

Submission to the House of Commons Public Bill Committee

22 January 2025

Transport UK (TUK) welcomes the opportunity to submit our views on the Railway Bill to the Public Bill Committee.

We are the only British-owned, British-financed and British-operated parent group in our sector, responsible for West Midlands Trains, East Midlands Railway, Merseyrail, and part of London's bus operations. Our leadership team brings decades of hands-on rail experience, including delivering restructures and transfers of operations, and we stand ready to support rail reform that delivers a more efficient, effective and sustainable railway for passengers and taxpayers.

We support the Government's objective of providing clearer strategic direction and a "single guiding mind" for the system. However, as currently drafted, the Railways Bill does not yet include the mechanisms necessary to ensure accountability, fair access, independent scrutiny, or the conditions for partnership-led growth. These elements are essential if reform is to support the Government's wider priorities for economic growth, productivity and fiscal sustainability.

Executive Summary

- TUK supports the creation of Great British Railways (GBR) as long as it is designed to deliver value for money, enhance devolution, and foster genuine partnership with the private sector.
- The Bill must do more to ensure transparent performance management, strengthen ORR's ability to scrutinise decisions, and guarantee fair access for all operators.
- The Government's ambition for long-term strategy is welcome, but strategy alone does not secure outcomes. The Bill should introduce stronger statutory duties, accountable public annual reporting, and meaningful powers for Parliament, the ORR and the proposed Passenger Council.
- To support economic and environmental objectives, GBR should be required to promote growth in both passenger volumes as well as freight.
- Local leaders must be empowered - devolution should be strengthened and assumed as the default objective in appropriate geographic areas, and Mayoral Combined Authorities should have a clear pathway to secure appropriate heavy rail powers, or at the very least consent to GBR plans for their area.

- Rail reform will succeed only if it retains private-sector talents, investment and innovation. TUK proposes practical models for maintaining capacity and expertise as GBR is established.
- Consideration should be given to alignment with the European Union market, where appropriate, and the Government should support the export of the rail operating group's skills and expertise.

1. The Purpose and Ambition of Reform

The Committee has asked whether the Bill provides the "clarity needed for stable, long-term reform". We welcome the ambition to set a long-term strategy for the railway and the inclusion of statutory duties, such as high performance and efficient use of public funds, on the face of the Bill (Clause 18(2)).

However, statutory duties must be capable of being monitored, audited, and enforced. The Bill currently establishes the legal framework but leaves essential details, such as the Access and Use Policy, performance metrics, and long-term strategic objectives, to secondary documents. This risks limiting transparency, weakening accountability, and undermining confidence among devolved authorities, operators, and investors.

TUK therefore recommends:

- Strengthening the requirement for GBR to publish an annual performance report and forward-looking business plan demonstrating delivery against statutory duties;
- Ensuring the ORR has clear and enforceable powers to verify performance, investigate failures, and require action; and
- Mandating that Parliament receive regular reporting on GBR's progress against its long-term strategy.

These measures align with emphases on transparency, clarity of roles, and whole-system accountability.

2. Delivering Value for Passengers and Taxpayers

Given the public's expectation that nationalisation will reduce rail costs, the Bill must provide transparency over funding flows and fare-setting. Currently, the Bill contains inadequate provisions for holding GBR, or ministers, to account for fare increases or the management of public money.

To strengthen accountability, TUK recommends:

- An Annual Rail Value Statement, published alongside the Budget, setting out revenue, costs, overheads, and investment;
- Stronger powers for the Passenger Council and the ORR to scrutinise fares policy and passenger experience; and
- A statutory requirement for GBR to demonstrate that all decisions reflect a whole-industry value-for-money duty, not only a narrow efficiency duty.

This is consistent with the objective for a railway that is financially sustainable, outcomes-driven, and transparent.

3. Ensuring Fair and Non-Discriminatory Access

Parliament has emphasised the need for a system that supports competition, freight growth, and innovation. Yet under the Bill, GBR becomes both:

1. a dominant service operator, and
2. the allocator of access rights, timetabling and charging.

This dual role risks GBR becoming both “judge and jury”, with insufficient safeguards to ensure fair treatment of non-GBR services such as freight, open access, devolved concessions, and charter operators.

In particular:

- The ORR’s appeals jurisdiction is restricted to Judicial Review principles, limiting intervention to procedural errors rather than substantive fairness;
- Clause 63(2) grants GBR the power to prioritise capacity for its own present and future operations; and
- The Access and Use Policy is not defined on the face of the Bill.

TUK therefore urges the Committee to recommend:

- A statutory duty on GBR to ensure fair, reasonable, and non-discriminatory access;
- A stronger ORR role on access matters, including the power to amend decisions where they pose competitive or economic harm;
- Retention of impartial retailing requirements and safeguards to ensure that GBR cannot favour its own retail arm over third-party ticketing.

Freight and open-access growth have brought demonstrable benefits for passengers, communities, and the wider economy. Protecting these services is essential for a high-performing, competitive system.

4. Supporting Growth in Passenger and Freight Markets

The Bill contains a statutory requirement to promote freight growth, which we strongly support. However, the same duty is not extended to passenger volumes. This risks creating perverse incentives in which punctuality targets are met by reducing service levels, thereby suppressing demand.

We recommend:

- Introducing an equivalent statutory duty to promote passenger growth, ensuring GBR focuses on expanding rail's role in the economy and decarbonisation;
- Ensuring capacity allocation processes explicitly consider future growth potential for all operators, not just GBR, and not solely current operational performance;
- Requiring passenger and freight growth metrics to be included in GBR's annual report and subject to ORR verification.

5. Strengthening Local Autonomy and Devolution

The Transport Select Committee has underscored the importance of local accountability and the role of devolved bodies in a reformed railway. TUK strongly agrees.

The success of Transport for London demonstrates that devolved, integrated approaches can deliver high-performing, locally responsive services. This should be matched through similar models in Greater Manchester and the West Midlands.

The Bill should therefore:

- Provide a clear and transparent pathway for Mayoral Combined Authorities to acquire appropriate heavy-rail powers;
- Allow Mayors to commission services from providers other than GBR, where this delivers better outcomes;
- Require GBR to enter formal partnership agreements with devolved authorities, and ensure that capacity allocation does not automatically prioritise centrally planned GBR services.

This approach both empowers local leaders and reduces risk to central government.

6. Retaining Private-Sector Expertise and Investment

The UK rail industry has benefitted from private-sector innovation, investment and managerial expertise for more than three decades. To maintain this capability through transition, the Bill should support:

- Opportunities for private-sector participation in operations, digitalisation, and major projects;
- Enhanced competition for rolling stock maintenance contracts;
- Access to capital for rolling stock, depots, and station upgrades;
- Long-term certainty and fair treatment between public and private operators.

This aligns with the emphasis on making rail financially sustainable and investment-ready.

7. Aligning with European Markets and Supporting Export of Expertise

TUK considers it important that the reformed railway is designed to remain competitive, outward-looking, and capable of operating effectively in international markets. In that context, consideration should be given to alignment with the European Union rail market, where this delivers clear practical benefits.

The EU's Fourth Railway Package provides a useful reference point, demonstrating how common technical standards, interoperability, and transparent market frameworks can reduce barriers, support cross-border operations, and enhance efficiency. Proportionate alignment with such approaches would help UK rail operators and suppliers retain access to European markets and sustain international competitiveness. Alongside this, the Government should actively support the export of the rail operating group's skills, systems, and expertise.

The Bill should therefore:

- Allow for alignment with EU rail technical and interoperability standards where this supports market access and operational efficiency;

- Avoid unnecessary regulatory divergence that would create barriers for UK rail operators and suppliers seeking to operate internationally;
- Provide clear Government support for the export of the rail operating group's operational, technical, and managerial expertise; and
- Use international engagement and trade policy to promote the UK rail sector as a global leader in operations, safety, and innovation.

This approach would strengthen the UK rail industry's long-term resilience and ensure the reformed railway is positioned to compete successfully on the global stage.

Conclusion

Transport UK supports the principle of reform and the creation of GBR as a strategic guiding mind. However, to deliver on the Government's objectives, and those identified by the Select Committee, the Bill must strengthen provisions on:

- Transparency and value for money;
- Independent scrutiny and public accountability;
- Fair and non-discriminatory access;
- Passenger and freight growth;
- Devolution and local empowerment; and
- Partnership with the private sector.