negative impacts on sustainability."

Equalities Impact of the Proposal

35. The interim strategy in use is aimed at widening the range of journey opportunities available, which would be expected to have a marginal benefit.

Risk Assessment

36. The risk of pursuing a proactive rail strategy arises primarily from the risk of schemes not being delivered (with a loss from the cost of development work).

37. The principal risk from adopting a passive position is that Wiltshire and its neighbouring shire counties suffer a worsening effects from industry practice that fails to give weight to the needs of areas beyond the major conurbations.

Financial Implications

38. There are no specific proposals within this report. Wiltshire does not have any current revenue funding obligations for rail services, DfT having adopted the TransWilts service in December 2016.

39. Funding a new station to the first stage of development (Strategic Outline Case) may cost in excess of £50,000. Outturn costs for completing a station vary widely, but £10million is not unlikely. Local Growth Funding is the main external funding stream available to the Council. Bids were prepared but not prioritised by the Swindon and Wiltshire LEP; one of the principal reasons being the delivery risk attached to rail schemes.

Legal Implications

40. Achieving rail enhancements involves a large amount of collaboration with other local authorities, LEPs, Community Rail Partnerships and other bodies. Achieving this collaboration smoothly has implications for the Council's governance and decision-making arrangements and its choice of representation on outside bodies.

Options Considered

41. N/A.

Conclusions

42. Wiltshire derives some advantages from its geographical location crossed by several railways between major cities, but this also constitutes a risk as other areas demand faster journeys and capacity for adding new services runs out.

43. In aggregate, Wiltshire's stations provide access to a market as large as a major conurbation the size of Bristol, and rail use reflects that. Efforts are ongoing to assert this position with the rail industry and the DfT. Supporting improvements to the TransWilts route, including a southerly extension to Salisbury and Southampton, is likely to be instrumental in ensuring that a larger part of Wiltshire's population has access to the key inter-city hubs at Swindon, Chippenham, Westbury and Salisbury and a wider range of attractive journey opportunities. The route may also facilitate stations at Wilton and Royal Wootton Bassett.

44. There are factors beyond Wiltshire's control, including a shortage of key industry resources, that limit progress on certain schemes such as Corsham Station. Working to obtain a regional consensus that carries weight with the DfT is one of the lower-visibility officer tasks that may benefit from wider political support.

Proposals

45. That:

    (i)   The Committee supports the content of the report.

    (ii)   The Committee endorses the interim strategy, while awaiting the outcome of the SWLEP-sponsored work.

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Background Papers

The following unpublished documents have been relied on in the preparation of this report:

> None

Appendices

> None

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