

DfT's role in shaping the future of the railway

Good morning everyone.

I'm delighted to join you all today (19 June 2019).

This is quite an unusual engagement for me.

We permanent secretaries are shy folk who usually prefer to stay in the shadows.

Occasionally emerging blinking into the spotlight to be grilled by MPs and select committees.

Or as I do today, to offer a perspective from their department.

I'm afraid I won't be offering any predictions today about the strange drama that is British politics.

Except to say that whatever happens, I will continue to make the case for rail investment together with my team.

Including for the long-term certainty that is so important to the supply chain.

Like many of you I regularly read Rail Magazine.

While I am probably not as excited as some Rail Magazine aficionados by photos of trains, I know that it's essential reading in the industry.

And it's always interesting to catch up with Nigel's opinion pieces.

But much as I respect his views, I don't always agree with them.

Of course it's part of my job to take criticism about the Department for Transport on the chin.

I've done quite a bit of that.

But I hope that Nigel will forgive me for challenging some commentary which has questioned the abilities of colleagues in my department. Suggesting that they lack 'competences' and 'skills'.

Which couldn't be further from the truth. I am extremely proud of the commitment, professionalism and dedication of people who work for the department.

I count myself lucky to have such a fantastic team, focussed on achieving excellence across every aspect of the rail network. Many of the civil

servants in DfT have deep rail industry expertise. And I believe that many of you in the industry share this respect for my colleagues.

I've also been intrigued on one or two occasions, to see that Nigel has even ventured some insight on what I think about the Keith Williams review, and the role of my department.

So I thought this might be a good opportunity to speak for myself.

And maybe set the record straight about how we in DfT see our job in helping to guide and protect the future of the railway.

I also want to highlight the importance of collaboration between government and industry in rebuilding performance, trust and confidence in the rail industry.

But let me start by turning the clock back almost 4 years to the moment I became Director General for Rail at the DfT in 2015.

We were then, as often in rail, in a moment of crisis – in this case, dealing with the unravelling of Network Rail's electrification programme.

Two things struck me most forcibly about the railway at the time.

First, although I had worked in many hotly contested areas of government, I hadn't quite appreciated the strength of feeling I would encounter.

From people in the industry passionate about the railway.

From passengers who often seem to love and hate the railway in equal measure.

From businesses who rely on the railway.

From friends, family and random strangers at social events

And of course from politicians, MPs and local leaders for whom better rail services are critical to the people they serve.

So railway is never far from the political debate. And certainly not now.

Of course people should care about the railway, because of the crucial contribution it makes to our economy, to the lives of millions of people, to our environment, to the quality of our cities and communities, and to how well our nation is connected.

But it also means when things go wrong – as they have all too publicly over the past couple of years – that debate can become polarised, overshadowing all the good things that the industry has achieved.

Including the impressive fact that we have one of the most well used and safest rail networks in the world, despite also having some of the oldest infrastructure.

My first engagement as Director General for Rail was attending the opening of

New Street Station in Birmingham – a transformational project in my home city.

Last year saw London Bridge Station unveiled at last.

And tens of thousands of people now enjoy better trains and services – including on Thameslink, GWR, and LNER every day.

The culmination of years of investment and industry effort.

But even though these and many other achievements are rightly celebrated in the pages of Rail Magazine, the story in our national media is very different.

Here, only bad news can be relied upon to make the national headlines.

Sometimes justified, of course – passengers have every right to demand more reliable performance.

But sometimes stoking the narrative of an industry in turmoil.

The second thing that struck me was the extraordinarily long reach that the government and the Department for Transport has into the operational management of the railway.

In those early months as Director General, much of our focus was on issues which were rightly a matter for government attention.

Major strategic decisions about public investment in rail.

What our priorities for investment should be.

And how could we ensure that Network Rail was set up to deliver these priorities.

But if these were the type of questions you'd expect us to be considering, there were others which took me by surprise.

I was amazed to find myself presiding over discussions about what colour to paint the trains. Pages of analysis assessing whether to paint the IEP trains destined for GWR grey or green.

Decisions on detailed stopping patterns for particular services around the country.

And ministerial meetings debating whether rolling stock on certain routes should have flip-back tables or not.

Now the people working in the department's rail team care profoundly about the quality of rail services delivered for passengers and the public.

They do an excellent job in often very demanding circumstances operating within a system which requires many decisions, both great and small, to be made by ministers.

And as I have said, I am proud of what they do.

But I believed then, and I believe today, that when Whitehall is so deeply immersed in the minutiae of delivery, it stifles the innovation we would normally expect the private sector to provide, and disempowers the very people outside central government who are paid to do that same work.

While also undermining the accountability of the industry to passengers.

In what other sector would you find a service provider responding to customer criticism about the comfort of their seating by stating this was a requirement of central government?

This is at the heart of what needs to be addressed by the [Williams Review](#).

But please don't misinterpret this as a comment on public or private ownership within rail.

That's largely irrelevant to this discussion.

Whatever system we use to run the industry. Whether services are operated by franchises or the state, locally or nationally, I do not believe that it makes sense for civil servants in London to make detailed decisions regarding the specification of rail services across the country.

I've mentioned these examples to illustrate a wider point.

That in contrast to some of the speculation I read about my team at the DfT.

We are far from wedded to the status quo.

We recognise that the current system has serious flaws.

So if anyone is wondering whether there's an appetite for change within the department, to find better ways to make decisions, to reduce fragmentation and encourage better local delivery, I can tell you, the answer is a resounding 'yes'.

Far from being resistant to proposals to make the industry work better, we welcome them.

It's why the Secretary of State asked Keith to do this work, with my enthusiastic support.

Though it's also important to recognise that government commitment will be only a part of the solution.

Lasting reform can only be successful when there is genuine and extensive engagement with the people most affected.

Including passengers, freight users, rail employees, and those in the industry who make decisions.

So I am hugely supportive of the way in which Keith Williams has gone about

his work.

Of course, it would be wrong for me to pre-empt or second guess Keith's recommendations – or the subsequent decisions that the Secretary of State and ministers, current and future, will take.

I'll leave the speculation to newspapers.

But I do have views on the necessary conditions that should be in place if any industry restructure is to prove enduring and successful – including any reform to the department itself.

First, however the railway is reorganised, the government and ministers of the day must continue to be responsible for key strategic decisions.

This must include how much public investment can be afforded.

How trade-offs are to be made between investment options.

And how the legislative and regulatory framework should evolve to serve the best interests of passengers, freight, the wider economy and the public.

There are clearly important choices to be made here.

About where to draw the line in defining which decisions should be taken by ministers, and which should be delegated to others.

Including regional and local government leaders, the rail industry, independent public bodies, and regulators.

But ultimately, the government will continue to play a critical role in the railway.

And so my department must play a key role too – but in partnership with those who are entrusted to run the network.

Second, accountability and responsibilities must be clear, and easily understood by everyone across the system.

[Stephen Glaister's excellent dissection of the May 2018 rail timetable chaos](#) demonstrated what happens when there's a lack of clarity about who owns system-wide risks.

On the other hand, while I've learned there are lots of different opinions on why the Strategic Rail Authority failed, a common theme is that it overstepped its authority.

What's obvious is that this time, we have to get it right.

Clarity of accountability. Which is fully transparent to users and funders of the railway.

And preferably to the wider public too.

So passengers need to know who is in charge and how they can seek redress.

Combined with political accountability where it is needed. But not political micromanagement.

But of course, if the DfT steps back, the rail industry must be ready to step forward and deliver the quality of service the public expects and deserves, along with value for money, a continuous commitment to innovate for the customer and a willingness to demonstrate its responsibilities to communities and wider society.

And to own the tough decisions that all of this entails.

Third, however we structure the railway, fragmentation and interfaces will remain, so we need strong incentives to promote collaboration in the interests of users.

Fourth, Any plan for reform must be credible and realistic.

And must take with it the people on whose hard work the future of the railway depends.

And fifth, as this will take time, and patience is already running out, we must find ways to improve the railway in the meantime – as Andrew Haines is doing at Network Rail, by moving decision-making to the regional level, by boosting partnerships between local communities and stakeholders, train companies and infrastructure managers and by strengthening timetable planning, which is so central to the railway delivering on its promises to customers.

There is of course a risk, of which I know Keith is acutely aware, that his review focusses on structural changes which fascinate many in the industry, but are a huge turn-off for passengers and the public.

So it's vital that whatever emerges puts passengers, and rebuilding public trust in the railway, front and centre.

And I hope too that he can take a fresh look at some of the outdated systems and practices which have acted as a barrier to progress in the past.

We need to see more rapid technology-led change on basics like smart ticketing.

And some deeply ingrained aspects of railway culture that are holding it back.

For me, one of the biggest challenges is to transform the way the railway approaches recruitment and progression, to get people from every background joining the industry, and thriving in a variety of roles, from junior positions to the boardroom, so the railway workforce starts to reflect its customer base and the diversity of the communities it serves.

I really hope Keith Williams will propose recommendations in this area too.

Like collecting better data on women and other underrepresented groups in the industry.

Benchmarking the sector against the best of the rest.

Reaching out to a new generation.

Modernising working practices.

And tackling the pay gap.

And I hope the industry will step forward and show a determination to act.

I recently heard a respected commentator not a million miles from this stage ask when the government would give control back to 'the railwaymen'.

A small slip, but a telling one.

I expected to find myself addressing an overwhelmingly male audience today. And guess what – I am.

Too many women, too often in this industry, will find themselves the only female in a meeting or a room or a team.

And whilst some will relish that challenge, we shouldn't be surprised if others decide to make a career elsewhere.

If the rail industry is to attract the talent it needs to drive the modernisation that the public wants to see, this must change.

There is, of course, some great work going on this front.

Improving diversity is at the heart of the Rail Sector Deal.

I know the [RDG](#) and many of the businesses and organisations represented here have great programmes.

It was good to see Aslef calling for more diversity among train drivers on Monday.

But I'd love to hear every industry leader championing diversity with the same energy and passion which they invest in debating the Williams Review.

And with a firm commitment to ensure rail's workforce and management reflects the customers and communities it serves.

And that includes the DfT.

While I'm pleased we've made progress, Rail Group still has fewer senior women than any other part of my department.

So we must do our bit too.

Before I finish, let me say that I don't think any of the points I've made

today are particularly controversial or radical.

I'm confident they are well understood by Keith and his expert panel.

Identifying a solution that the government, industry, employees and public can rally around will be harder.

Implementing it, harder still.

So I don't underestimate for one moment the challenges ahead for ministers, my department or the industry.

But I believe that if we can take the review forward in a spirit of collaboration, not treat it as a power struggle.

We have a chance to make a real change for the better.

Change that will not only benefit passengers, freight users and the industry.

But the supply chain too.

Allowing it to seize the opportunities that will flow from a stable and flourishing rail sector.

We've seen scores of rail reviews over the years.

Many of which have left only a modest imprint on the industry.

So I hope that this time we can bring about change for the better.

And deliver the performance, investment, confidence and trust in the railway we all want to see.

Thank you.