

THOMAS ABLEMAN



What's the outcome for public transport?

Theresa May's gamble has backfired spectacularly, but what are the implications of the 2017 general election for public transport?

Remember the name Victoria Borwick. The final result of the election may well be one of the most significant. The Tories' least business-friendly campaign in living memory has backfired catastrophically.

The UKIP vote, it turned out, wasn't naturally Tory. Many traditional Labour voters had switched to UKIP as a party of protest; their big issue not Brexit, but living standards. Under Ed Miliband and Gordon Brown, the Labour party had seemed a less effective repository for their cry of pain than Nigel Farage's insurgency. Now Labour is, in effect, an insurgency itself; they have gone back.

Meanwhile, rich Remainers in London did have somewhere else to go: Britain's richest borough, Kensington, voted for Jeremy Corbyn's Labour party, unseating the sitting Tory MP, Ms Borwick. The fact this is even possible is going to have dramatic consequences for policy in the next parliament.

To get their majority back, the Tories will need to win not just in Kensington but Enfield, Ealing and Croydon. Just to stay where they are (which is hardly good), they have a whole series of unexpected new marginals to defend. Who would have thought that IDS in Chingford and Theresa Villiers in Barnet would now be defending marginal seats? Hendon, Finchley Harrow East, Watford and Putney are further new marginals on the next Labour hit-list, with Sutton and Richmond vulnerable to the Lib Dems. The dismissive approach the government has taken to Sadiq

Kahn's requests for rail devolution looks certain to be rethought, as the Tories try to demonstrate their support for London.

This is a good week for Transport for London. Crossrail 2's path for funding will be eased on the widespread assumption that a backroom deal has been done with the DUP, promising big infrastructure funding in Northern Ireland. Any sign that London

"Don't entirely rule out the Tories simply co-opting the rail renationalisation policy"



Don't rule out Jeremy Corbyn's Labour as the next government

projects are being deferred to find funds to prop-up the Tories' new partners will be fatal. Even Boris now has a majority of just 5,000 in Uxbridge (almost half Victoria Borwick's at the beginning of last week) and is vulnerable to another Labour surge.

It's a good time to be a Midlander, too. Despite Birmingham boy Nick Timothy's departure from Downing Street, the government will be hoping to use newly elected mayor Andy Street's popularity to generate an electoral dividend in Midlands marginals. To get an effective majority, the Tories will need to win seats like Dudley North, Wolverhampton South West and Birmingham Edgbaston, while defending Walsall North and Telford. Expect mayor Andy to get almost anything he asks for.

By contrast, the Northern Powerhouse will suffer. The strategy of winning seats from Labour in the post-industrial north failed miserably, and Tory focus will turn elsewhere. Despite being a manifesto promise of both parties, HS2 looks vulnerable. Detested by a lot of Tory MPs, ditching HS2 could be a way of shoring up Commons support on issues considered more vital by the leadership. Its old advocate, George Osborne, is persona non grata, and winning support in Leeds, Manchester and Sheffield is no longer the priority it was. As a minimum, expect less priority to the north of Birmingham.

The government will also be aware that Jeremy Corbyn's promise to renationalise the railways was one of his most popular. It also had the advantage of appearing to cost very little, as franchises can simply be reabsorbed piecemeal, as they expire. You can expect that policy to star in the next Labour manifesto, and to watch the Tories working hard to neutralise its potency in the meantime. Now will be a good time for the rail industry to seek 'quick wins'. If, in three years' time, things don't feel 'better', don't entirely rule out the Tories simply co-opting the policy. It's just two years since an energy price cap was "Marxist"; now it's government policy.

This is also the time for the rail industry to start to think about how it can accommodate "renationalisation". One of Corbyn's closest allies, Ken Livingstone, was the mayor of London that created the Overground; under private contract. Arguably, the only differences between the "privatised" TSGN and the

“nationalised” Overground are branding, on the one hand, and TfL’s superior purchasing competence on the other. With a weak Tory government struggling vote-by-vote through the Commons, don’t rule out Jeremy Corbyn’s Labour as the next government and don’t assume that nationalisation means nationalisation (to coin a phrase).

Either way, we’re certain to see a general spending squeeze in transport. Even John Redwood has acknowledged that public concerns about austerity fuelled Labour gains. The government will feel pressure to find new cash for the NHS, housing and social care. And with London, Birmingham (and, of course, Northern Ireland) prioritised for projects, transport elsewhere will continue to feel the squeeze.

Government is likely to prioritise bringing new, and long-term, sources of capital into the industry. After a period of neglect under Theresa May, London’s flourishing start-up sector is likely to receive more support. According to startupgenome.com, Britain now has the third best start-up ecosystem in the world (after Silicon Valley and New York). Businesses like the one I now lead can raise millions in venture capital markets to launch innovative new products. In a cash-constrained public policy environment, start-ups will be a much-needed source of new ideas, innovation - and funding streams. The policy stream to bring long term infrastructure finance into rail being piloted on East-West is likely to be given renewed energy as the Department for Transport attempts to square the circle of less cash and higher expectations.

Then, of course, there is Brexit. With the mandate for a ‘hard Brexit’ so thoroughly rejected, that process is now highly uncertain. What other fundamental principles of our government are also up in the air? Now is the time for the entire UK transport sector to come together and lobby for the things we need and for the things we know work. Some align with the wider economy; some are more transport specific.

Like everyone, we must argue passionately the case for Britain to remain an open and connected economy; soliciting investment from anyone that sees an opportunity here and being willing to repay their faith with innovation and profit. The openness of our UK transport economy allows foreign



Expect West Midlands mayor Andy Street to get almost anything he asks for

governments to invest millions in creating new jobs and connectivity options. Often it has been new entrant foreign entities that have invested in innovative products in both the rail and local urban transport sectors that might otherwise never have emerged. This is a win-win-win for customers, incumbents and the new entrant. I was commercial director at DB-owned Chiltern Railways, when we built the line from Oxford Parkway to London; the first new rail link to London from any major British city for 100 years. I have no way of knowing for certain, but I strongly suspect that no British PLC would have been willing to stand behind the risk in building that line. Now it is open and generating new demand for the (British-owned) shopping centre at Bicester Village; largely from Chinese visitors. The global economy is increasingly interconnected and we step out at our peril.

Like everyone, we need much greater government focus on ‘lifelong learning’. Debates about tuition fees and school cuts have obscured the learning ‘cliff edge’ that exists. The government takes total responsibility for the first two decades of our learning lives, but then drops us like a stone. Transport has an ageing workforce and faces a hurricane of automation. Industrial relations will be easier and innovation smoother if lifelong learning becomes a core staple of government policy. Most people want new

skills; few have the chance to get them.

More specifically, we must use the opportunity of new mayors and a DfT needing non-legislative solutions to make the case for collaboration and partnership in bus priority and behavioural change. Our industry will deliver more, and cost less, if there are more bus lanes at a local level and if the Highways Agency becomes a policy tool, instead of just an infrastructure provider. Network Rail knows it is there to serve public transport providers; the Highways Agency needs a refocused mission at a national level.

For most, this is the most uncertain and volatile political period we’ve ever experienced. Perhaps most leaders in our (privatised) sector saw a Labour government as the greater risk and may be tempted to relax. But, of course, volatility creates opportunity. With all the balls in the air, the opportunity now exists to remake policy around a public transport agenda. But the reverse could just as easily happen. We will only be rewarded with an attractive long-term environment for public transport, if we actively work towards it now. ■

ABOUT THE AUTHOR

Thomas Ableman is the founder and CEO of Sn-ap Travel Technology. He was previously Commercial Director at Chiltern Railways.