

The great British train wreck

Why Britain's rail industry is in crisis

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"Let the train take the strain," exhorted British Rail's famous slogan in the 1970s. More than forty years later we are being urged to do the opposite. The railway operators and the government are united in trying to persuade people not to use the railways, suggesting "only travel by train if you have no other alternative".

This campaign has been successful in cutting usage which, even after a slight recovery, stood at around 10 per cent of former levels by mid-June. But its success is now causing consternation within the industry. The concern is that the campaign to deter people temporarily from using trains will cause a permanent slump in passenger numbers and a crisis for the railways.

Michael Holden, a former boss of several train operating companies, told me: "I really worry about the long-term effects of telling people not to use the trains. It is the biggest piece of sabotage the industry has ever seen. I can't see how the industry can recover from this unless there is a rapid change of policy."

The railway network was the first major sector to receive government protection during the lockdown. The franchise contracts, through which the private companies operate, were suspended on 23 March and replaced by so called emergency measures agreements. Companies were no longer required to take the "revenue risk", meaning the revenue from fares now all goes to government, which in turn pays a management fee to the operators.

To keep the railways running, the government has been paying around an extra £700m a month in addition to the annual rail investment subsidy of approximately £4.5bn. Without this additional support, the railway system would have collapsed.

However, advocates of public ownership see this as the wrong sort of nationalisation because it has led to direct industry oversight by the Department for Transport, rather than control through a quasi-independent agency such as British Rail that would have a long-term strategy for the network's future.

With the rail companies effectively under state control, the industry has been left without a voice to defend its interests. Contrast this with aviation industry, which has been vocal in putting forward its position to the government, and is now operating with 100 per cent seat occupancy, with no social distancing.

The solution, according to rail managers, is a more relaxed approach to operating under pandemic conditions. This includes the greater use of sanitary and other precautionary methods, together with an end to the "don't use the trains" mantra, and a recognition of the fact that mass transit and social distancing are incompatible. The train companies have calculated that a one-metre rule would allow 40-45 per cent safe occupancy compared with the maximum of 15 per cent of two metres.

Yet, despite Boris Johnson ordering a review into this advice at the end of May, nothing has happened. One senior rail manager told me that "the government is hooked on the two-metre rule when other countries accept that such strict social distancing is impossible to achieve on a mass transit system".

In Europe, the approach has been far more measured and the railways are trying to return to normal. In France, restrictions on passenger numbers were abandoned in mid-June, opening up trains to 100 per cent occupancy. In Austria, one of the earliest countries to impose a national lockdown and close its borders, there is no attempt to enforce social distancing on public transport; instead the government has said that passengers use the system at their own risk, with face masks mandatory.

Even when the rules are relaxed in the UK, the railways still face an uphill task to return to their past glory; and there is no question of reviving the old franchise model of the private sector taking all the financial risk of the fare box. Rail passenger numbers have more than doubled in the past 20 years, but now the industry's most optimistic estimates suggest that at best the railways will return to 50-60 per cent of their pre-Covid passenger numbers in 2021.

There are several reasons for this. Many people who have been working from home will have learnt they do not have to be in the office five days a week, exacerbating the trend for falling numbers of season ticket sales that began in 2017. The rail companies are worried, too, that the numbers of long distance travellers, especially for leisure purposes, will fall as people use their cars for fear that rail journeys pose a risk. The collapse in oil prices, together with the failure of the government to increase fuel tax, means that train travel will become relatively more expensive.

Worse, the government will likely try recoup some of the subsidies required to keep the train industry afloat through increasing fares. This has already happened in London, where the bailout of Transport for London was contingent on high fares and cuts in concessions for young people and over 60s.

The biggest irony of the injunction not to use trains is that it will reverse the improvements to air quality made during the lockdown. So much for a green recovery from Covid. Congestion on the roads was already worsening before most shops, businesses and schools had reopened. As the lockdown is eased, there are fears that traffic levels may be higher than before the pandemic as people are too scared to use the railways.

Hopes among environmental groups that a more coherent approach to transport would emerge from the pandemic, with a greater emphasis on cycling, walking and public transport, were always unrealistic, given that £27bn had been earmarked for new roads in the Budget in March. While HS2, with a possible cost of £100bn, has been safeguarded, the money to keep the trains running in the medium term is at risk.

A year or two of empty trains will, no doubt, lead to questions from the Tory benches about the billions being spent on the industry, and suggestions that perhaps Richard Beeching did not go far enough.