

BY EMAIL

8 January 2025



Public Bill Committee

House of Commons
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Re Railways Bill: i) protecting 5-year UK rail funding; and ii) supporting inward investment

Dear Members of the Bill Committee,

The Railway Industry Association (RIA), a UK trade body representing more than 450 rail suppliers and which champions a dynamic UK rail supply sector, has welcomed a number of provisions in the Railways Bill, but we wanted to raise two key issues which we and our members would like to see addressed as the Bill progresses.

Over half of all GBR's expenditure will continue in future to be through the supply chain, so it is imperative the Railways Bill supports an efficient and productive supply chain. RIA members want to see a Bill that can stand the test of time over multiple political cycles, and avoid unintended consequences that could harm investment or productivity in the sector.

1. The railway, and rail supply businesses, need stable funding to be able to plan effectively and be efficient. Changes to the Control Period style five-year infrastructure funding settlement (Schedule 2) undermine this and amplify the uncertainty already faced by suppliers.

- RIA and our members are very concerned the current Bill drafting **allows the Secretary of State for Transport to remove railway funding mid-period, at no notice and with very limited transparency** over the impact, for example, on safety, performance or efficiency.
- **We disagree with the principle that the Secretary of State should be able to remove funding mid-period.** Stable multi-year funding settlements are a long-standing principle for infrastructure networks because short-notice funding changes reduce the efficiency of spending and make it harder for suppliers to plan ahead with any confidence.
- Supply chain confidence in the UK rail market is already historically low with 64% believing the rail market will contract in 2026 and 62% freezing recruitment or reducing headcount (over one in three business leaders plan to lay off staff in 2026),¹ according to a RIA-commissioned Savanta survey of rail business leaders.
- There is already currently already a lack of full work visibility to the end of the current Control Period, which completes in March 2029, and companies are now repositioning themselves away from rail to target other industrial sectors in the UK and overseas rail markets – the ability for the Secretary of State to remove funding would clearly exacerbate this situation.

¹ Savanta Survey of business confidence on UK rail market (3/12/25) – see https://www.riagb.org.uk/RIA/Newsroom/Press_Releases/Positive_measures_called_for_as%20rail_business_leaders_survey_shows_lack_of_confidence_in_rail_market.aspx

- The Competition and Markets Authority (CMA) recent Interim Report on the rail and road civil engineering sectors found that in practice "funding settlements and infrastructure pipelines are often short-term and volatile, reducing the opportunity and incentives for public authorities and the supply chain to plan and invest". The CMA recommends as a remedy that "credible long-term funding" is needed, multi-year capital investments should be extended "to all road and rail procuring authorities and activity", and that long-term contracts should last "beyond the political cycle".²
- Concerningly, even on its own terms **Schedule 2 does not require transparency over the impacts on efficiency, performance and safety** if there are changes within a funding period and longer-term.
- **So RIA suggests an amendment that would require the Office of Rail and Road (ORR) to be notified in advance of any funding reduction, and to give advice on, and subsequently publish, an independent opinion on the impact.**

2. The railway needs to attract private investment to supplement limited public funding. The Railways Bill introduces open-ended risks for third parties who fund non-GBR infrastructure, facilities and services (Clause 72).

- RIA sees GBR / rail restructure as an opportunity to reset the way the railway encourages inward investment, and that the licence, operating model and financial framework can all be harnessed to this end.
- However, we are concerned about Clause 72, which confers so-called 'Henry VIII'-style powers on the Secretary of State to make legal change which "amends or repeals provision contained in this or any other Act". In effect, the Secretary of State would be able to change railway legislation in future, subject to affirmative Parliamentary procedure.
- Clause 72 creates an open-ended risk for any investor in non-GBR infrastructure, facilities and services, because the Secretary of State can amend any relevant railways legislation governing their investments at any time. Substantial parts of the UK railway will remain outside of GBR, and so **such widely framed powers are likely to deter third-party funding from the wider railway.**
- Whilst we appreciate there may need to be some means to manage interface risks between GBR and adjacent networks, facilities and services, **this could be much more narrowly framed in legislation and tested with affected funders to minimise unintended consequences.** For example, the purpose of the powers could be expressly defined in the legislation to only be used to achieve defined narrower aims.

We have also produced a [high level](#) and a [more detailed briefing](#) on the Railways Bill, which covers these and other points.

We would be very happy to meet and discuss these issues, or to provide any clarifications. If this would be of use, please contact RIA Policy Director Robert Cook, on robert.cook@riagb.org.uk and 020 7201 0777 / 07951 776 874.

Kind regards,



Darren Caplan
RIA Chief Executive

² Competition and Markets Authority Interim Report on its civil engineering market study (17/12/25)- see <https://www.gov.uk/government/news/civil-engineering-cma-sets-out-concerns-and-options-for-better-outcomes>