

Changing Stations

Bob Hill

Britain's railways are undergoing the greatest organizational upheaval in their 170-year history. The state-owned industry, which was nationalized in 1948, is being broken up into over 80 different companies which are either being sold, or the right to provide a service franchised, to the private sector. Some understanding of the new conditions is necessary to appreciate the impact it will have on the way stations are managed and developed.

Through the process of privatization, a command structure is being replaced with one governed by contract; in part, this is the Conservative government's chosen way of implementing the European Commission directive to separate operations and infrastructure. The infrastructure — track, stations, depots and signalling — has been vested in Railtrack. Locomotives and rolling stock have been split between three Rolling Stock Leasing Companies, which will lease trains to 25 Train Operating Units, or Companies once the formal vesting procedure is complete.

The services operated by Train Operating Companies (TOCs) are being franchised to the applicant requiring the smallest subsidy to provide the minimum service level specified by the Franchise Director. With each franchise goes leases from Railtrack for use of the stations serving and served by the TOCs. Where a station is served by several TOCs, the lead TOC — whichever TOC has the most passenger vehicle units serving the station — is the station operator; a Station Access Agreement details the contractual arrangements between the TOCs in such circumstances.

In addition to the 2,479 stations for which individual leases have been drawn up, there are 14 major stations which will remain outside the control

of any TOC. These 14 stations have been treated differently because they are the largest in Britain and it is felt that their development potential could not be adequately exploited by a TOC. This is because the TOC franchises — expected to be for 7 years — will not be of sufficient duration to carry out a major redevelopment, nor would they have the necessary property expertise nor access to capital. The 14 major stations will therefore be managed by Railtrack.

Most of the major stations are served by several TOCs, which will each have an access agreement with Railtrack.

This simplified account of the privatized structure, which ignores new

companies that have no bearing on stations, gives some idea of the magnitude of the change sweeping through Britain's railways. It will take the better part of a decade before judgement can be passed on how the separation of operations and infrastructure will affect station development. However, it is recognized that there is a symbiosis between Railtrack and the TOCs; that both contribute to the passenger's experience and perception of a railway journey, and that both must offer quality service to expand their share of the market.

Moreover, the creation of Railtrack has for the first time established a unified control over the major sta-



■ London Bridge Station

(Railtrack Property)



■ Charing Cross Station (Railtrack Property)

tions, and policies are being produced to guide management decisions. These will be relevant not only for the major stations but will also influence some aspects of administration and development at the other 2,479 stations. In looking at these guidelines, it is appropriate to set them in the context of Railtrack Property's inheritance, since they represent an extension of two decades of increasingly successful station development rather than a decisive break with the past; of the four headings under which the aspects that affect the operational performances of stations are grouped — commercial, social, design and management — only the last has undergone a revolution. The others continue as part of the ongoing evolution.

Commercial activity

Commercial development

Throughout the history of Britain's railways, there has been a presumption against them acting as a commercial developer of land for non-railway purposes. This has not always been rigorously applied, but it has meant that the overwhelming majority of purely commercial developments has been achieved through either a partnership with a private-sector company or sale of the freehold.

The choice has often been determined by the government of the day; a lack of money or reluctance to invest in the operational railway has been accompanied by pressure to find the funds by sale of surplus land. This short-termism has resulted in the sale of many choice development sites

that might eventually have provided valuable steady income, such as Nottingham Victoria. More recently, 'overage' clauses in the conveyance have retained a stake in the financial gain of the new owner. Put simply, if a scheme performs better than both parties estimate at its inception, both parties share in the gain, despite the transfer of ownership.

Another obvious drawback of absolute freehold disposal is the inability to turn the clock back and reopen a closed railway, which may be needed because of changed economic, social and environmental circumstances. Thankfully, the large city centre site of Birmingham Snow Hill station was not sold after the last train used it in 1968; 15 years later, the line was relaid and the station reopened. One office development has already been built over the station, and construction of a further 78,967 m² is expected to begin next year.

It is in joint developments of this kind that the property professionals associated with the rail industry in Britain have established a world-class reputation. The outstanding success of London's Broadgate and the associated reconstruction of Liverpool Street station has attracted railway managers from all over the

world to learn from this paradigm of urban redevelopment. But it has tended to overshadow the thousands of other imaginative schemes, where surplus land or buildings at station have been developed or given a new lease of life. Wherever appropriate, improvements to the station have been part of the works agreed with the private-sector developer or paid for by them.

Most redevelopments have entailed office space on some scale, ranging from 450,000 m² at Broadgate or 32,302 m² at Charing Cross, London, to 4,330 m² at the suburban station of Wallington in Surrey. However, the re-use of station buildings or rooms that are surplus to operational requirements illustrates extraordinary versatility. British stations now double as restaurants, cafés, pubs, craft centres, workshops, museums, tourist offices, recording studios, piano showrooms, gymnasiums and taxi offices. Inevitably some of these uses overlap with station trading, providing a service that is of value to the passenger. It is here that Railtrack Property is formalizing a new commercial approach to station development. In future it will reflect a duality of use in which provision for outside customers and passengers are



■ Liverpool Street Station

(Railtrack Property)



■ Liverpool Street Station

(Railtrack Property)



■ Glasgow Central Station

(Railtrack Property)

given more balanced consideration.

Station redevelopment will continue to be the responsibility of Railtrack Property, although at all stations it will require the cooperation of the TOCs that serve, and are served by, each station. Given the skill with which commercial opportunities have been exploited over the last two decades, the foreseeable future is unlikely to hold any major surprises. However, one area that has been identified as promising for the larger stations is the provision of entertainment facilities. Multi-screen complexes, fitness clubs (which have already proved a success at stations) and bowling alleys would increase demand for other station services and generate additional traffic for the railway.

A key factor in any joint venture is apportioning the various types of risk — planning, construction, financial, letting and management — and the rewards. As provider of the development site, it is unlikely in the short term that Railtrack will make a significant contribution of capital, if any. But it will probably shoulder some of the planning risk, be responsible for negotiating agreements with the TOCs through Change Procedure (which will be examined under 'Management') and for fulfilling the manifold regulatory requirements. As for rewards, whatever their division between Railtrack and its partners(s),

the Rail Regulator has said that he expects a proportion of Railtrack's proceeds to be used "to promote the mutual interest of both Railtrack and its customers".

The challenge of station redevelopment will be more demanding under the privatized regime, entailing negotiations with the TOCs and the Rail Regulator, as well as the almost inevitable requirement of maintaining a fully operational station. The almost complete closure of a station for rebuilding, as happened at the major Cheshire junction of Crewe for seven weeks in 1985, is very seldom an option.

Station trading

For 140 years since the opening in 1841 of the first station bookstall at London's Fenchurch Street station, most retail outlets at British railway stations were newsagents or sold refreshments in some form. A few of the largest stations had fruit and flower stalls, a hairdressing saloon and a chemist, and all but the smallest stations had a vending machine, usually selling chocolate.

All that changed from the late 1970s, accelerated in 1985 by the creation of a separate retail division within the railway's property organization. Diversification and expansion were begun by kiosks offering theatre tickets, money change and shoe re-

pair. These were soon followed by small shops ideal for specialist high-volume traders such as Tie Rack and Sock Shop. Photo-booths appeared, offering passport or larger format photographs. At the same time, traditional newsagents' kiosks were being replaced by shops offering a wider range of goods.

But the key reason for the growth of rental income from £8 m in 1985 to about £40 m today has been the creation of new trading space. A significant increase in the space available for retailing has usually been the product of reconstruction of stations. Notable examples include Reading, where a spacious new concourse incorporates about ten shops, and Liverpool Street where a raft of glass-walled shops spans the buffer stops and overlooks the large concourse. The 40 shops, restaurants and kiosks include a high-quality grocer, a car manufacturer's information service and a sun-tanning salon, as well as the usual range of outlets selling confectionery, newspapers and food and drink — including a sushi bar. The success of Liverpool Street's concourse has won it a Boots Civic Vision Special Award.

A growing awareness on the operational side that facilities for travellers are important helped the second way in which space has been created for retailing; this has been achieved by reorganizing concourses or inserting



■ Chafford Hundred Station (Railtrack Property)

units either into existing buildings or vacant space. At Manchester Piccadilly, the concourse was remodelled to private shops and kiosks around the periphery. A protected wooden structure at Glasgow Central station, which once displayed train information boards has been skillfully converted into the Caledonia Centre. Previously dead space at London Victoria was used to create an island unit by opening up bricked-in arches, which also improved circulation in the station as well as providing W.H. Smith with its most profitable store in Britain.

Inevitably, sale of food and drink has dominated this increase, paralleling the growing fashion for fast food, which is well suited to travel-based retailing. The 'Refreshment Room' of old has been replaced by a variety of smaller outlets catering to particular needs. For example, the largest station trading tenant, Travellers Fare, operates 270 outlets under the brand names of Le Croissant Shop, Gingham Coffee Shops, Café Select, Pizza Now, Le Jardin de Paris, Burger King, Upper Crust, Quick Snack and Dixie's Doughnuts. Some cater for counter sales only, others for coffee bar consumption with stools at narrow bars, and others for conventional table seating. At Euston and Liverpool Street, some of the food outlets are grouped in food courts with central seating.

Notably, this growth has also seen a concomitant rise in quality, which has had to match customer's rising expectations. Good quality and interesting breads, appetizing fillings for sandwiches and rolls, an ever-growing range of cakes, pastries and biscuits, and a wide choice of coffees and teas have become the norm at larger sta-

tions. Thankfully, this transformation of station catering has largely banished tiresome caricatures of railway food.

Demand for station trading outlets has remained high, even during the recession of the early 1990s, reflecting the reason why retailers see stations as a buoyant opportunity — their huge captive markets. Though small by Japanese standards, London's busiest terminals, at Victoria, Waterloo and Liverpool Street, each handle about 200,000 people a day. Moreover, the standard of retailing in the vicinity of terminals is often poor, enabling outlets within stations to attract lunch-time shoppers. This is borne out by the fact that lunch time is now even busier at station shops than the rush hours. Another benefit for retailers is the speed with which new outlets can be successful: at Victoria, a unit was built around an iron column for Tie Rack and became the chain's biggest earning outlet in the first week.

The ability of stations to serve as a shopping centre for local people and to act as a destination in its own right, independent of train travel, under-

pins an element of Railtrack's intentions for its major stations. It will be helped by a recent government move to limit the growth of out-of-town shopping developments in favour of city and town centre retailing, part of an overdue initiative to reduce car dependence. This widening of the catchment area and customer base will need to be reflected in the mix of shops and careful matching with the customer profile. Proven retail brands are likely to be favoured since they lend a 'borrowed authority' enhancing a station's overall image.

Varied spaces will need to be provided, both in terms of size and finish — some will be fitted out, others a bare shell. Equally, lease terms should be flexible, with long leases for the major outlets and shorter ones for convenience and cart vendors; the majority would continue the move to leases based at least partly on turnover, which began in the 1980s (though the first station lease based on turnover was as long ago as 1876). The TOCs will become involved with station trading since the leases give them the freedom to exploit the station trading potential, subject of



■ Cannon Street Station

(Railtrack Property)

course to approval of any structural alterations.

The social context

There are, of course, more social aspects to station administration than the matching of the user profile with facilities. The problem is that many of these other aspects are difficult to quantify, have little or no measurable impact on revenue, and are sometimes the victim of divided or reluctantly accepted responsibility. None the less, they add value to the passenger's experience.

Perhaps foremost amongst them is the question of personal safety. Unless passengers feel secure waiting for a train, perhaps at night, they are likely to use another mode of transport. Despite the growing use of security cameras, there is no substitute for the presence of people, especially those in some way connected with the station. Letting part of a small station to a tenant who adds to its vitality may do more for the balance sheet than a rental income, especially if the station is not manned by railway staff. Their presence may help to retain passengers and deter vandalism.

Taxi companies are particularly beneficial, providing a service to passengers and a reassuring presence on the station, often until a late hour. In Switzerland, many small stations have a café of such quality that it is used by people from the town whether or not they are catching a train. The architectural quality or location of some British stations has attracted restaurants; part of the architecturally-listed buildings at Bury St. Edmunds and Needham Market and the Highland station at Spean Bridge have become restaurants/bistros.

Some activities cannot afford a commercial rent, but may compensate by providing a service that attracts new passengers. Although the first station crèche was opened as long ago as 1931, at Moscow Leningrad station, the idea remains new in Britain, with only a handful in operation. The attraction for commuters of being able to leave children at the station is obvious, and at stations where there is limited demand for a tenancy, it may

make good commercial sense to accept a lower rent from such a tenant.

The synergy between train and bicycle has been successfully exploited by most countries of western Europe, but remains largely undeveloped in Britain. Government measures to encourage cycling as part of efforts to reduce urban congestion and pollution may change that. The paradigm might be a city like Münster in Germany where the station has secure parking for 3,000 bicycles and a cycle repair shop as tenant. In Switzerland, city or mountain bikes can be hired at 230 stations; in 1994 there were 123,356 rentals in comparison with just 792 cars. Action to restrict car access to Britain's congested National Parks may lead to bicycle hire facilities at nearby stations. Already approaches are being made to potential franchisees about joint ticketing/bike hire with such organizations as the National Trust. In the new matrix of relationships between the railway businesses, such cooperation will assume growing importance.

It is reflected in a new outward-looking concern by Railtrack with the whole of a passenger's journey, from door-to-door rather than station-to-station. Historically, the railway has shown little interest in the accessibility of stations, apart from running a few bus services. That is set to change, an acknowledgment that the most successful public transport systems are those which provide a seamless, integrated service irrespective of ownership. The European exemplar of this is Switzerland, where trains, buses, trams, boats, funiculars and cable cars connect with awesome precision; most stations have covered cycle accommodation and often traffic-free paths to them, encouraging environmentally benign access and reducing the need for large and costly car parks.

As road congestion worsens, communities without good access to a station are campaigning for new ones to be built. Railtrack opened 20 stations last year, including one at Chafford Hundred in Essex, where the developer of a new estate of 5,000 houses paid for the new station as part of the arrangements for adjacent land dis-

posal. In Exeter, the supermarket chain Tesco put up a third of the money for a new station at Digby & Sowton to serve a new store.

For similar reasons, communities and groups like the Rotarians are becoming involved with the care and even promotion of their station. At Liskeard in Cornwall, for example, local residents took on the upkeep of the station garden when the railwayman who had looked after it retired. They received a modest grant from the railway and local council, and explained their public-spirited action by saying that an attractive station 'aids the notion that rail is a socially valued and pleasant way to travel'.

At some stations which have ceased to be manned, a local entrepreneur has taken over ticket sales in combination with a café or general store on the station. At a station in the suburbs of Liverpool, a shop on the platform sells such diverse items as theatre tickets and chilled food. It offers taxi and same day dry-cleaning services, and provides a welcoming presence on the station until 10 p.m.

Finally, non-retail facilities at stations should enhance the quality of a journey by train or be of benefit to passengers. At York station, a Family Room is available with a range of toys to amuse children, perhaps inspired by the provision of comparable facilities on the latest French TGVs. Railtrack intends to broaden the range of services at larger stations to include such professions as doctors and dentists; commuters, for example, would be able to avail themselves of such services without the need to take half a day off work.

The needs of businessmen must be met in the way they are at airports. Railtrack provides first-class lounges at five principal stations, offering complimentary coffee in attractive surroundings with telephone, fax and teletext, and seating in armchairs or at writing-desks. The availability of fax and photocopying facilities on major stations would be services valued by travelling business people, and the local community. Meeting rooms can be hired at four of these stations, but Railtrack sees scope for more business facilities, especially where an ar-

chitecturally-distinguished station building could provide a special ambience.

Design

It is the ambience of great railway stations that adds to railway travel a dimension wholly lacking in journeys by plane or road. Even smaller stations often had an architectural quality that makes them the finest civic buildings in a town. During the 1960s, this was not always appreciated and some tragic demolitions took place. Public dismay was deepened by some of the utilitarian replacements, one journalist's description was most pointed: 'It looks and feels like a morgue, with no life in it. All that is in the hole is a ticket-selling counter, a few dozen plastic chairs, and two small ever-locked toilets. The passengers have been brutally robbed of comfort and convenience. The people of have suffered an enormous loss'.

The adverse reaction to the policy of sweeping away old stations led to a more pragmatic approach. Since the 1970s, hundreds of stations have been sensitively modernized, adapting buildings to meet different needs without impairing their character. Within the last year, outstanding work has been carried out at smaller stations such as Bognor, Bridgwater and Wemyss Bay, often with the help of the Railway Heritage Trust. In the last decade, the huge London terminals at Cannon Street, Charing Cross and Liverpool Street have been rebuilt, and the sinuous roof covering the new extension at Waterloo for Channel Tunnel trains shows a magisterial reworking of the nineteenth-century approach to train-shed design.

Design criteria incorporating best practice are being drawn up by Railtrack Property to guide both modernization schemes and new construction at the major stations, although many of the points are applicable to smaller stations. Management of pedestrian flows are crucial to smooth operation and successful station trading; clear sight-lines from entrances and exits to platforms and trains,

with commercial activities away from the primary routes, help to reduce points of conflict. Where possible, segregation of functions on different floor levels gives a clear distinction between passenger and non-passenger traffic; this has been successfully achieved at Zürich, Gare Montparnasse in Paris and Liverpool Street, where high-level walkways carry shoppers to the raft of outlets above the concourse.

Glazed walls or façades can open up a station to the surrounding area and help draw in passing pedestrians. Maximum use of natural light and height gives an airy feel and enhances visibility, making it easier to see signs, which should be models of clarity — the British railway alphabet is one of the most legible typefaces and will be retained after privatization. Nothing on the platforms of a terminus should encourage passengers to linger, though some seating should be provided. Information screens should be as plentiful as should accurate clocks.

British Rail was regarded as a self-regulatory body, but none of the new companies will have this status. Consequently, privatization will bring with it a much greater degree of regulation and statutory control. Coincidentally, a Parliamentary bill, the Disability Discrimination Bill, is expected to become law this year; it will require new stations to incorporate more facilities to ease the passage of disabled people. Lessons learned from the tragedy of the King's Cross fire in 1987 have created a much stricter fire safety regime. Any reconfiguration of a station should improve escape routes and access to fire fighting equipment.

Hundreds of architecturally distinguished or unusual stations are specially listed buildings, which gives them statutory protection against demolition or alteration without consent. Appropriate materials and sometimes even historic building methods have to be used and approved by local authority inspectors and sometimes by the national heritage organization. Repairs and improvements to listed stations are therefore likely to be more costly, but

the result is often a station that does more to raise the profile of the railway in a town than would a functional replacement; many restorations have received awards, which bring with them valuable publicity for the railway.

For new stations, Railtrack Property is producing guidelines for standard buildings, using long-life, quality materials that will give worthwhile payback through low maintenance. The specification is sufficiently flexible to allow the use of local brick or other materials that will respect the station's surroundings, but saving will be achieved through lower procurements costs of standardized components. Designs for small, medium and large stations are being produced, although each station will be the result of consultation with Railtrack's customer, the TOC - what facilities are required for staff, whether there will be interchange with buses, how much car-parking space, how much commercial space is appropriate given the station's location, etc.

The question of integration with other public and environmentally-benign modes of travel is likely to move up the agenda as governments are compelled to develop sustainable transport policies. Integration is one of the four pillars of the European Union Green Paper on transport due to be published later this year. In Britain, there is a growing realization that car dependence has to be reduced; a recent survey by MIL Motoring Research found that 64% of motorists would like to see use of cars actively discouraged. Well-planned and designed integration between rail and other forms of transport will be crucial if such modal change is to be achieved.

Management

The central questions for Railtrack are how the asset value and revenue of stations will be increased under the privatized regime and how can it deliver an improved service to its TOC and general-public customers. The ink is barely dry on many agreements, and their implementation will

inevitably be subject to pragmatic adjustments, since this pioneering structure is without precedent or best-practice guidelines to follow.

The introduction of the landlord and tenant (customer/supplier) relationship within the railway is entirely new. Applying to the 2,479 stations that will be leased to the TOCs, leases will assign responsibility for the structural condition of stations to Railtrack, minor internal maintenance and all decorating to the TOC. Where there is more than one operator, the lead TOC will arrange with other TOCs their contribution to repair costs through charges. The landlord/tenant relationship does not apply to major stations operated by Railtrack, where the TOCs using them will pay an access charge to Railtrack. Again the terms under which they may use the station will be defined by a regulated Station Access Agreement.

However, for all stations, the mechanism by which alterations, improvements or developments take place will be the Change Procedure. Instituted by the Rail Regulator, this process is the formal mechanism by which agreement on change will be reached — hopefully. Regular meetings for multi-user stations in particular will discuss issues of mutual concern, such as improvements to the way the station is cleaned. Agreements to developments must be unanimous.

For other changes not involving development and to prevent a dominant TOC always imposing its will, the Rail Regulator has stipulated that votes must reach a certain threshold before change is accepted. Equally, the need to refer trifling changes to a meeting could delay urgent and non-controversial management action, so a test of materiality has been devised to distinguish between the decision, say, to change a type of light bulb and to change the lighting system.

Much more serious are the delays to which a major development proposal might be subjected. Although Railtrack as the freeholder will be responsible for such initiatives, serving a TOC with notice of its intentions by a Railtrack Development Proposal,

they will also be subjected to the Change Procedure. The key to harmonious working relationships is likely to be the preparation of property strategy and development master plans for appropriate stations. However, the difficulty is that under the Change Procedure, approval can be given only to a detailed development plan. This means that considerable expense will be incurred in working up a plan that has not even received an 'in principle' acceptance. Consequently, rejection by a TOC — which effectively has the power of veto — will mean a lengthy delay while another scheme is worked up, which could suffer the same fate. Few developers are likely to accept such speculative conditions.

Even if the threshold on a decision is reached, a TOC or Railtrack has recourse to appeal if unfair prejudice can be demonstrated. This entails proving that the benefits of a proposed measure will be far outweighed by its disadvantages to the aggrieved party. A panel of three 'wise men' drawn from the industry will adjudicate such appeals, the outcome of which will be ratified by the Regulator. But again, Railtrack is not permitted to use the loss of development opportunity as an element in its debate with this arbitration panel.

There is, therefore, concern that the Change Procedure may prove too pervasive, presenting a considerable hurdle to improvement schemes and increasing costs through undue delay. A simple initiative such as erecting an illuminated advertising panel in a sensible location may now be subject to delay, costing loss of rental income. The possibility of disagreement, prevarication and demand for undue 'incentive' payment could make this one of the most difficult

area of privatization.

On the question of costs, the new management structures should provide much greater transparency, enabling useful comparisons to be made and lessons applied in a systematic way to achieve better cost performance. Given unified management of the 14 major stations, a much more rigorous approach to benchmarking is proposed — improvements for railway businesses and their customers should result.

Conclusion

The radical privatization of Britain's railway is the greatest organizational challenge they have ever faced. It comes at a time when there is a growing awareness of rail's potential in any policy of sustainable transport. The quality of the Eurostar trains running between London and Paris/Brussels has been a revelation for many who have not used a train for some years, and the new terminus from which they leave is widely acclaimed as a triumph. The challenge for Railtrack will be to create stations of quality for the twenty-first century that will play a pivotal, vibrant role in meeting the travel, commercial and social needs of the communities they serve. ■

Disclaimer

The author wishes to point out that the views expressed in this article are his own and not necessarily those of Railtrack PLC.



Robert (Bob) Hill BSc (Est.Man.), FRICS Director, Property of Railtrack PLC.

Bob Hill is a graduate of London University and a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Previously Commercial Director and Deputy General Manager at Milton Keynes Development Corporation, he became Managing Director of British Rail Property Board in April 1992 and Director, Property of Railtrack PLC on 1 April 1994.

Bob was a member of the Southern Regional Council of the CBI and is now a member of their Land Use Panel and a Council Member of the British Property Federation.