Part 1 – The Capacity Challenge

Until there is a vaccine, the route out of lockdown will be based on minimising the risks of COVID-19. With social distancing in place, the balance of passenger demand and safe available capacity is going to be exceptionally tight.

A — Based on the Prime Minister's plan, we can forecast how quickly passengers will return to travel

Boris Johnson has announced a phased easing of lockdown measures in the UK.
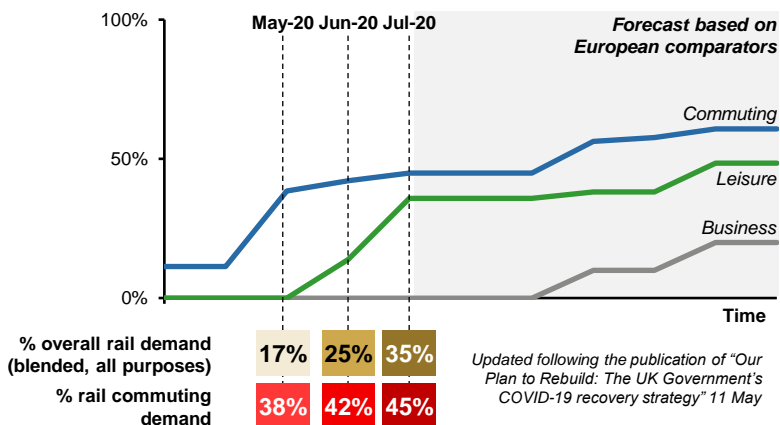
We've translated this into a profile for the ramp-up in demand for rail, based on an analysis of individual reasons for travel at a national level.

On this basis, and without assuming any change of mode, we estimate:

38% of commuters (those unable to work from home) return to the network from May

35% of overall rail demand to return by July *(assuming hospitality begins to reopen)*

Post-lockdown acceleration in demand for rail travel *(% of pre-COVID levels)*

Forecast based on European comparators

Commuting
Leisure
Business

	May-20	Jun-20	Jul-20
% overall rail demand (blended, all purposes)	17%	25%	35%
% rail commuting demand	38%	42%	45%

Updated following the publication of "Our Plan to Rebuild: The UK Government's COVID-19 recovery strategy" 11 May

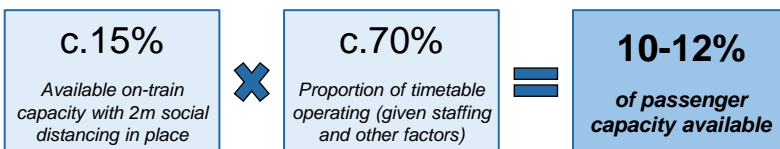### B — Under social distancing, train capacity will be severely limited

Customers expect protective measures to be in place:

83% *"Hand sanitiser should be available on public transport, on vehicles, at stations, and at stops."*

62% *"I won't use public transport unless social distancing is in place."*

[Transport Focus research, 1-3 May 2020]

Given social distancing and staffing constraints, only a fraction of capacity will be available:

c.15% *Available on-train capacity with 2m social distancing in place*

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c.70% *Proportion of timetable operating (given staffing and other factors)*

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10-12% *of passenger capacity available*

"Even with public transport reverting to full service - there would only be effective capacity for one in ten passengers on many parts of the network."

Grant Shapps MP, Secretary of State for Transport, 9 May 2020

C — Without further mitigation, available capacity will quickly be overwhelmed
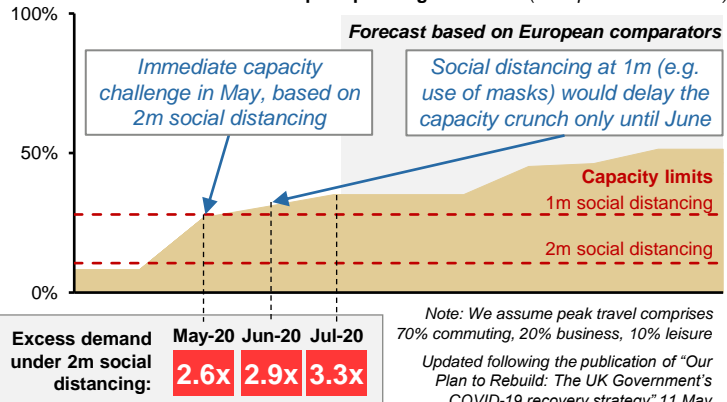
Focusing on journeys made in peak periods, we illustrate that passenger demand will immediately outstrip supply.

Even if the '2 metre rule' was relaxed, the rail network would face a severe and ongoing capacity constraint.

Uptake of alternative modes will be crucial, and the situation will require precise management and daily monitoring.

2.6x excess peak demand in May with 2m social distancing

Post-lockdown return of national peak passenger demand *(% of pre-COVID levels)*

Forecast based on European comparators

Immediate capacity challenge in May, based on 2m social distancing

Social distancing at 1m (e.g. use of masks) would delay the capacity crunch only until June

Capacity limits
1m social distancing
2m social distancing

Excess demand under 2m social distancing:	May-20	Jun-20	Jul-20
	2.6x	2.9x	3.3x

Note: We assume peak travel comprises 70% commuting, 20% business, 10% leisure

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How train operators can respond:

Active, daily measures to manage demand

Clear messaging at industry and local level to manage the number of people seeking to travel by rail – backed up by firm measures to **control the volume of customers** travelling to stations

Robust, multi-layered plans to ensure safety

All areas of **operations must be on crisis footing**, with contingency plans in place to keep customers safe and prepare for the unknown (e.g. material excess demand, service disruption, staff unavailability)

Incremental gains to maximise capacity

As more and more elements of society return, so the capacity challenge will intensify. There should be a **sustained and forensic focus** on maximising capacity in the train plan and the highest possible service performance.

Part 2 – The Strategic Challenge

TOC Managing Directors must consider how they will temporarily re-shape their organisations to deliver an ongoing crisis response – ensuring that clear, quality insight is available to support critical decisions on a daily basis over the coming months.

D **Managing the crisis over the next 12-18 months calls for a shift in how rail businesses operate**

1 Introduce a crisis-management approach, ready to act rapidly as the situation evolves

Rapid decision-making

Given the fast-changing environment, leadership must be prepared to make decisions quickly and definitively

Data and insight-led

Data and insight must be clear, highly visible and accessible – and underpin all decision-making

Central co-ordination

Complex interdependencies across functions can only be managed efficiently by a central team, responsible for co-ordinating the business' response.

Confront uncertainty

Uncertainty will remain for the foreseeable future – assumptions need to be made to avoid delaying action
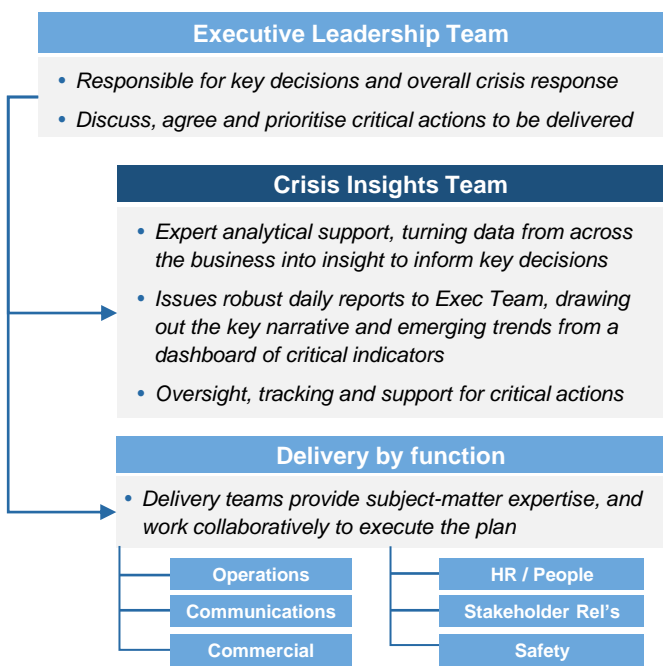
Collaborative approach

Relationships across functions need to be open and communicative, with clear common objectives set out

Transparency of communication

Communication both within and outside the organisation needs to be regular, clear and consistent

2 Structure the organisation to make quick decisions, based on daily insights

Executive Leadership Team

- *Responsible for key decisions and overall crisis response*
- *Discuss, agree and prioritise critical actions to be delivered*

Crisis Insights Team

- *Expert analytical support, turning data from across the business into insight to inform key decisions*
- *Issues robust daily reports to Exec Team, drawing out the key narrative and emerging trends from a dashboard of critical indicators*
- *Oversight, tracking and support for critical actions*

Delivery by function

- *Delivery teams provide subject-matter expertise, and work collaboratively to execute the plan*

Operations	HR / People
Communications	Stakeholder Rel's
Commercial	Safety

3 Lead an integrated crisis response across operations, commercial and communications

Operational resilience

Monitor the capacity challenge and make interventions to manage the balance

Actively identify and communicate pinch-points and short-notice changes

Demand management

Customer communication

Deliver clear and consistent messaging on whether / how / when it is safe to travel

Key issues for operators to address :

- How do we determine **which customers can travel by rail**? How can we make it easy for others to choose alternative modes?
- Which indicators can we use to monitor **customer safety**, and how do we rapidly suppress demand if capacity is overwhelmed?
- How can TOCs **deliver clear messages** to their customers without contradicting government or rail industry comms?
- How will we escalate our comms and demand management approaches to keep customers **safe during disruption**?
- Once the crisis has stabilised, how do we gauge when to begin **encouraging travel** – and how do we do this responsibly?

Teneo can help:

- **Analytical firepower –** our team delivers strategic insight to support decision-making, underpinned by our expert understanding of the demand implications of the crisis on UK Rail
- **Experts in crisis response –** we understand first-hand how to drive rapid progress in a crisis environment, having formed a central part of the industry's response to the May 2018 timetable crisis
- **Government and communications expertise** – we receive regular political and economic guidance from our in-house government relations experts, and our unique network of Senior Advisors provides insight from politics, trade and global business

Call our senior team:

Chris Hinde
Director - UK Rail
+44 (0) 7746 849074
Chris.Hinde@teneo.com

Matt Lovering
Global Head of Transport
+44 (0) 7977 931157
Matt.Lovering@teneo.com