Catching the train bug

Christian Wolmar on the rising popularity of rail travel in Britain

There is a paradox in the British attitude towards the railways. On the one hand, trains are the great Aunt Sally, a repository of complaints ranging from ageing carriages to overcrowding. Indeed, no boss would question an employee who gives train delay as an excuse for turning up late.

On the other, people just keep flocking on to the lines. Despite ticket prices going up by one per cent above inflation annually for the past decade according to a government formula, the numbers travelling by train have almost doubled in that time and the increase shows no sign of abating, with a near five per cent rise during 2012 despite the economic gloom.

This sustained growth is, in fact, bucking a long-term trend that goes back to the early days of rail travel. Railway usage used to only grow in the good times, falling back during recessions. Now, it seems, nothing can stop the onward rush.

The privatized train operators like to claim credit for this, but have done little to influence demand beyond marketing cheap advance fares. Instead, the rise is due to several long-term factors that have encouraged people on to the trains and, in some cases, out of their cars. Some are obvious such as the ability of London, where 70 per cent of rail journeys start or end, to maintain employment levels ensuring the commuter lines remain full.

Others are less obvious. For example, changes in the planning laws encouraged the development of brownfield sites which tend to be near railway stations. Similarly, as *On the Move*, a report commissioned by the RAC Foundation, shows, the reduction in allowances for running a company car has made rail a more attractive alternative. This type of passenger has also been keen to take advantage of their rail journey by working on their laptop, making use of free or cheap wi-fi.

Youngsters too like the train. There is a push as well as a pull factor: the soaring cost of car insurance has led to a drop in teenagers taking the driving test which means many have little alternative to rail, while the Young Person's Railcard cuts a third off the ticket price.

As the RAC Foundation's report highlights, any analysis of the shift in transport modes has to be broken down to smaller groups, classified by age, income, location, job and so on. In some areas, notably London, car usage has peaked. Indeed, in the capital private car usage has been declining since 1998. In other areas,

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London's King's Cross station is handling more passengers despite higher fares there is still some growth, particularly in rural areas ill-served by public transport. Nevertheless, the overall effect has been an unprecedented rise in rail use.

However, not all is rosy. While these explain some of the growth, much is unaccounted for and railway managers fear it could end abruptly. That would throw the railway's economics into chaos since investment plans, as ministers and rail managers emphasize with great frequency, are the biggest since Victorian times, and any slowing down could put them in doubt.

Indeed, while these are good times for the railways, there is an underlying problem which is the very high cost of operating them. Concern in the Department for Transport about the level of costs led to the commissioning of a report by the former head of Short Brothers, Sir Roy McNulty, into the economics of the industry. He found that despite the steady and continued growth, the unit cost of running the railway has barely changed during this period, suggesting a pattern of underlying rising costs. Moreover, since the break-up of British Rail and privatization, the subsidy to the industry has more than doubled, despite the huge rise in passenger numbers which should have offset the expense of providing extra trains. McNulty suggested that this was because the industry is structurally inefficient and argued that savings of 30 per cent could be made by the end of the decade. Many rail insiders are sceptical that such drastic reductions are possible, arguing that much of the extra cost of the railway has been invested in order to cater for the extra passengers and future growth.

Network Rail announced in January what would be its biggest improvement programme ever, seeking to spend £37 billion over five years from April 2014. That is predicated on continued growth and maintaining the same level of above-inflation fares increases, as well as making considerable savings in line with the McNulty report. In other words, delivering increased services and better reliability at a lower cost, a happy confluence that may not be achievable in reality. And if that investment is not forthcoming, there will be plenty of passengers in overcrowded trains who will be complaining even more vociferously than usual.

Christian Wolmar's book on rail privatization, 'On the Wrong Line', has just become available as an e-book