



Department  
for Transport

 Williams  
Rail Review

# Great British Railways

The Williams-Shapps Plan for Rail



Cover image: Chester station.

This publication is the first to use the new typeface, Rail Alphabet 2. This is a continuation and evolution of Margaret Calvert and Jock Kinneir's original Rail Alphabet typeface, which was employed across the rail network from the mid-1960s.

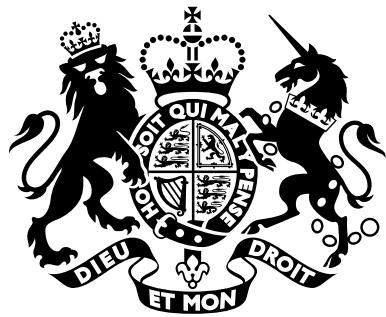
Margaret Calvert has collaborated with designer Henrik Kubel to develop Rail Alphabet 2. It retains the overall proportions of the original but the letters are sharper and slightly more compact for maximum legibility.

Great British Railways will introduce Rail Alphabet 2 across the rail network, replacing the many different fonts used on railway signage.

Rail Alphabet 2 is used for the headings throughout this document.

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# **Great British Railways**

## **The Williams-Shapps Plan for Rail**

Presented to Parliament  
by the Secretary of State for Transport  
by Command of Her Majesty

May 2021



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# Contents

|  |            |
|--|------------|
| <b>Foreword.....</b>   | <b>6</b>   |
| <b>Our promise to passengers and freight customers.....</b>            | <b>10</b>  |
| <b>Chapter One – The railways since privatisation.....</b>             | <b>12</b>  |
| <b>Chapter Two – Our commitment to rail .....</b>                      | <b>24</b>  |
| <b>Chapter Three – Integrating the railways.....</b>                   | <b>28</b>  |
| <b>Chapter Four – Replacing franchising.....</b>                       | <b>52</b>  |
| <b>Chapter Five – A new deal for passengers.....</b>                   | <b>62</b>  |
| <b>Chapter Six – Unleashing the private sector’s potential.....</b>    | <b>76</b>  |
| <b>Chapter Seven – Accelerating innovation and modernisation .....</b> | <b>86</b>  |
| <b>Chapter Eight – Empowering rail’s people .....</b>                  | <b>96</b>  |
| <b>Conclusion – Delivering the rail revolution.....</b>                | <b>102</b> |
| <b>Our commitments.....</b>  | <b>104</b> |
| <b>Endnotes .....</b>  | <b>112</b> |

# Foreword



**The Rt Hon Grant Shapps MP**  
Secretary of State for Transport

**Keith Williams**  
Chair, Williams Rail Review

We want our trains to run on time. This is our plan to do that, and to deliver a wider change on our railways that has never been needed more. The chaotic timetable changes three years ago showed all too clearly that the old ways were not working. Then in March 2020, this Review conceived after those problems and the failure of the East Coast franchise, found itself dealing with something far bigger: the almost total collapse of passenger demand initially, and a profound challenge to the sector's operating model as a consequence of the COVID-19 pandemic.<sup>1</sup>

Before the pandemic, commuters made up 47% of all rail passengers, a further 10% were travelling for business meetings and 5% were shopping.<sup>2</sup> In other words, around two thirds of passengers were using the railways for purposes that now face potentially permanent change.

Much of the old demand will return. Millions of us, imprisoned in front of flickering screens, yearn for human contact. Employers and businesses know that creativity, collaboration, and deal-making are best done in person. Rail freight was heavily impacted at first but has recovered rapidly, demonstrating its agility.<sup>3</sup> But commuting and business travel may never be quite the same again.

This government profoundly believes in the future of the railways. Without them, our cities could not function, critical freight connections would be cut off, carbon emissions and pollution would rise, and mobility would fall – not just for the millions of people without cars, but for drivers too, as the roads became clogged. We have proved our commitment: the amount we have paid to keep services going during the pandemic is now around £12 billion.<sup>4</sup> We have proved it by pressing ahead with High Speed 2 (HS2), improvements across the north of England, the new Oxford-Cambridge line and our programme of reversing the Beeching closures. This white paper makes further commitments, including a modern, improved experience for

both freight customers and passengers and zero carbon trains. We are growing the network, not shrinking it.

But the current sums being paid to operate and maintain the railways are not sustainable. To truly secure rail's future, there must be radical change. The railways lack a guiding focus on customers, coherent leadership and strategic direction. They are too fragmented, too complicated, and too expensive to run. Innovation is difficult. Incentives are often perverse. Some working practices have not changed in decades. There must be single-minded efforts to get passengers back. In short, we need somebody in charge.

That is why we now propose the biggest change to the railways in 25 years, ending the fragmentation of the past and bringing the network under single national leadership. A new public body, Great British Railways, will own the infrastructure, receive the fare revenue, run and plan the network and set most fares and timetables. Network Rail, the current infrastructure owner, will be absorbed into this new organisation, as will many functions from the Rail Delivery Group and Department for Transport.

There will be a new brand and identity for the whole system, built upon the double arrow, with national and regional sub-identities. Great British Railways will simplify the current confusing mass of tickets, standardising mobile and online ticketing, and bringing an end to the need to queue for paper tickets. Affordable 'turn up and go' fares and capped season tickets will continue to be protected. New products, such as flexible season tickets aimed at those commuting for two or three days a week, will be introduced to reflect new working and travel patterns. Trains will be better co-ordinated with other forms of transport, such as buses and bikes.

Private sector innovation has helped deliver the spectacular growth the railways have seen in the last quarter-century; it is essential that we keep the best of this and encourage more, particularly in IT, data and modern payments. In most cases Great British Railways will contract with private companies to operate trains to the timetable and fares it specifies, in a way similar to that used by Transport for London (TfL) on its successful Overground and bus networks. Operators will compete for the contracts, and we expect competition to be far greater than for the old franchises, with simpler procurement, lower costs and no one-size-fits-all approach. Freight and open access operators will be supported by national co-ordination and new safeguards.

Franchising will be replaced by Passenger Service Contracts, a new approach that will include strong incentives for operators to run safe, high-quality, punctual services, manage costs, attract more passengers and innovate. Where and when it represents value for money and is financially sustainable, operators will have more commercial freedom, particularly on long-distance routes.

Great British Railways, too, must be a new organisation, with a new culture and customer focus, definitely not just a bigger version of Network Rail. Just as with operators, it will be incentivised to improve customer service, maintain a safe network and attract new passengers. It will have a completely new role, with specific responsibilities to its passenger and freight customers and a clear remit to reform the can't-do culture and inflated costs that exist across the sector. The new body will recruit more broadly than before – including people with experience in sectors with a strong focus on customers. Great British Railways will be accountable to Ministers in a similar way that TfL is to the Mayor of London.

Great British Railways will secure significant efficiencies. Today's railways are a maze of agreements between hundreds of different parties, drawn up and policed by battalions of lawyers and consultants, including an entire staff dedicated to arguing about who is at fault for each delayed train. Change is slow and comes by painstaking negotiation. In the new world, that cannot work. Under single national leadership, our railways will be more agile: able to react quicker, spot opportunities, make common-sense choices, and use the kind of operational flexibilities normal in most organisations, but difficult or impossible in the current contractual spider's web.

A simpler, more integrated structure will cut duplication, increase Great British Railways' purchasing power and economies of scale, and make it easier and cheaper to plan maintenance, renewals and upgrades. These and other efficiencies will take time to bear fruit, but after five years it is expected that they could be saving around £1.5 billion a year, equivalent to 15% of the network's pre-pandemic fares income.<sup>5</sup>

Great British Railways will be better able to respond quickly to changing demand and lead the railways through the challenges of the post-pandemic world. It seems likely, for instance, that the old pre-9am peaks in demand around our biggest cities will flatten or spread more through the day; and that leisure travel will increase as a share of the whole. Less frequent but longer commutes may become more common. That may mean different service patterns, and changing train interiors to focus on comfort rather than capacity.

It will definitely mean a new focus on the escalations in cost, gold-plating and over-specification that have occurred since privatisation. And it will definitely need a change of mindset from everybody at all levels, from Ministers, unions and regulators to traincrew and managers. Under this model, the sector will provide fulfilling, high-skilled, flexible and modern career opportunities that attract and support the brightest and the best to flourish, so that the railways' people also benefit from this new golden era for the railways.

As the Review has been undertaken collaboratively, it has been possible to move quickly to change policy even whilst its work progressed. We have started some of the structural changes already. In September 2020, we called time on franchising. Our Emergency Recovery Measures Agreements, made to support the network in the pandemic, include new obligations to co-operate. Everyone across the whole sector will need to work together to help our railways win back passengers, attract new freight customers and maintain their custom going forward.

In 1825, this country invented something that spread its iron web across the earth and transformed everywhere it touched. It was, of course, the railway. By the time we celebrate the bicentenary, four years from now, we want this plan to have secured our magnificent network for decades more.



**The Rt Hon Grant Shapps MP**  
Secretary of State for Transport



**Keith Williams**  
Chair, Williams Rail Review

### Personal postscript from Keith Williams

I have been ably supported by a panel of six independent experts who have brought invaluable challenge and critical support across a range of topics. Dick Fearn, Tom Harris, Margaret Llewelyn, Roger Marsh, Dr Alice Maynard and Tony Poulter have given freely of their time, advice and wisdom. Our work has also benefited from extensive support and advice from leaders and experts across the sector and beyond, including Declan Collier, Chair of the Office of Rail and Road; Sir Peter Hendy, Chair of Network Rail; and Steve Montgomery, Chair of the Rail Delivery Group.

My thanks are also due to the team at the Department for Transport who have supported me, not least Bernadette Kelly who has let my work run its course and been open to its findings.

# Our promise to passengers and freight customers

## We will bring the railways back together, delivering more punctual and reliable services

A new public body, Great British Railways, will run and plan the rail network, own the infrastructure, and receive the fare revenue. It will procure passenger services and set most fares and timetables. This will bring the whole system under single, national leadership with a new brand and identity, built upon the famous double arrow. This will mark the end of a quarter century of fragmentation.

## We will make the railways easier to use

We will simplify the confusing mass of tickets, introducing far more convenient ways to pay using a contactless bank card, mobile or online. We will end the uncertainty about whether you are travelling with the right train company. Trains will be better planned with each other and with other transport services, such as buses and bikes. Affordable 'turn up and go' fares and capped season tickets will continue to be protected.

## We will rebuild public transport use after the pandemic

In line with the COVID-19 roadmap, we will continue to work closely with the sector on measures to enable people to have confidence to travel again and to support their new working patterns. New flexible season tickets will be introduced to begin this journey.

## We will maintain safe, secure railways for all

The safety and security of passengers, staff, partners and members of the public is critical. Great Britain has one of the safest networks in Europe and that must continue. Current safety and security roles will remain in place across the rail network.

## We will keep the best elements of the private sector that have helped to drive growth

Great British Railways will contract with private partners to operate trains to the timetable and fares it sets, in a similar way to London's successful Overground service. The contracts will include strong incentives for operators to run high-quality services and increase passenger demand. Contracts will not be one size fits all, so as demand recovers, operators on long-distance routes will have more commercial freedom to help attract new passengers in partnership with Great British Railways. Freight is already a nimble, largely private sector market and will remain so. It will benefit from national co-ordination, new safeguards and a rules-based access system that will help it to grow and thrive.

## We will make the railways more efficient

Simpler structures and clear leadership will make decision making easier and more transparent, reduce costs and make it cheaper to invest in modern ways to pay, upgrade the network and deliver new lines. The adversarial blame culture will end, and everyone across the sector, including train operators, will be incentivised to work towards common goals, not least managing costs. The value generated will be shared with the customers of the railways and the taxpayers who invest billions each year.

## We want to grow, not shrink, the network

We are investing tens of billions of pounds in new lines, trains, services and electrification. At a time of deep challenge for public transport, increasing flexibility and productivity will secure the future of the railways and the jobs of those who work on it right across Great Britain.

# Chapter One

# The railways since privatisation

In many ways, Britain's railways improved dramatically under privatisation. On the eve of the pandemic, the railways ran over 21,000 services on an average day – a third more than before privatisation.<sup>6</sup> Government investment has quadrupled since privatisation and recent years have seen around £1 billion a year invested by the private sector.<sup>7</sup> Public funding, with five-year capital settlements, is more certain and predictable than the stop-start regime imposed on British Rail.

The assumption of a network in inevitable decline has ended: instead there are thousands of new, cleaner train carriages, improvements to stations and the opening of dozens of new ones, and increasing electrification to make services greener and quieter. In 2019, rail travel achieved its highest share of all miles travelled in Great Britain since 1967.<sup>8</sup>

On the eve of the pandemic, passenger numbers had more than doubled since privatisation, a greater rise than road use in Britain and a far greater rise than in most comparable countries over the same period.<sup>9</sup> Great Britain had one of the most intensively used networks in Europe: on average, a mile of track in Britain carried twice as much traffic as in France.<sup>10</sup> Crucially, our railways are also among the safest in Europe.<sup>11</sup>

Rail freight has also been transformed, with diversification from coal and steel enabling the private freight market to flourish as the UK's energy mix began to change. Rail freight has shown the value of having a dynamic, innovative and customer-driven business model and now acts as a key supply line to national priorities such as construction and supply of food and medicines.

These are significant successes, for which the privatised railways do not get enough credit. The government is committed to maintaining a major role for private business and capital in supporting Britain's railways in the future. We should not romanticise the nationalised era.

But unlike most privatisations, that of the railways has never become publicly accepted, because its failings have remained all too obvious. Breaking British Rail into dozens of pieces was meant to foster competition between them and, together with the involvement of the private sector, was supposed to bring greater efficiency and innovation. Little of this has happened. Instead, the fragmentation of the network has made it more confusing for passengers, and more difficult and expensive to perform the essentially collaborative task of running trains on time.

While successive governments have sought to balance the cost of the railways between taxpayers and farepayers, government funding still made up nearly a third of the industry's income in 2019/20 and fares have risen by 48% since 1997 in real terms.<sup>12</sup> The model put in place at privatisation has not done enough to deliver a more cost-efficient sector and many costs have consistently risen faster than inflation, with taxpayers and customers having to foot the bill.<sup>13</sup>

A lack of innovation and incentive to modernise is partly responsible for this. Whilst London's Oyster and contactless schemes demonstrated many years ago how a better passenger experience and cost efficiency can come together, more than half of all national rail journeys in Britain still used paper tickets before the pandemic.<sup>14</sup> Working practices have remained largely unchanged for decades. Efforts to modernise them while protecting staff and passenger safety, such as the introduction of driver-controlled trains, have led to major strikes in recent years that have crippled services for passengers across the network.

Before the pandemic, performance was disappointing and passengers' biggest priority for improvement was punctuality.<sup>15</sup> Around half of trains in northern England and a third of trains nationally were late in 2019/20.<sup>16</sup> This has barely improved in the past five years.<sup>17</sup>

## Private bad, public good?

Yet to see nationalisation as a cure-all is to overlook the major role the public sector has already played in the railways for years – without, so far, solving many of the problems. Even before the pandemic, local services across northern England and long-distance services on the East Coast were in public ownership. Many aspects of the whole network were minutely specified and controlled by the Department for Transport. And under Network Rail, all infrastructure including stations, tracks and signals has effectively been in public hands since 2002 and formally so since 2014.<sup>18</sup> Most passenger and some freight services were subsidised by taxpayers to make them viable even before the pandemic.<sup>19</sup>

Failings at Network Rail were central to the collapse of the timetable in 2018 which originally triggered this Review.<sup>20</sup> Despite reform, its costs also remain too high. Evidence of the consequences can be seen every day on the network and experienced by passengers and communities: Oxford, Sheffield and Swansea are still waiting for the electric train service promised over a decade ago and after electrification projects were delayed and scaled back in part due to costs spiralling from £800 million to £2.8 billion on Great Western's electrification programme.<sup>21</sup> Overspecification, gold-plating and disconnected decision making and funding inhibited improvements for passengers and pushed up costs across the sector, which were ultimately reflected in rising fares and taxpayer subsidy.

The system that worked to re-energise the railways in the 1990s now struggles to ensure that the railways deliver for the public. The sector's structures do not work: people working in the rail industry are disempowered, and central government should not be so closely involved in operational decisions. Complex and adversarial relationships between operators, suppliers, Network Rail and government do not meet the needs of passengers, freight customers or taxpayers. Past attempts at change led by both successive governments and the rail industry have been numerous but piecemeal. All share responsibility for the impact this has had on passengers over recent years.

## **Simplification is more important than nationalisation**

What needs to change, in short, is not the ownership of the railways, but their complexity. The sector today is too complicated, too confusing for passengers, too expensive to run and improve, too difficult to lead, and too hard to reform.

The rail sector consists of dozens of organisations, each with silos and individual priorities that do not always work together. A plethora of passenger, freight and open access operators, rolling-stock leasing companies, regulators, passenger watchdogs, a police force, a co-ordination and trade body, the Department for Transport and devolved counterparts and the infrastructure owner, Network Rail, all have to work together. That is before adding in the extensive supply chain, and companies contracted by those above who in turn subcontract.

Overcomplication appears built into many aspects of the rail network. There are around 75 different types of train in passenger service on today's network, imposing greater costs in maintenance, regulation and crew training.<sup>22</sup> No commercial airline would have that many types of aircraft; no bus, coach or lorry company that many types of vehicle.

Yet the mere number of different players in the sector is not, in itself, the greatest problem but a symptom and a cause.

There will remain a variety of bodies under any reform, including this one. The problem is that, at present, these organisations have different motives, interests and incentives that do not always align with each other or with the interests of the passengers, freight customers and communities whom the railways are supposed to serve, and there is no 'guiding mind' to bring it all together and provide direction.

## The blame culture

No leader or organisation at local, regional or national levels has responsibility and accountability for making the whole system work. Today's system does not always encourage the different parts of the sector to work together, nor reward them for doing the right thing or incentivise them to act in the overall interest, rather than a narrow agenda. Instead, co-ordination is governed by a costly, inflexible spider's web of often adversarial relationships, penalties and disconnected incentives.

Network Rail and the train companies employ, for instance, almost 400 full-time staff, known as "train delay attributors", to argue with each other about whose fault a delay is.<sup>23</sup> Whilst this plays an important role in measuring performance across track and train, it is symptomatic of a misaligned focus on blame, rather than solutions. Around 40% of delays are disputed, representing significant sums of money, and as a result are debated over through an extensive escalation process, 199-page principles and rules document and an adjudication process overseen by an independently-chaired panel.<sup>24</sup> Previous adjudications include, among other things, who was responsible for a train being so crowded that a passenger fainted, causing delays while they were taken off; and whether a pheasant is a small bird (in which case, according to the principles at the time, the train operator was to blame for a delay caused by hitting one) or a large bird (Network Rail's problem).

Delay attribution is one small part of a panoply of rules, procedures, codes, and dispute resolution mechanisms which have proved poor substitutes for the co-operation, trust and common sense found in other sectors working to a shared purpose. Franchise agreements typically covered around 1000 pages; the Key Train Requirements document runs to 185 pages, yet some new seats are seen by passengers as uncomfortable and unsuited to long journeys. The Ticketing and Settlement Agreement comes in at 922 pages, so it is no wonder that passengers find ticket pricing so confusing.<sup>25</sup> There need to be robust, proportionate systems that deliver for passengers and freight customers. As noted by the recent Delay Attribution Review, understanding the causes of late running is necessary and useful, but it would also 'be much better if resources were focused on solutions to reduce delays'.<sup>26</sup> The railways have been successful despite this complex system and culture, not because of it.

Figure 1<sup>27</sup> (page 16) —  
The railways in Great Britain  
need fundamental change.

# The railways in Great Britain

## Economy

Rail helps to boost **productivity and growth**, opens up **job opportunities** and directly employs over 240,000 people.



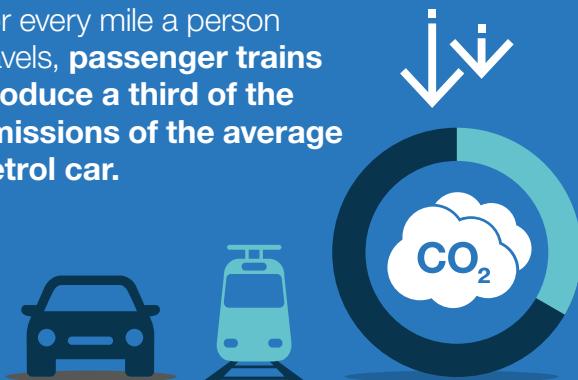
## Society

Rail **connects communities** across the country, **fosters placemaking** and acts as a **catalyst for regeneration** across our towns and cities.



## Environment

For every mile a person travels, **passenger trains produce a third of the emissions of the average petrol car.**



## Safety

Rail is the **safest mode of transport**, and the UK has **one of the safest railway networks** in Europe.



## Funding

The government has **invested over + £150bn** in the railways **since the mid-1990s.**

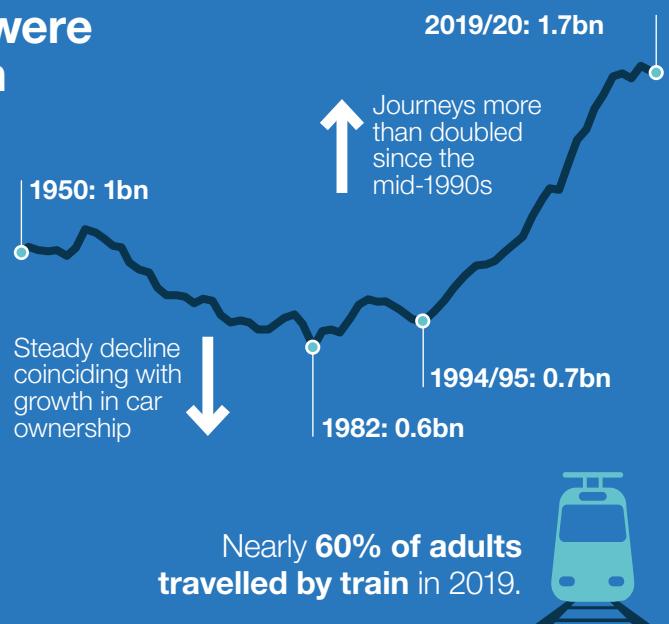
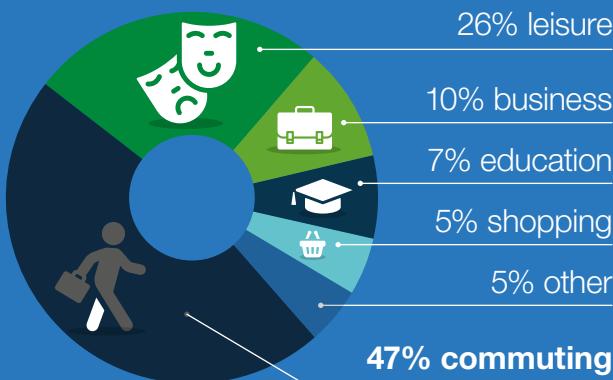
Rail makes up **more than 50% of all public spending on transport.**



# The railways need fundamental change

## Before COVID-19, the railways were the busiest they have ever been

They must adapt to new journey patterns as we build back better.



## Passenger experience

The customer experience can be **stressful, inconvenient and unsatisfactory** at various points throughout a journey.



Passengers find **pricing confusing** and **fewer than half of journeys offer value for money**.



At stations, some passengers find it **difficult to get around** or a **lack of comfortable waiting spaces**. Two thirds of **disabled passengers report at least one problem** when travelling by rail.



Service **punctuality and reliability is the number one priority** for improvement amongst passengers.  
**1 in 3 trains were late in 2019–20.**



**Experience on board trains is inconsistent**, from toilets and disabled access, to wifi and sockets.



**Communication to passengers** before, during and after journeys is **often unclear and can cause anxiety**.

## Stations

The **100 busiest stations catered for half of all passenger journeys** in 2019–20.



Great Britain has **over 2500 stations**.

## Workforce

**87% of the workforce is male.**  
Around **30%** of the workforce are **over the age of 51**.

## Freight

The **rail freight market has transformed** from carrying coal to carrying construction and container goods. However, almost **9 times as much** freight is moved by road.



It is clear that the railways have not been run in the interest of passengers, nor set up in a way that brings the sector and its people together to serve society, deliver a public good and generate social, economic and environmental benefits for the nation.

## A structure that has had its day

Even before the pandemic, it was clear that this system was no longer viable. Such competition as there was had diminished, and UK companies were increasingly reluctant to even bid for franchises. Two franchises failed and were taken over by the government's operator of last resort, whilst others were heading the same way. Other franchise competitions were delayed or never progressed, and direct awards made instead. Since 2012, around two-thirds of contracts have been awarded without competition.<sup>28</sup>

The government originally appointed Keith Williams to conduct a root-and-branch review of the railways after a chaotic timetable change in May 2018 which exposed the system's lack of leadership and co-ordination. Services across the north and south east of England were disrupted for many weeks after the late delivery of infrastructure improvements by Network Rail, miscalculations by both it and operators in preparing timetable changes, and a failure of accountability and oversight throughout the process, led to a collapse in the national timetable. The Office of Rail and Road's (ORR) independent inquiry that followed this found that the crisis was foreseeable but that complex accountabilities and weak oversight meant decisions by different parts of the system lacked due regard for the effects on the network as a whole; and that no-one took charge, either to prevent the timetable collapse or to mitigate its effects on passengers once it happened.<sup>29</sup> As with the Great Western electrification, multi-billion-pound, taxpayer-funded investments and upgrades that should have been, and will in the long term be, a boon turned into a fiasco, with lasting impacts on passenger confidence and public trust in the areas affected.

The Williams Rail Review found that too often, the railways are not getting the basics right, starting with running the trains on time, making it easy to buy a ticket and making rail more accessible and inclusive for all who want to travel. Passengers and freight customers told Keith Williams loud and clear: enough is enough. They felt that day in, day out, trains were late, overcrowded and journeys were stressful.<sup>30</sup> A revolution was clearly needed.

The Williams Rail Review identified **six key problems:**

- The rail sector too often loses sight of its customers, both passengers and freight;
- It is missing opportunities to meet the needs of the communities it serves;
- It is fragmented, and accountabilities are not always clear;
- The sector lacks clear strategic direction;
- It needs to become more productive and tackle long-term costs;
- It struggles to innovate and adapt.

## An existential challenge

The Review was largely completed by early 2020 and was then extended in close partnership with the Secretary of State for Transport, the Rt Hon Grant Shapps MP, to ensure that its conclusions were still appropriate in the light of the ongoing pandemic. The COVID-19 pandemic presented an existential challenge to the railways. Almost overnight, passenger numbers fell to levels last seen in the 1850s, reaching just 4% of previous demand in April 2020.<sup>31</sup>

Demand estimates published at the time of writing, in May 2021, averaged around 65% below pre-pandemic levels.<sup>32</sup> In future, many passengers will return. But the sector faces deep structural challenges in its key passenger markets. Before the pandemic, commuters comprised nearly half of journeys: these patterns will inevitably change.<sup>33</sup>

The government acted quickly to provide unprecedented support under Emergency Measures Agreements at a cost to date of more than £12 billion, to keep services running for key workers, and took the significant step of assuming greater direct control of services.<sup>34</sup> Support was also provided to help keep critical goods flowing across the country. Investment in upgrades and new lines has been maintained and will continue, in addition to the revenue support provided.

The government will not cut off emergency funding overnight. But it is not possible to continue paying revenue support indefinitely on the present scale, around four times the amount provided before the pandemic.<sup>35</sup> What that means for the railways is that change, leadership, better passenger service and greater efficiency have now become not merely desirable, but essential. Indeed, existential. Unless there is major change, the risk is that the last quarter-century of growth and optimism will end, and rail will return to the days of a thousand cuts and decline.

The pandemic has forced everyone in the sector to confront the reality of the railways' problems and made it impossible to delay or shrink from reform. It has given the government the opportunity to accelerate the changes that Keith Williams identified. Emergency Recovery Measures Agreements, now in place across most of the government's franchises and the National Rail Contracts that will follow, are significant steps towards the new contracts that the government intends to adopt.

### During the pandemic, the rail sector:

- Introduced new, express freight services bringing essential food and medical supplies from Spain for UK supermarkets.
- Overhauled the timetable in **just 3 weeks** to prioritise services for key workers and freight. It usually takes 9 months.
- **Intensified cleaning** and improved standards on trains and at stations.
- Introduced **immediate supplier payment** and **rent relief** to help UK businesses during lockdown.
- Adopted graffiti-cleaning kit that is **6 times faster** to make the railway cleaner for local communities.

Through its emergency response to the pandemic, the rail sector has shown it can innovate and collaborate when contractual barriers are swept away and opportunities to work together more effectively can be grasped. Rail staff have worked hard to support other key workers, keep essential supplies moving and support British businesses. This demonstrates what the sector can achieve when there is a clear common purpose; this is the mindset that now needs to become the norm.

The pages that follow set out 62 commitments that will bring the sector together to deliver 10 key outcomes (see Figure 2). These form a common goal: to secure the future of the network and everyone who uses it or works on it.

## **Urgent and radical change is needed to help the railways become more customer focused and financially sustainable, working in the national interest as a public service**

Image (page 21) – Passengers at London Waterloo during the coronavirus pandemic.

Figure 2 (page 22) — How the railways will change for the better



Please  
keep your  
distance

t4media group

# How the railways will change for the better

**Keith Williams and the government have a shared vision for Great Britain's railways that can be summarised in 10 outcomes.**



## 1. Modern passenger experience

Passengers must receive high-quality, consistent services day in, day out. This means accessible, reliable journeys that are well connected with other transport services and include new customer offers at stations and on trains.

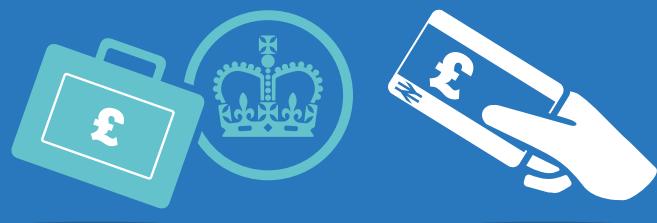
## 2. Retail revolution

A new customer offer will be driven by clearer, easy-to-understand information, simpler travel with contactless and cashless payment and clearer prices. Compensation will be simpler to claim and journeys will become easier across transport services.



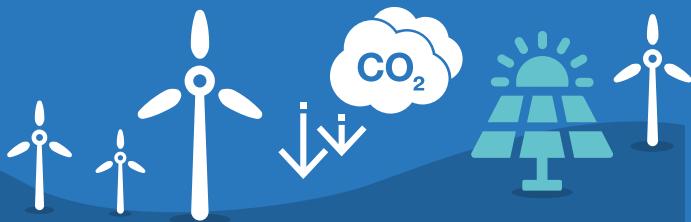
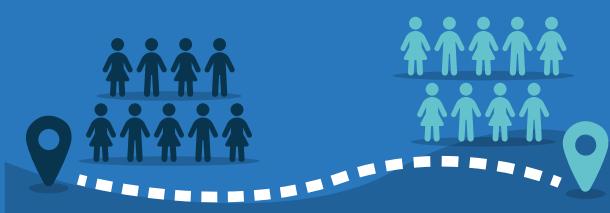
## 3. New way of working with the private sector

Passenger Service Contracts will replace franchising, bringing a new focus on reliability, performance and efficiency. New opportunities for innovators, suppliers (including small and local partners) and funders will be created through streamlined contracts and more contestability.



## 4. Economic recovery and financially sustainable railways

The railways are a public service, paid for by taxpayers and passengers to connect places and foster economic growth through levelling up across our towns, cities and regions. Bringing together responsibility for cost and revenue across the system will ensure the railways become more financially sustainable.

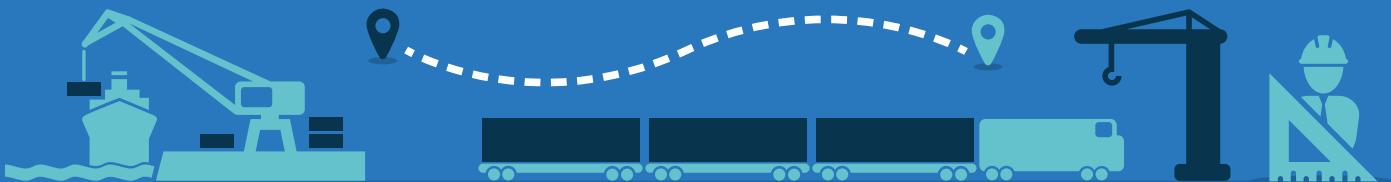


## 5. Greater control for local people and places

Railways will be more responsive to the needs of local communities and customers, whether from Woking, Wrexham or Wick. Empowered, locally-led teams will support levelling up and be accountable to the people and places they serve.

## 6. Cleaner, greener railways

Britain's railways can and will spearhead the nation's ambition to become a world leader in clean, green transport. Decarbonisation, greater biodiversity and improvements in air quality in towns and cities will ensure rail is the backbone of a cleaner, greener public transport network.



## 7. New offer for freight

The pandemic has highlighted the importance of freight to our country and economy. National co-ordination, greater opportunities for growth and strong safeguards will put rail freight on the front foot.

## 8. Increased speed of delivery and efficient enhancements

Restoring lost rail links and accelerating the delivery of critical upgrades to the network will help level up places across the country, spark new economic growth and improve public transport connectivity and prosperity across our nations and regions.



## 9. Skilled, innovative workforce

Enhancing skills, leadership and diversity across the sector will create new opportunities for the hundreds of thousands of people working on our railways. High-value jobs for the future will be created and make the most of data and technology to better support customers.



## 10. Simpler industry structure

Track and train will come together in a 'guiding mind' for the system, Great British Railways. It will be made up of regional railways that are locally rooted and accountable, with new culture and incentives focused on serving customers. A 30-year strategy will enable the sector to modernise efficiently.

# Chapter Two Our commitment to rail

## Why railways matter

The pandemic has caused a significant shift away from public transport, from commuting to home working. Road traffic is almost back to pre-pandemic levels.<sup>36</sup> Some might say that means our railways matter less. In fact, it means the opposite.

The road network in many places already operated at or close to capacity before the pandemic. When full economic life returns, there is a risk that any permanent shift towards the car will cause greater congestion, holding back the economic recovery. This applies especially to cities, the engines of the British economy, and most of all to London, the most productive city in the country. It and many other places cannot function without effective rail services. And across the country, the capacity the railways provide is important to the transport system as a whole.

Our railways will play a crucial role as we build back better. They are already a clean, green transport system for the country. They can support more flexible ways of working, not inhibit them. They will continue to be a catalyst for job creation, investment and prosperity by connecting our towns and cities into regional powerhouses, as well as supporting tourism and links to rural communities. The stages on the government's roadmap to Net Zero carbon emissions, and its commitments on air pollution, cannot be met without transport playing its part.

To fulfil their potential, the railways must become much better at meeting the needs of passengers and freight customers, and they must do so now. The renaissance of rail in this country has only just begun.

## Our investment in the future of rail

Some have argued future major transport investment programmes should be paused. The Government agrees with the National Infrastructure Commission that this would be short sighted.<sup>37</sup> The government's £12 billion emergency revenue support to date is a clear sign of our belief in the future of rail.<sup>38</sup> A major investment in its future was also confirmed during the pandemic: in April 2020, contracts were signed to build the first stages of HS2. Construction started in September.

In January 2021, we announced £800 million of funding for two schemes to reopen lines closed to passengers under the Beeching Report: the second phase of the Oxford-Cambridge route, between Bicester and Milton Keynes, and the Northumberland Line, between Newcastle, Blyth and Ashington.<sup>39</sup> In March 2021, we announced that the first Beeching reopening scheme, funded through our Restoring Your Railway initiative: the £40 million project to restore links to Okehampton in Devon, will reopen to passengers in autumn 2021.<sup>40</sup> In the Midlands, too, major change is coming: new lines and stations are being opened in Birmingham, £200 million has been invested in upgrades around Derby and seed funding has been provided for the Midlands Rail Hub project to transform services in the wider region. In northern England, Manchester's railways are being unblocked, hundreds of new, greener and more accessible trains are being introduced and major upgrades across the Pennines have begun.<sup>41</sup>

The government is committed to supporting public transport and connectivity across the whole of the UK. Its ongoing Union Connectivity Review, led by Sir Peter Hendy, is continuing to assess transport connections and networks in and between the four nations.<sup>42</sup> Investment in rail is improving the capacity and capability of the network for rail freight, including through improved connections to key ports and interchanges. The UK government is also supporting extensive rail improvements across Great Britain now, with new direct services from Motherwell and Middlesbrough to London, millions of pounds of funding to improve accessibility at stations including at Cardiff Central, and funding to advance plans to upgrade the current signalling to state-of-the-art digital signalling from Shrewsbury to Aberystwyth and Pwllheli.<sup>43</sup>

This is just the beginning: the government will shortly be announcing further major projects in the Midlands and North, including in our Integrated Rail Plan, electrification schemes and further Beeching reopening projects.

### Geographic scope of this white paper

This white paper and the Williams Rail Review have focused on railways within Great Britain, as transport is a devolved area in Northern Ireland. The devolved authorities in Scotland and Wales have a range of devolved powers in relation to rail which they will continue to exercise, as will TfL and other metropolitan authorities, in relation to rail and light rail in their areas. As now, they and Great British Railways will need to work together to deliver a co-ordinated network across Great Britain.

## £40 billion to renew and upgrade the railways

Even as the pandemic deepened, the Spending Review in November 2020 committed over £40 billion for rail capital projects over the next four years, including £22.8 billion for HS2 to 2025 and a further £17.5 billion in capital funding for renewals, upgrades and enhancements of the existing network up to 2024.<sup>44</sup> These sums will be maintained, and the government will continue to provide five-year funding settlements for rail infrastructure during and following the implementation of the reforms set out in this white paper.

The next five-year infrastructure settlement will form part of ORR's Periodic Review 2023 process, which will be an important opportunity to support and enable reform and investment in the railways over the period 2024-2029. In the future, Great British Railways will develop five-year business plans across both services and infrastructure to inform government funding decisions.

## Investment will be prioritised in areas that have seen less spending in the past, to level up the whole country

Historically, the largest share of rail investment has gone to South East England, a reflection largely of the geography of rail usage. London and the South East will benefit significantly in the next few years as the fruits of government investments in Crossrail, new train fleets and Thameslink upgrades come on stream. Often quoted regional figures for rail investment per capita look markedly different when given as investment per rail journey in each region, as investment has traditionally been focused in areas with higher numbers of passengers, while operational subsidies have tended to be significantly higher elsewhere.<sup>45</sup> This has, in part, created a virtuous cycle of growth and investment in the South East that the government now intends to share across the whole country.

The government's priority for the future is to level up rail services and other public transport services in rest of the country to the high standards already set in the capital. Capital investment is already being focused on other regions across the country, with all but one of the major rail projects in the coming years outside the South East.

## Revenue support for the railways will continue, but additional emergency support will not remain indefinitely

In recognition of the railways' role as a public service, the government also provided between £3 billion and £7 billion per year in revenue support across the sector before the pandemic, supporting loss-making routes and encouraging freight off the roads and on to the railways.<sup>46</sup> The level of government subsidy has significantly increased as a result of the government's emergency support for rail during the pandemic. Emergency support for rail will not be cut off overnight, but the long-term future of the railways will, of course, require them to recover, further grow passenger numbers and become more efficient.

Great British Railways' regular five-year business plans will inform government decisions about rail's five-year infrastructure funding settlement and the level of operational subsidy. These business plans will develop 'in-life' to reflect multi-year operational budgets set through the government's Spending Reviews, whilst preserving the five-year infrastructure settlement. The clear planning horizon provided by these regular five-year business plans, and any changes to them, will give more certainty and stability than ever before.

## Short-term action to help passengers back

As the pandemic eases and the country continues to move through the roadmap, the government is determined to work with the sector to help passengers back on to public transport. This includes a major effort to develop rail's leisure market further and help to attract new passengers to the railways. In doing so, we can revive our high streets and city centres, reinforce growth in the leisure and tourism sectors, support people to work more flexibly and make journeys more affordable and environmentally sustainable.

In line with the Covid-19 roadmap, we will continue to work closely with the sector on measures to enable people to have confidence to travel by train again and to support their new working patterns. This includes requiring operators to introduce flexible season tickets across the rail network to make it easier for people to commute two or three days of the week.

# Chapter Three

# Integrating the railways

**Passengers do not know who is in charge of the railways.<sup>47</sup> As the network has become increasingly busy and interdependent, fragmentation and a lack of accountability have held back the sector.**

Opportunities to run the railways more efficiently and collaboratively have been missed. Short-term fixes by successive governments and the industry have failed to overcome the underlying challenges of misaligned incentives, siloed working and the absence of strategic planning that have over time served to increase the burden on taxpayers and farepayers.

Almost a decade ago the McNulty Review highlighted the lack of whole-system thinking and adversarial relationships as key reasons for high costs, poor value and inefficiency in the rail sector.<sup>48</sup> As the rail sector looks to rebuild after the pandemic, the need to get costs back under control across the system and to respond more effectively to the changing needs of local communities, passengers and freight customers is even more urgent than before.

The way in which the sector operates needs to be fundamentally overhauled because it is no longer working in the interests of passengers, taxpayers and freight customers. The government is determined to confront the sector's inability to resolve cross-cutting issues by setting it up to more effectively make and deliver long-term, strategic decisions that take a view across the whole system. During the pandemic the sector came together, ultimately with central government stepping in to try to direct the system. But central government was never intended, nor best placed, to oversee the railways in this way.

Integrating the railways will bring together the 62 commitments set out across this white paper while also creating a leadership team that is fully accountable for delivering them. This requires far more than just a new name: it means joining up the system, improving accountability and fully capitalising upon the skills and capability of both the public and private sectors. Integration will be driven locally, not from the top: rooting the railways in the places they serve rather than pushing decisions up to Whitehall will empower people, create locally responsive railways and help to level up. Work has begun in earnest to make progress now and to unleash the full potential of the railways to become a modern, efficient public service.<sup>49</sup>

Image (page 29) — Network Rail and Southeastern colleagues together on a service to Kent.

↔  
**Over £2bn**  
a year moves between  
Network Rail and operators

9000  
people volunteer  
with community rail groups

○—X—○  
Decisions on  
**tracks, trains, power  
and planning** are all  
**disconnected**



## The railways will be integrated under the leadership of a new organisation, Great British Railways

### 1. A new public body, Great British Railways, will run the network in the public interest.

Great British Railways will bring together the whole system and perform a role for rail services similar to the one Transport for London has in the capital. It will own the railways across Great Britain and run them as an integrated system to common goals, set out in this white paper and in the future by Ministers.

Great British Railways will take over roles, responsibilities and people from organisations across the sector, including critical cross-industry functions currently exercised by the Rail Delivery Group (RDG) and, most rail functions delivered today by the Department for Transport, including procurement of passenger services. Network Rail, the current infrastructure owner, will be absorbed into Great British Railways. The new organisation will work closely with partners across the sector, including freight operators and suppliers, to help deliver a customer-focused rail system.

Existing devolved administrations and authorities across Great Britain will continue to exercise their current powers and to be democratically accountable for them.

Great British Railways will draw up timetables and set most fares. It will not operate most trains directly but will contract with private companies to operate them on its behalf under Passenger Service Contracts. Great British Railways will specify service levels and on most of the network will set fares and take the revenue risk. For more details about the new contracts, see Chapter Four.

Work to deliver improvements for passengers and bring in interim arrangements will start immediately. Alongside this, the government intends to introduce legislation to formally establish Great British Railways so that it can lead the sector in the public interest and work openly and transparently with local, devolved and commercial partners.

#### Great British Railways will:

- Deliver the government's priorities for rail
- Develop a 30-year strategy and 5-year business plans
- Manage the railway budget
- Be responsible for safe and efficient operations
- Be accountable for the passenger offer
- Own stations and infrastructure
- Plan access in the public interest
- Support the rail freight market and cross-regional services
- Empower its regional divisions and their local operational teams to make decisions

## 2. Great British Railways will be the single guiding mind and leader that the railways currently lack.

Great British Railways will be responsible, and held accountable, for meeting the punctuality, quality, efficiency, safety and other goals set out in this white paper and by Ministers. The whole-system, planning and operating functions needed to deliver a joined-up network will be directed by Great British Railways, working in partnership with devolved transport authorities where appropriate. There will be no excuse-making and blame-shifting. The cottage industry of costly commercial disputes over delay attribution will end.

Great British Railways will bring the railways' finances together in a single organisation across track, train and the rail estate. It will manage cost and revenue decisions for the network, with budgets pushed down to regional and even local levels, though as described below there will be more commercial freedom and autonomy for operators of long-distance services as passenger numbers recover.

These are significant changes. Uniting costs and revenue will enable Great British Railways to take a whole-system view, allowing it to make choices and decisions more effectively. It will enable the railways to be run as a public service with the financial discipline of a modern business. Great British Railways will be able to adapt more quickly, better equipping it to meet the challenges of the post-pandemic era and react to the changing needs of its passenger and freight customers. The costs of the railways will become more transparent and visible for government, taxpayers and investors.

### **3. Great British Railways will be given the means to think and plan for the longer term.**

A key weakness of the nationalised railways – and another reason why we should not simply replicate the model – was its stop-start funding. British Rail was dependent on public funding, for which there were many competing claims. It was often denied medium and long-term financial certainty, meaning that it had to operate year-to-year and could not plan properly or deliver efficiently.

Short-term pressures to save relatively small sums forced British Rail into damaging decisions that were not in its or the country's long-term interest, and that later had to be reversed at far greater cost. In some ways this has continued, with fragmentation inhibiting the ability to set out long-term priorities and invest in affordable, necessary schemes without gold-plating or missing simpler, more efficient solutions.

Privatisation has given the railways much more certain and stable medium-term public funding, with successive five-year 'control period' settlements from the government for Network Rail.

The government will at least maintain the current infrastructure settlement, which runs until 2024, and will provide subsequent five-year infrastructure funding deals from 2024 onwards – including for Great British Railways, once it is established. As set out in Chapter Two, the government will require Great British Railways to set out business plans over a five-year planning horizon in the future too, covering services and infrastructure, to inform its funding decisions. This will ensure that infrastructure and operational funding decisions are taken in a joined-up way and help to provide a stable planning framework. These business plans will develop 'in-life' to reflect multi-year operational budgets set through the government's Spending Reviews, whilst preserving the five-year infrastructure settlement.

The government is also determined to maintain and increase private involvement and private finance to supplement the money paid by the state – just as many other state-led organisations have, including national railways in other countries. For more on the role of the private sector in the new system, see Chapter Six.

#### **4. There will be a national brand and identity to emphasise that the railways are one connected network.**

The rail network should feel like a network, a coherent, consistent, clearly-branded operation that gives passengers confidence in using it. Most successful consumer businesses, including retailers and airlines, aim to create similar levels of consistency and brand identity.

Great British Railways will use updated versions of the classic ‘double arrow’ logo as well as the Rail Alphabet typeface, used in this document. Even after 25 years of privatisation, the logo remains the most widely-used and best-recognised symbol of the railways. It is the standard marker on road signs. It appears on most tickets, online, and at the vast majority of stations. It will stay in those places and increasingly appear on trains, uniforms and publicity material too as and when these are upgraded or replaced as a single, unifying brand for the railways. Keeping it also avoids spending money on yet another new railway logo.

People are understandably sceptical about the frequent rebranding of trains and stations carried out under the privatised system, so the branding will be introduced alongside other improvements. Variants to the national brand will be developed to reflect the English regions, Scotland and Wales, while emphasising that the railway is one network serving the whole of Great Britain.

#### **5. Great British Railways will be a new organisation, not just a larger version of Network Rail.**

Given Network Rail’s status as the existing owner of the infrastructure, and as easily the largest single actor on the railway, its people will inevitably make up a substantial part of Great British Railways.

Network Rail has undergone significant leadership and structural change since the failures of the Great Western electrification programme and the 2018 timetable upgrade. It is making successful efforts to reform, to be more efficient, including to save £3.5 billion in the current five-year control period, and to focus on outcomes for passengers and taxpayers.<sup>50</sup> A major restructuring of Network Rail has been underway since 2018 to help it become more responsive to its passenger and freight customers.

Not all of the challenges facing Network Rail have been solved, and though it has greatly strengthened its operations function, the role it has historically been asked to undertake has led it to being an engineering-driven organisation with relatively little direct contact with passengers and freight customers. This culture grew directly out of the incentives set by the rail system and successive governments for the organisation. Network Rail has successfully started this journey of change, helping to deliver the government's vision for a rail network that always puts passengers and freight customers first. The major institutional changes in this white paper will create the opportunity for an entirely new culture in the sector, with the creation of Great British Railways at its heart.

The government will require that Great British Railways be a new organisation, not bound by the cultures or approaches of Network Rail or any other existing organisation in the sector. This is a real opportunity to bring greater diversity into the sector to enable it to better represent the communities it serves: further details on this are set out in Chapter Eight. Great British Railways will need to include meaningful numbers of people in middle and senior management roles with substantial experience outside Network Rail, including in some cases from outside the rail and transport industry altogether; and more people with retail and customer relationship experience.

Increasing numbers of Network Rail's managers do have this experience and many other staff across it and other organisations, such as RDG, have indispensable skills that will be vital to the future success of the railways. There is an array of rail-specific skills that must be retained in the new organisation – such as the signallers whose skills ensure that the network can operate safely and efficiently day in, day out.

Great British Railways will also be given a demanding new set of obligations and accountabilities, described below, to ensure that it operates in the interests of customers and taxpayers.

## Great British Railways will be held to account by government and passengers for delivering an efficient, effective public service

### 6. Great British Railways will be given a binding mandate to have as its primary focus serving the interests of passengers, freight customers and taxpayers and growing rail usage.

Great British Railways will be a powerful body. That is necessary to bring about change, but there is, of course, a risk that it may become in some ways too powerful, or at least empowered to make decisions that are not in the public interest. It would, for instance, be easy to improve punctuality on a given line by halving the train service; or to create more time for maintenance by permanently ending evening trains. It may be easier to save money by cutting services or facilities than by cutting inefficient or wasteful practices.

A series of strong measures and structures will be put in place to prevent this, make Great British Railways accountable, transparent and reflective of its need to serve passengers, freight customers and taxpayers. Funding streams will be conditional on meeting Great British Railways' mandate for delivering customer needs and making efficiency improvements.

In line with the government's commitment to growing the network, Great British Railways will be subject to a series of mandates, including to:

- Operate in the interests of passengers, freight customers and local communities;
- Grow passenger numbers and open up new markets; and,
- Pursue financial sustainability through the reduction of waste and inefficiency and developing revenue streams that benefit customers.

These will be priorities for the wider sector now and for Great British Railways to lead on as it develops, not only after structural change is completed.

## 7. Great British Railways will be mandated to increase efficiency and co-operation.

One of the major benefits of bringing the railways together is in providing clear line of sight over costs, benefits and opportunities for efficiency and growth. Great British Railways will be able to make substantial net savings without detriment to service or fare levels by reducing duplication, interface costs and complexity. This will include better planning of track and infrastructure works and many other operations currently subject to negotiation between Network Rail and train operating companies. Other efficiencies will include economies of scale; common systems; reductions in bidding costs; ensuring subcontracting is used in a cost-effective manner; workforce productivity improvements; and reductions in overlapping planning, support and administrative functions.

In doing so, Great British Railways will be able to continue and build upon Network Rail's existing programme of efficiencies, which aims to deliver £3.5 billion of savings over the five-year period to 2024 (around £700 million per year) and the SPEED reforms begun last year.<sup>51</sup> Further details on Project SPEED are set out in Chapter Seven.

As a single organisation, Great British Railways will be able to benchmark internally, monitor costs transparently and roll out best practice more widely and quickly. Taking a whole-system approach to planning and delivery will enable further cost reduction, while also reducing disruption to services, in turn generating more cost savings. This will be further strengthened by pushing cost and revenue control down to regional and local levels to bring a clear financial focus across the whole organisation.

Savings from reform will take several years to realise, but industry experts suggest that after an initial five-year implementation period, substantial annual cost savings could be achieved, equivalent to a further £1.5 billion a year, or 15% of revenue from fares before the pandemic, on top of existing efficiency programmes.<sup>52</sup>

Longer-term targets to bring down costs across the sector are also needed. As an early step, once it is established and empowered, Great British Railways will agree a clear target with government to bring down its overall costs, benchmarking them against global standards, and will clearly set out how it will deliver this whilst meeting the needs of passengers and freight customers. It will be held to account for achieving this within its overall financial settlement.

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Reform should deliver additional savings of up to £1.5 billion a year after five years.<sup>53</sup>

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## **8. The government will hold the railways' leaders accountable for meeting the needs of the customers and communities the network serves.**

The Secretary of State for Transport will be accountable to Parliament for how the railways deliver for passengers, communities, the economy, the environment and taxpayers. The current system frustrates the government's ability to exercise democratic control and support effective delivery within the sector.

Under these reforms, Ministers will hold Great British Railways to account through a structured framework underpinned by legislation. Ministers will take key funding decisions and have strong levers to set direction and pursue government policy. The Secretary of State will be responsible for the appointment of the Chair and agreeing the framework for pay, including any performance-related pay. They will also be given statutory powers to set long-term strategy and have powers to issue guidance and mandatory directions to Great British Railways on any matter at any time, creating a relationship between Ministers and Great British Railways akin to the one shared by the Mayor of London and Transport for London.

These strong statutory and administrative controls for Ministers are vital to ensuring that government can secure benefits for the country. They will play a critical role in focusing Great British Railways on value for taxpayers, passengers and freight customers, for instance by ensuring that incentives exist to look beyond engineering outcomes or short term financial targets. However, Ministers recognise that these wide-ranging framework powers need to be used flexibly, so that rail leaders are given room to plan, make delivery choices and solve problems in the round.

Parliament will continue to hold Ministers to account for these key strategic functions. However, unlike in today's fragmented system, Parliament will also be able to hold a single leadership team responsible for rail planning and operations.

## 9. A 30-year strategy will provide clear, long-term plans for transforming the railways to strengthen collaboration, unlock efficiencies and incentivise innovation.

Within today's structure, no organisation has the financial, technical and operational authority to oversee the design, investment and management of the major changes to track infrastructure and on-train systems required for programmes such as digital signalling. A long-term strategy will set out, for the first time, key strategic priorities for the whole rail network for the next 30 years.

The strategy will create a stable foundation for innovation and problem-solving, allowing, for example, electrification to be delivered efficiently. Priorities will only be achievable and affordable if the whole system of suppliers, operators and funders work together to plan, innovate and achieve long-term ambitions. Combined with rolling programmes of transformation, the plans set out by the strategy will save time, reduce costs and enable innovators to develop new ideas and solutions.

The 30-year strategy will be a key mechanism that Ministers will use to ensure that the railways respond to public priorities such as levelling up, the environment, housing and regeneration. It will incorporate the comprehensive environment plan set out in Chapter Seven. The strategy will be produced for Ministers by Great British Railways, enabling government to set clear direction for the railways in support of national priorities. Great British Railways will be responsible for achieving the outcomes set out within the 30-year strategy, providing regular updates to Ministers on progress and adapting it to changing needs, just as TfL regularly updates the Mayor of London on its long-term strategy, to reflect changes in the economy, society and technology.

The Secretary of State has begun this work by commissioning a 'Whole Industry Strategic Plan' that will become the first 30-year strategy. By starting now, the first strategy can be ready in 2022, with partners across the sector and beyond consulted as it develops.

Image (page 39) – Passengers at Manchester Piccadilly.



## Railways will become more responsive to local needs and expand local control to help level up our towns, cities and regions.

### 10. Great British Railways will be made up of powerful regional divisions, with budgets and delivery held at the local level, not just nationally.

Great British Railways will be structured to create a balance between the need to take a whole-system view nationally, particularly for freight and cross-country services, and to meet the needs of local communities and regions. Key strategic decisions will be taken centrally, with operational matters led by five regional divisions. These will initially be organised in line with the regions established in Network Rail's recent Putting Passengers First programme, which reflects how passengers and freight move across the network today.<sup>54</sup>

The five regional divisions will be responsive and accountable for the whole system in their areas, including budgets. Each division will need to be led by a customer-focused leadership team, able and empowered to secure change in its part of the network and work closely with operators and suppliers to do this. They will need to decide priorities for investment and collaborate to operate an integrated national network.

Within each division, integrated local teams will bring decision-making closer to the people and places that the railways serve. They will be responsible for day-to-day delivery on routes of the network and will be integrated across track and train, bringing together infrastructure, customer service, station management and train operations into one team, in partnership with operators.

Local teams will be well placed to improve co-operation with local communities and local leaders. A pilot of integrated local teams will be undertaken as a priority.

These changes are designed to be adaptable and flexible. Regional boundaries and their integrated local teams will be able to evolve over time as the rail network changes. For example, a new regional railway across northern England may be beneficial once Northern Powerhouse Rail transforms travel between major towns and cities across the Pennines.

#### Regional divisions within Great British Railways will:

- Be accountable to customers for their journeys
- Manage Passenger Service Contracts, stations and infrastructure
- Procure private partners, including operators and contractors
- Manage budgets locally and regionally
- Integrate track and train at a local level
- Work with and be responsive to the needs of local and regional partners
- Integrate rail with other transport services

## **11. In England, new partnerships with Great British Railways' regional divisions will give towns, cities and regions greater control over local ticketing, services and stations.**

Great British Railways will enable much closer collaboration and joint working with local leaders. There will be one, single point of accountability for rail services in a town, city or region.

New partnerships between Great British Railways and local and regional government will be established to give local leaders a greater say in how the railways are run in their area. For the first time, these agreements will encompass the whole passenger offer and long-term strategy for railways in a local area. Partnerships will mean that railways are more responsive to local priorities from Hampshire to Humberside.

Depending on the needs and capacities of different places, partnerships will include the ability for local leaders to integrate ticketing and fares with other local transport services, control stations and buy additional services or infrastructure to achieve local transport and housing priorities more effectively than today, using funds raised locally. Local railway managers will be scrutinised by local politicians through joint governance arrangements to provide clear accountability locally in areas where such arrangements are appropriate.

Further detail on the involvement of local leaders in rail and other transport services and the levers available to them will be set out in the levelling up white paper in due course.

## **12. Devolved railways will be strengthened, with closer collaboration with Great British Railways improving services, consistency and co-ordination across the country.**

Existing devolved authorities in Scotland, Wales, London, Merseyside, and Tyne and Wear will continue to exercise their current powers and to be democratically accountable for them. They will continue to award contracts and set fares on their services, for instance. As now, devolved rail authorities will need to work together in partnership with Great British Railways. This includes supporting a single national network, including one website and app and delivering consistent branding and passenger standards, such as on accessibility and compensation.

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It took the rail sector two years to approve a half-hourly Harrogate to York service following North Yorkshire County Council's offer to fund the £12 million scheme.

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Co-operation with a single national organisation will strengthen devolved railways by helping improve consistency in the passenger experience across the network, maintain common principles and standards and improve joint working on issues such as managing specialist or scarce technology and skills. Existing leases of stations to devolved transport authorities will continue and there will be opportunities to develop these relationships in the future.

Great British Railways will continue to own the infrastructure in Scotland and Wales (other than some of the South Wales Valley Lines), as Network Rail does now. The government will explore options with Transport Scotland to enable the railway in Scotland to benefit from the reforms on the wider network of Great Britain. A joint working agreement between Transport for Wales and Great British Railways will be explored to improve the rail offer for passengers and freight customers in the connected network between Wales, the West Midlands and the West of England. This agreement would need to be negotiated between the UK and Welsh governments, building on existing Wales and Borders agreements for rail services.

In London and the South East, a new strategic partnership will be established to support housing, economic growth and the environment across the highly interconnected transport network in that part of the country. This will bring together Great British Railways, TfL and local authorities and businesses to co-ordinate timetabling and investments and to provide a consistent passenger experience in areas such as accessibility, ticketing and communications.

Liverpool Lime Street station



## **13. Community rail partnerships will be empowered to strengthen rail's social and economic impact.**

Community rail groups already play an important role in supporting a thriving rail network across the country, including through strengthening initiatives with local understanding, improving rail's social impact and engaging partners such as schools and local businesses. Together, the regional divisions and community rail groups will be able to work more closely with each other, helping to maximise recovery from the pandemic by reinvigorating rail travel for leisure and tourism, particularly in our protected landscapes. They can also advise on how to improve active travel connections to stations, supporting connectivity in rural areas and working together to improve facilities at stations and on trains.

## **14. Station management will be integrated within Great British Railways to improve accountability for long-term investment in stations.**

Today, almost all stations on the network are owned by Network Rail, but all bar 20 of the biggest are managed by the train operators.<sup>55</sup> This has created a fragmented system in which many stations are not managed effectively for the long term. Their potential as assets to the community are not fully realised, and commercial opportunities are missed.

Dedicated station management teams will be created locally within regional divisions of Great British Railways to manage stations, land and assets. These teams will improve accountability and long-term decision-making over how stations and the estate are maintained and improved for passengers and local communities. Initially, station teams will focus on building an understanding of the condition and potential of stations, before developing masterplans for renewal where needed. This will include identifying ways to improve accessibility, create new commercial space and improve connections with walking, cycling and other transport services as well as supporting sustainable travel in rural areas with electric vehicle charging points in car parks.

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The masterplan at Watford Junction includes better walking routes and a new bus station, easier navigation, new offices and 3,000 new homes.

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## 15. Opportunities to better unlock housing, local economic growth and social value will be explored.

There are real opportunities for the railways to do more to support local economic growth, such as encouraging and supporting small independent retailers on the rail estate. This could extend more widely, with greater emphasis on place and social value. Priorities will differ across the network: in rural areas, community rail partnerships can provide social connections to tackle loneliness, whilst easy connections to our national landscapes can improve health and wellbeing. Reusing existing rail buildings for services such as training, community hubs and education, as Network Rail has already done in Bolton, could reduce costs for the voluntary sector and improve services for local residents.

Our railways also provide connections that are fundamental to good placemaking and rail links can be a catalyst for regeneration and development. Great British Railways will work with partners to support better development near stations and share best practice, using the essential understanding of how to develop sites alongside operational railways that it will take on from Network Rail.

LCR Property is the government's experienced transport property body, having been instrumental in the regeneration of London King's Cross and Stratford. It is well positioned to bring its skills to help unlock complex sites and integrate station developments in towns and cities in the future. LCR will continue to support developments at and around stations and has already begun expanding in the North West of England.

Homes England also has a track record of working in partnership with a range of public and private sector partners to deliver new housing supply across England. Where appropriate, it will work with LCR and Great British Railways to explore and develop suitable housing schemes near the railways.

Recognising that delivering the best possible outcomes from development around stations and railway assets requires collaboration between different public bodies and agencies, the government will consult on how to incentivise and align interests between Great British Railways to enable collaboration with other public bodies essential to fostering development.

Figure 3 (page 45) —  
New offer for towns, cities, regions and nations

# New offer for towns, cities, regions and nations



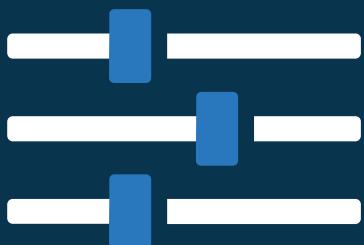
## Better engagement

Simple, accountable leadership at local levels across track and train.



## Devolved railways

Improved consistency in passenger experience across the network



## Partnerships

Greater control for city and regional partners.

Tailored agreements for greater control of stations, services, fares and local infrastructure.



## Community rail partnerships

Local businesses and communities encouraged to invest in and manage stations.

Greater joint working on local lines.

Best practice, such as that demonstrated by the work of the Leeds-Morecambe Community Rail Partnership with Northern Trains to improve facilities for those with invisible disabilities and training staff and volunteers as Dementia Friends, will be supported more widely across the network and incentivised within Passenger Service Contracts.

## **The sector will be overhauled to simplify and modernise how it works, and how Great British Railways is held to account.**

### **16. Transport Focus will be reformed to become a passenger champion, advising the Secretary of State on passenger priorities.**

The interests of passengers must be represented strongly, so Transport Focus' remit in rail will be reformed to make it the passenger champion. It will conduct research and engage passengers on their experience of rail travel and take on new responsibilities to champion improvements for passengers, share best practice from across different transport services and work with Great British Railways and government to focus funding on improving the passenger experience.

The government will review legislation to ensure it reflects Transport Focus' remit, including to investigate and escalate concerns to government and devolved administrations where it identifies that passengers are being failed. It will work in partnership with its devolved counterpart in London, London TravelWatch, and at an increasingly regional level across the country to hold the regional divisions to account effectively. It will also take over responsibility from ORR for monitoring passenger complaint volumes and themes to support its work as passenger champion.

### **17. Performance and efficiency will be independently scrutinised by the statutory regulator, the Office of Rail and Road.**

The role of ORR will significantly change to help improve accountability, transparency and efficiency across the network. Legislation will revise its role to focus on monitoring, reporting and improvement across the sector, making it a core part of the system that will hold Great British Railways to account.

ORR will scrutinise Great British Railways' delivery of its objectives across the business and in doing so, will give confidence to government that these objectives are being met. It will provide expert advice to the Secretary of State and devolved administrations, and will have powers to require improvement plans, encourage best practice and support problem solving across the sector. It will have a key focus on efficiency, independently scrutinising long-term asset conditions and efficiency to inform Ministers' funding decisions during each rail budget process. ORR will continue to assure changes made to business plans during the five-year infrastructure budget period.

ORR will support Great British Railways in developing an open and transparent self-assurance process, to ensure that performance is assessed fairly and data and reporting are accurate, transparent and shared regularly. It will report on a more integrated basis, including on whole system efficiency and workforce pay to maximise its effectiveness.

Following legislation, ORR will also act as an appeals body for operators, including open access and freight, or suppliers to ensure Great British Railways applies its policies fairly, including on track access and charging. ORR will be able to direct Great British Railways to change decisions that are not in line with policy or the rules-based access system underpinned by legislation.

ORR's existing role as safety regulator will continue across Great Britain and it will further strengthen how it joins up across its safety and efficiency oversight functions. It will retain its other functions relating to other infrastructure bodies and consumer law and will take over responsibility from RDG for sponsoring the Rail Ombudsman.

## **18. Current safety and security roles will remain in place across the rail network. A consultation will be undertaken to ensure safety roles, rules and standards are appropriate for the future.**

Great British Railways will be obliged to ensure that safety, security and system interoperability are maintained across the network by its regional divisions and all their operators and contractors. Safety and industry standards will continue to be set independently and applied across Great Britain.

There will be no immediate changes to safety and standards roles across the sector, including those of ORR, the Rail Safety and Standards Board (RSSB), the Rail Accident Investigations Branch (RAIB) and British Transport Police. The Department for Transport will continue to lead rail security policy, regulation and compliance and provide appropriate funding for safety and security organisations. Operational responsibility for the delivery of security measures will sit with Great British Railways, its regional divisions and operators. British Transport Police will continue as the operationally independent police force for the rail network across Great Britain, and the RAIB will continue to independently investigate accidents on the network.

A consultation will be undertaken with the sector in due course on opportunities to optimise the approach to safety under the new system. The output of this consultation may result in future changes to roles and accountabilities and the government will work closely with partners as part of this consultation.

## **19. Cross-sector organisations will be consolidated and integrated to enable the railways to operate more effectively and efficiently.**

Simplification and unification of the sector are key to improving efficiency and restoring a focus on serving passengers, communities and taxpayers. RDG currently provides a range of critical cross-industry functions, such as National Rail Enquiries, systems for ticketing and retail, and cross-sector co-ordination. The expertise and systems to deliver these functions will remain essential in the new structure. Great British Railways will take responsibility from RDG for the functions it needs in order to act as an integrated guiding mind across the rail network. This will not affect the ability of train operators and other members of RDG to maintain their own independent trade association.

HS2 Ltd and East West Rail Ltd will retain their current roles in the sector and will work closely with Great British Railways as it takes over responsibilities for integration from the Department for Transport and Network Rail. Regulated infrastructure managers that are separate from Network Rail will continue to manage their sections of the network. Great British Railways will work closely with them to ensure integration is managed safely and effectively.

Collaboration across the sector during the pandemic, including with trade unions, has shown the benefit of having a cross-sector forum for discussing the big challenges and opportunities facing the railways. The government will work with leaders from across the sector to develop an ongoing independent advisory body to consider issues such as skills, training, leadership and technology. Membership is likely to comprise senior leaders from Great British Railways' regional divisions, trade unions, passenger and freight operators and representatives of the supply chain.

## **20. Track access will be overhauled to make the best use of the rail network in the overall public interest.**

The railways are an expensive national asset, funded by taxpayers and farepayers, so it is important that they are operated efficiently and to their full potential in the public interest. The creation of Great British Railways means the law on track access needs to be changed, enabling it to deliver a simpler, more accountable system. This will bring an end to the fragmented system that can cause inefficient use of the network, for example hindering strategic planning to deliver high-quality freight access where it is most needed.

New legislation will give Great British Railways powers and duties to plan the use of the network, balancing priorities and always seeking to maximise the overall public benefit. Great British Railways will be accountable for how the whole of the network is used in line with the Secretary of State's requirements and its own duties. The government will consult and work with partners, including passengers and freight and open access operators, on the development and implementation of a new rules-based access system, underpinned by legislation, and other rail processes for which it will be responsible.

Existing access contracts will be honoured, and private operators will continue to have clear legal rights that allow them to respond to their customers as part of a rules-based regime. To provide a smooth transition, the government anticipates that key contracts and functions will initially transfer from Network Rail to Great British Railways. Following detailed consultation by government, a new generation of contracts and processes will be developed for freight and other private operators to provide clear legal rights in the future. ORR will take on an appeals role to ensure that policies are applied fairly and transparently by Great British Railways.

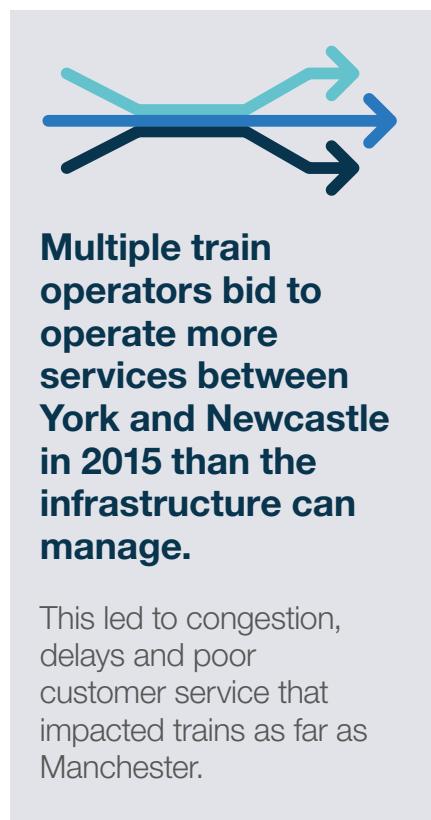
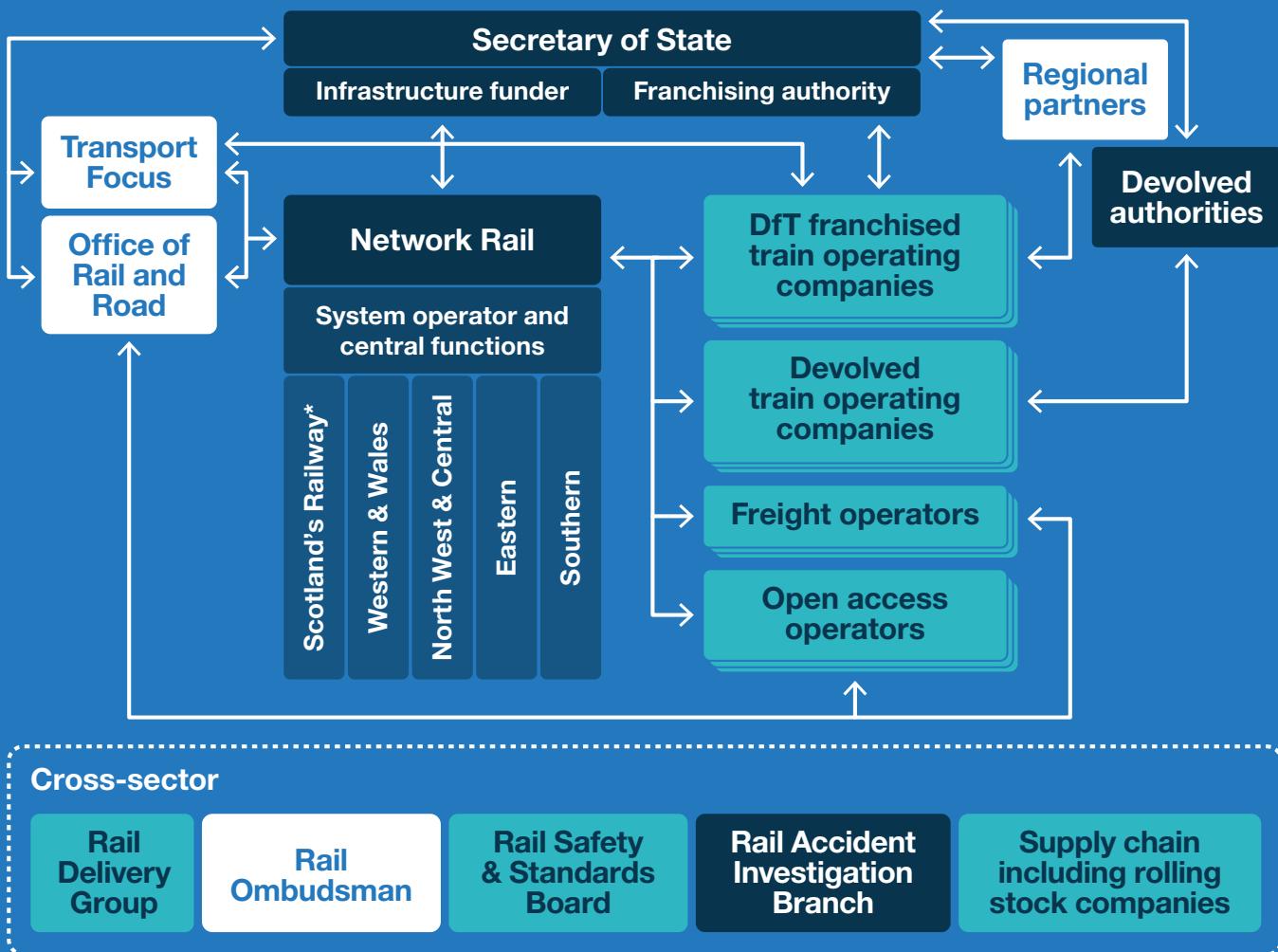


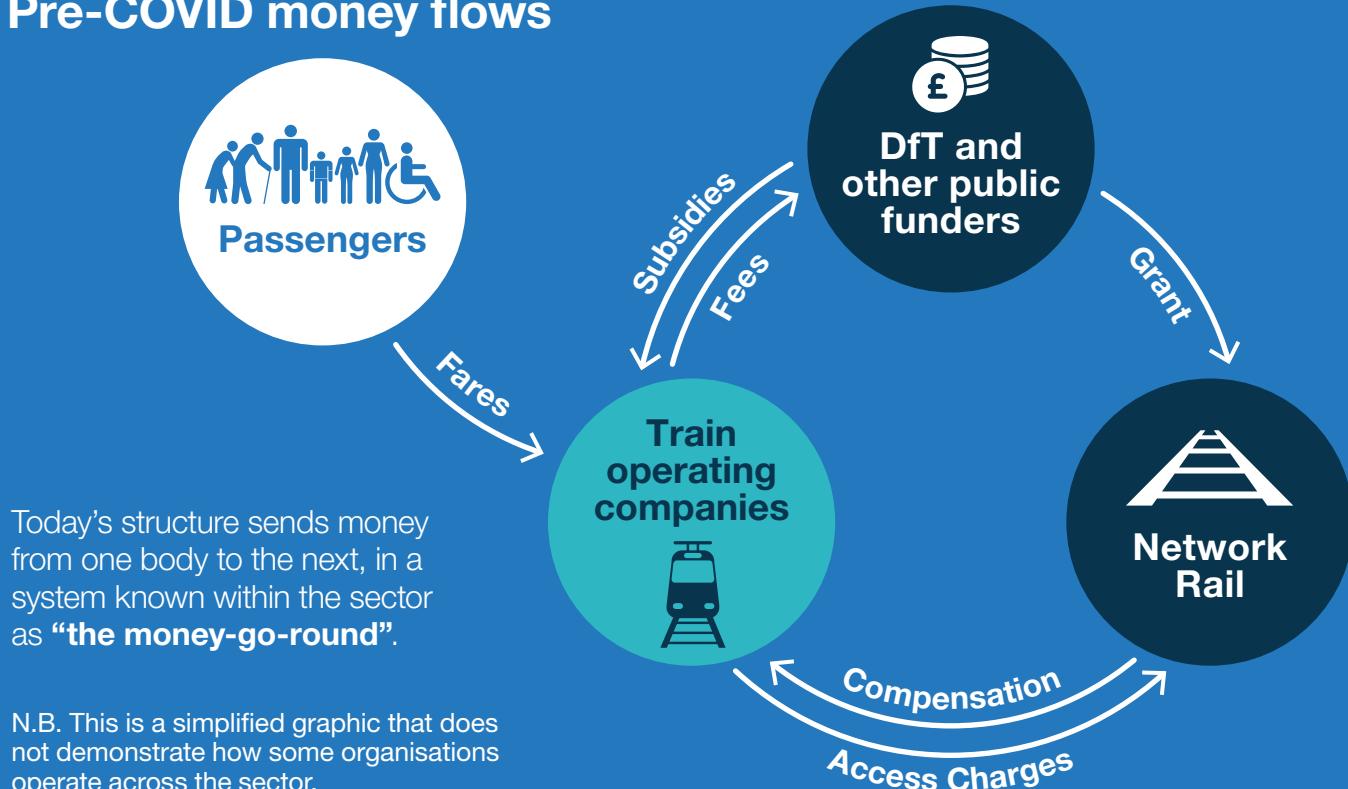
Figure 4 (page 50) — Current Industry Structure

Figure 5 (page 51) — Future Industry Structure

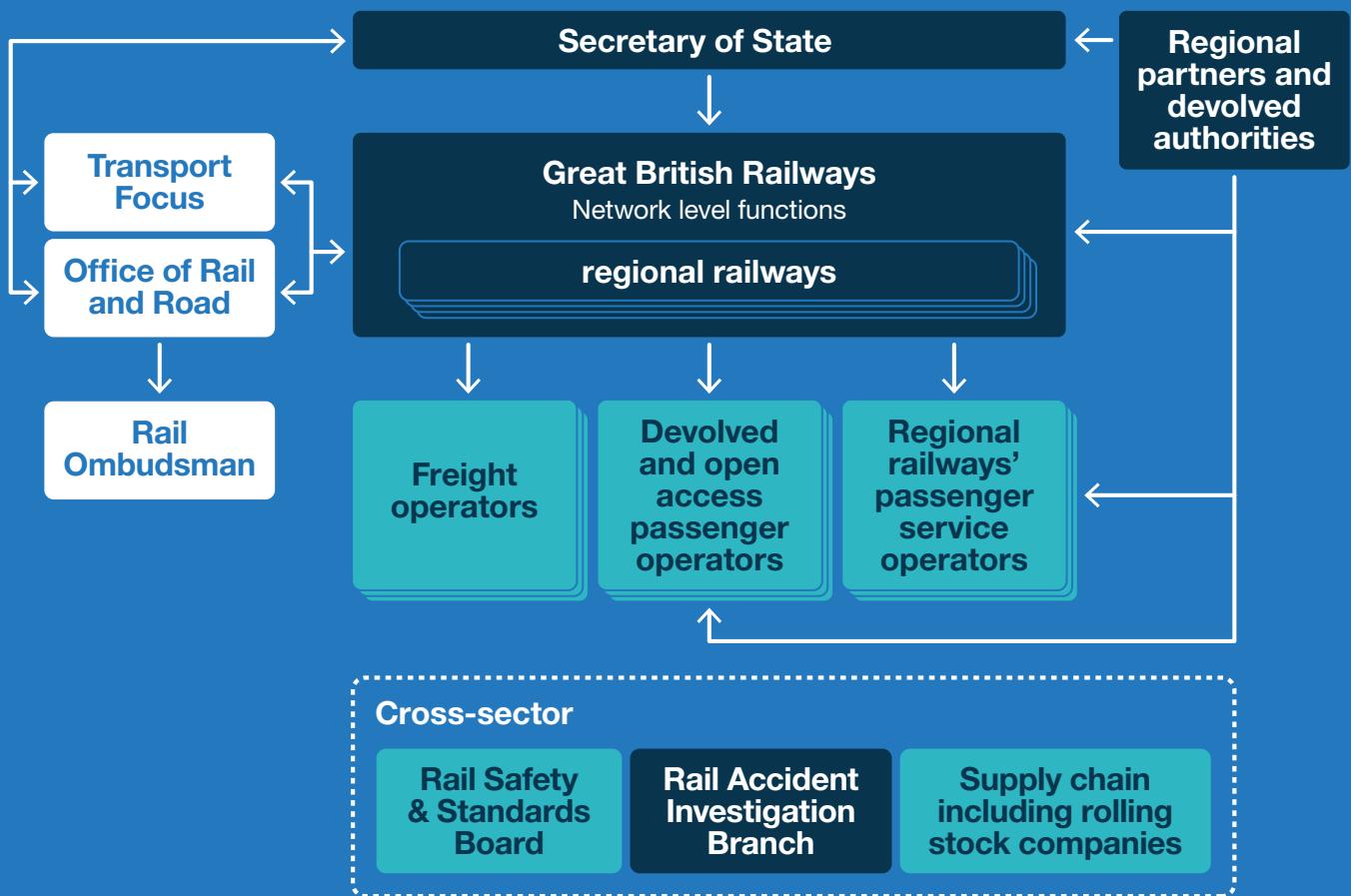
# Current Industry Structure



## Pre-COVID money flows



## Future Industry Structure



## Future money flows



# Chapter Four

# Replacing franchising

**For the past 25 years, most passenger services on the railways have been run by franchised operators.**

This model saw private companies compete for the right to operate services for typically around seven years, and to manage stations and set fares in an area to a specification set out by the Department for Transport or devolved authorities, to whom they paid a fee or received a subsidy. Most operators bore the financial risks of changes in revenue and operating costs.

Franchising secured substantial benefits for passengers, taxpayers and the wider economy, with operators providing more frequent services and new trains, and working to attract more people to travel by rail. But in recent years it has proved unable to meet changing passenger demands, particularly in enabling network-wide changes such as modernising fares and ticketing. Franchising focused operators only on short-term priorities, discouraging them from investing for long-term savings or passenger benefits. It also cemented barriers to more efficient ways of working. Misaligned incentives meant operators, who run the trains, and Network Rail, which owns the tracks,

could be rewarded for blaming each other or other parties for delays instead of working together to prevent them. This has in recent years resulted in spiralling costs, inefficient services and commercially unsustainable franchises tied to ambitious plans that have proved difficult to achieve.

Faced with the almost complete drop-off in demand in March 2020, franchised train operators would not have been able to keep going. The government has a legal responsibility to keep franchised services in operation and introduced emergency measures that kept the trains running for key workers, assuming full responsibility for cost and revenue across all 14 national franchises.

A new role for operators is needed to restore a focus on providing high-quality services for passengers, encouraging people to travel by train and running services more efficiently. The government has already started this journey, and a new era of public and private co-operation on the railways will begin with the launch of a new commercial model: Passenger Service Contracts. These reforms will get trains running on time, and deliver more of the competitive private sector involvement that the railways need.<sup>56</sup>

Image (page 53) – Northern service at Knaresborough, North Yorkshire.



**Around 50%**

of passenger trains  
in the North of England  
were late in 2019/20



+  $\frac{1}{3}$  ↑

**Over 21,000**

services ran per day in 2019/20,  
up almost one third  
on 20 years ago



The four biggest franchises  
each had annual revenue of

**over £1bn**

before the pandemic



## 21. Franchising will be replaced by new Passenger Service Contracts.

TfL Overground services and many railways across Europe, including local and regional services in Germany and Sweden, use a concession model to contract with private partners to operate trains. These contracts have been more successful than franchising in enabling operators to be held to account for running trains on time, delivering passenger satisfaction and controlling costs.

Our new system of Passenger Service Contracts will build on this approach. Great British Railways will specify the timetables, branding, most fares and other aspects of the service and agree a fee with the competitively-procured passenger service operator to provide the service to this specification. In most contracts, fare revenue will go to Great British Railways, with operators delivering to the specification and managing their costs in doing so. Operators will take cost risk but will need to balance that with service quality, in order to be efficient while also meeting the needs of passengers.

This is a major change from franchising, where each private operator designed their own timetable, set many fares and took revenue on their part of the network. Competitions were based on complex and uncertain revenue forecasts as most operators took both revenue and cost risk: this will end under most Passenger Service Contracts.

As set out in Chapter One, the franchising system was in trouble even before the pandemic. The government's initial recovery agreements, Emergency Recovery Measures Agreements, have reset the system by focusing operators on running the trains on time and keeping costs under control.

National Rail Contracts will succeed the emergency agreements and act as stepping stones towards the new Passenger Service Contracts. They will include incentives to drive revenue growth and the flexibility to 'switch on' further revenue growth measures when conditions allow has also been built into National Rail Contracts.

## **22. Passenger Service Contracts will focus operators on meeting passengers' priorities and will incentivise them to grow rail usage.**

Contracts will require operators to meet demanding standards for key passenger priorities such as punctuality, reliability, passenger satisfaction, capacity, staff availability and helpfulness, customer information, vandalism repair, passenger satisfaction, revenue protection and cleanliness. A new toolkit of measures will underpin Passenger Service Contracts (see Figure 6), so that in future passenger service operators will benefit when trains are clean and comfortable and passenger satisfaction increases, but they will not be rewarded when trains are in poor condition, are too frequently late or cancelled, skip stops or run with fewer carriages than planned.

Tough measures and targets will be built into each contract. Operators will be incentivised to co-operate to improve performance across the network as a whole. Great British Railways will enforce and assess performance through customer perception, mystery shopper and inspection regimes. Separately, the passenger champion, Transport Focus, will also monitor operators' performance to help hold them to account.

Some targets will be adaptable during a contract, so that operators can respond to changing passenger needs, government priorities and economic conditions. For example, punctuality and performance requirements could become stricter over time, requiring operators to invest in the right technology and ways of working to hit medium-term targets and deliver ambitious improvements for passengers in an efficient manner.

Great British Railways' regional divisions and their commercial partners will also push each other to help people back onto rail, working together on areas such as marketing. Revenue incentives will be built into contracts to grow passenger numbers, foster a culture of innovation and introduce efficiencies that deliver real benefits for passengers.

Figure 6 (page 56) —  
Toolkit of measures for Passenger Service Contracts.

# Passenger Service Contracts toolkit

## Performance incentives



Quality of service



Running the trains on time



Passenger experience



Revenue protection



Train capacity

## Scorecard linked incentives



Collaboration



Innovation

## Revenue incentives and risk sharing



Incentivising growth in passenger numbers and revenue



Incentives will be scalable and used in different ways across different contracts.

Not all incentives will be relevant to all contracts.

## 23. Each Passenger Service Contract will be designed to support the needs of passengers and the whole network, as part of an integrated system.

Great British Railways will draw up contracts and the service plans that underpin them in line with its mandates to grow the railways and improve efficiency. It will closely consult the market on them, but it will have the final say, bearing in mind the interests of the whole network and in line with the new rules-based access system. Great British Railways will not design services that the infrastructure cannot support, or that are based on unworkable timetables, as happened repeatedly under franchising. This will bring an end to the failures of competing specifications that promise more and more trains but only lead to delays for passengers, as seen, for example, in the West Midlands in 2019.

Where choices are required about how to allocate scarce capacity between operators, Great British Railways will make decisions in accordance with the rules-based access system, underpinned by legislation. These will be transparent and subject to scrutiny by ORR and Ministers. In some areas, including city regions, local leaders will become directly involved in shaping and drawing up contracts, as in Germany, through partnerships with Great British Railways' regional divisions. More details on partnerships are set out in Chapter Three.

Each contract will require and incentivise operators to co-operate and work collaboratively with Great British Railways and its other partners, including other transport services, to enable more convenient connections between long-distance and local services and joint working during disruption or emergencies. It will also require the operator to support the integration objectives for bus travel and cycling set out in the government's recent bus and cycling strategies.<sup>57</sup>

## **24. Passenger Service Contracts will be different across the network and will not take a one-size-fits-all approach, including on contract length.**

Passenger Service Contracts will be tailored by Great British Railways' regional divisions to the needs of different places and markets and changing passenger needs. All will incentivise operators to run reliable, high-quality services that can compete with the car and work to grow passenger numbers.

Some contracts will be a mix of both commuter and long-distance services and will need to include mixed incentives to reflect the different risks and commercial opportunities available within that geography.

The length of contracts will also vary. On some parts of the network, longer contracts than those used under franchising may be adopted to support major investment programmes or the delivery of significant changes for passengers more effectively. Long-term contracts will be supported by tough targets and enforcement provisions to require high performance throughout.

## **25. Operators will have greater commercial freedom on some parts of the network, with revenue sharing arrangements where appropriate. New open access services will also be explored where spare capacity exists.**

As passenger numbers recover, contracts will be flexible and include the possibility for operators to act more commercially on some services, when this is the most value for money option and it is financially sustainable for the operator to take on these responsibilities. As that happens, operators on those routes, predominantly the long-distance ones, will be able to make more decisions including setting more of their own fares and taking more revenue risk – though affordable 'turn up and go' fares and seasons will be protected, as now. For more about fares, see Chapter Five.

There will also be the potential for new open access services to be explored in the future where spare capacity exists to make best use of the network and grow new markets for rail.

These options are intended to get the most from the private sector's involvement in the railways, by driving efficiency and providing a high-quality service at the right price to attract passengers.

## **26. The geographic and financial size of Passenger Service Contracts will reflect local markets and needs.**

It will be easier to design the geographic and financial size of contracts to reflect local markets and needs, and to reduce barriers to entry for new and innovative bidders where this is value for money. These could include, for example, operators with innovative ideas for improving connectivity with other transport services, community rail partnerships for individual lines, and operators with proposals for reducing train fleet costs or increasing leisure use of under-used scenic routes. Integration could also enable multiple, smaller operators to co-exist efficiently in a way that has not previously been possible.

## **27. Competition for Passenger Service Contracts will be greater than for franchises and Great British Railways will aim to compete all contracts.**

The new contracts will reduce barriers to entry for bidders and reinvigorate the competitive market for rail. Franchises were awarded on the basis of complex and uncertain revenue forecasts, creating risk that meant that billion-pound franchises attracted ever fewer bidders. Over time the Department for Transport has struggled to maintain a truly competitive market for rail: Great British Railways will aim to compete all contracts, foster more competitive bids, and attract and then retain new partners.

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Since 2012, around two-thirds of contracts have been awarded without a competition.<sup>58</sup>

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## **28. If operators fail, the government will be ready to step in and take control where needed.**

Operators will be held accountable and risk termination of their contracts if they are not delivering punctual, efficient and high-quality services. The government will retain its operator of last resort function to enable services to continue seamlessly for passengers in such cases, just as it did with Northern Rail in early 2020. Learning from the experience of the pandemic, it will adapt this function as the sector is reformed so that operators can be held to account more effectively to targets in their contracts and so that interventions can be made in the interests of passengers and taxpayers if this is required.

Passenger Service Contracts should broaden interest and open up the market to new commercial partners, including those who can help to modernise and improve the railways by bringing expertise in technology and innovation. This diversity should increase competition between bidders and therefore create better outcomes for taxpayers and passengers alike.

## **29. The government will work with the sector and potential new market entrants to develop and implement these changes.**

In the short term, Emergency Recovery Measures Agreements and National Rail Contracts will act as stepping stones towards the new system. There will continue to be limits on how much risk is shared between taxpayers and the private sector, particularly as demand adapts after the pandemic.

As the economy recovers and passenger numbers stabilise, more responsibility for costs and revenue can be returned to operators on those routes where it represents value for money for the taxpayer and is commercially and financially sustainable to do so.

The government will work with potential commercial partners and investors to design Passenger Service Contracts in a way that will create a healthy, sustainable commercial market, and will launch initial competitions by the time the emergency recovery agreements end in 2022.

Image (page 61) – Northern services at Manchester Oxford Road station.



# Chapter Five

# A new deal for passengers

**The railways may no longer be able to rely so much on the commuter market. As the country emerges from the pandemic the railways must become much better at meeting passenger needs to avoid a society dependent on the car.**

The railways will have to fight harder for customers who have a choice about when and how to travel, requiring a serious rethink of the facilities they provide, and the fares offered. Getting trains to run on time is a start, but passengers rightly expect, and must receive, a lot more.

Passengers have been let down in recent years: satisfaction reached a 10-year low in 2018 as delays, cancellations and poor customer service took their toll.<sup>59</sup> The rail sector is not trusted to deliver services in the public interest: public trust reached a low in 2019, when only 20% of people trusted train travel, fewer than those who trust banks and energy suppliers.<sup>60</sup>

The public want reliable, punctual services that represent good value for money.<sup>61</sup> They expect clear and proactive information and simple, fair, transparent pricing. Customers with both visible and invisible disabilities and other additional needs must feel welcomed, comfortable and valued when using the rail network, as our nine passenger needs on page 64 set out.

The government's aim is to make travelling by rail a modern, convenient and accessible experience for passengers. This means bringing the sector together to concentrate on the customer now, and setting out a long term vision of 'turn up and go' railways. Railways should be seamlessly connected with other transport services, with more fully accessible trains and stations, straightforward compensation and an end to queues to pay for travel.

The changes set out in this chapter begin the journey to achieving this vision by building on pockets of best practice in Great Britain and learning from other transport services and customer-focused sectors. They are concentrated on improvements that the sector can deliver in the near term to begin the critical task of rebuilding public trust in rail and will set the sector on the path towards a customer-focused future.<sup>62</sup>

Image (page 63) – Passenger working on a long distance train



## Around 20%

of stations **have step-free  
access to all platforms**



## 47%

Fewer than half of all  
passengers **feel their journey  
is value for money**



## Only 37%

of eligible passengers  
**claim compensation**



## Safe



I need to **be safe**, and **feel safe**.

## Accessible



I need to be able to **access the network as easily as possible** and find rail an inclusive service for my needs.

## Seamless



I need a **consistent experience** across the rail network, and to easily understand the different products on offer.

## Connected



I need to **be able to get to and from rail easily**, using a range of transport services from my front door to my destination.

## Reliable



I need my rail service to be **reliable, punctual and frequent** so that I can have confidence and trust in the service.

## Comfortable



I need my journey to be **pleasant and comfortable**, with products and services that meet my needs.

## Informed



I need to have **easy access to relevant, accurate and personalised information** before, during and after my journey, especially during disruption.

## Affordable



I need to **feel that my ticket offers value for money**. I judge this based on journey experience, transparent purchasing and cost.

## Trusted



I need to **trust that my needs will be met** and know who is in charge of making sure they are. If things go wrong, I need to know whom to turn to and that they will treat me fairly.

## 30. Easy, frictionless payment options for every journey will be introduced across the network.

An obvious way to make rail more attractive to passengers is to make it easier for people to pay. The unnecessary cost and complexity of today's railways are epitomised in the complicated, paper-based ticket-selling process which inconveniences passengers but also costs more than half a billion pounds a year to administer.<sup>63</sup> Everyone loses.

Remarkably, half of all rail tickets before the pandemic were still bought by queuing up at a window or machine and being handed a physical ticket, or receiving the ticket in the post.<sup>64</sup> Many passengers will be familiar with the long queue for season tickets on a Monday morning, the snaking line at the city centre terminus, having to pay a penalty fare because you did not have time to buy a ticket, or having to queue up at the end of your journey at the excess fares counter because the station where you started does not have a ticket office. The government is committed to ending all of this.

Even buying or collecting a physical ticket at a machine is, as is so often the case with the railways, unnecessarily complicated. In 2018, ORR found that almost one in ten passengers failed to select the most appropriate ticket for their journeys.<sup>65</sup> Collecting pre-booked tickets typically requires you to type in a complicated code that has been sent to your mobile, as well as inserting your payment card. A system based on paper tickets is also less adaptable, particularly to the new, more flexible ways in which people want to travel.

To make payments easy, simple and flexible for passengers, the government will begin a retail revolution on the rail network. This includes new ways to pay through contactless Pay As You Go for commuters and in cities, as well as digital tickets for regional, long-distance and frequent journeys.

Customer service at stations and on trains will be modernised too, including through better integration with other transport services. Staff will be able to provide a more personal touch in future, which can be crucial for those who need additional support at stations and those who cannot or do not want to use contactless or mobile tickets.

Replacing franchising and integrating the railways also provides an opportunity to make it clear who is accountable to customers for the service they receive. In future, Great British Railways will be accountable for the ticketing and retail offer across the country, working with its partners to modernise the customer experience, adapt to changing passenger needs and help rail bounce back and attract new passengers.

Figure 7 (page 64) —  
The nine passenger needs identified  
by the Williams Rail Review.

## 31. Pay As You Go journeys will be expanded outside London to make millions more trips straightforward.

The roll-out of Pay As You Go, where passengers just tap in and out in a few seconds with a card or mobile, has supported significant passenger growth in London.<sup>66</sup> It has shown that upfront investment can be more than repaid by cost savings elsewhere and by making travel quicker and more attractive for passengers.

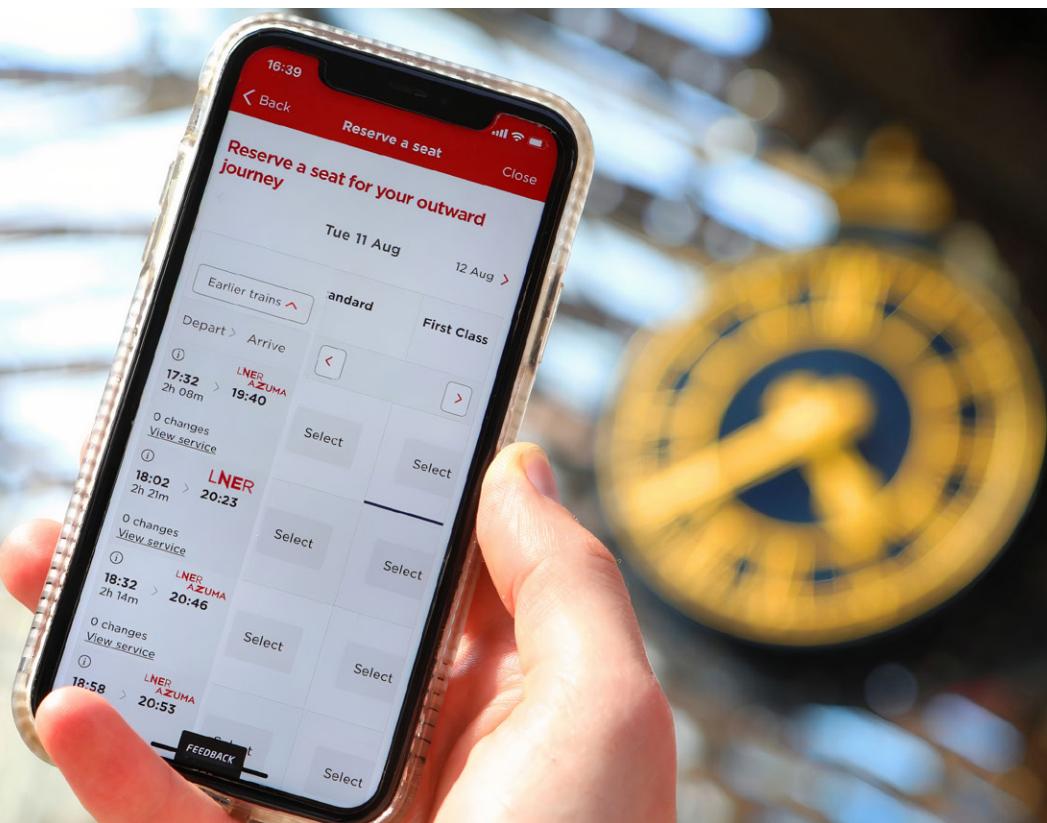
Great British Railways will invest substantially in growing London-style Pay As You Go contactless ticketing on urban and commuter networks beyond the capital. It will learn lessons from the failure of previous regional contactless initiatives, including one by Transport for the North, and will adopt global best practice to deliver future contactless ticketing schemes.

## 32. Digital tickets will be introduced across the network.

For season tickets and regional and long-distance journeys, Great British Railways will invest in online and mobile ticketing, where you print out the ticket at home or hold it on your phone. This will make it far easier for passengers to travel by train and end the search for reams of tickets when travelling as a family, for instance.

The government will work with current operators to continue the roll-out of digital ticketing on smartphones across the network.

The new LNER app and seat reservation feature.



### 33. A new Great British Railways website and app will create a personalised travel experience.

A single website and app will end the current confusing array of train company sites and different standards of service that passengers receive across the network. Great British Railways' website and app will learn from the best-in-class providers today, including international partners to build a great offer for passengers.

This will bring together the best features of the existing services, including real-time updates on delays and services and simple payment options on the go. In time, this could expand to include integrated compensation claims, the ability to book services such as Passenger Assist, wheelchair or bike space, catering, parking, taxi or bus travel to or from the station, and external services such as hotels and car or bike hire.

The government's vision, as set out in the National Bus Strategy for England, is for there to be far closer integration between all forms of public transport. This means that the Great British Railways website and app will increasingly become a portal for all public transport services, showing bus and light rail information and selling integrated tickets across different services to support easy journeys.

The new service will allow Great British Railways to understand passengers' travel needs better and let passengers know about special offers and promotions tailored to them; the railways have been backward in collecting and using customer data.

Independent retailers will be able to sell rail tickets, including online and in shops, and will work with Great British Railways to introduce innovations in the future.

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Currently, 63% of Passenger Assist travellers buy tickets and book assistance in separate transactions.<sup>67</sup>

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**Independent retailers will be able to combine rail travel with other services such as:**

hiring bikes, booking hotel rooms or experiences like sports and concert tickets.

## 34. Customer service at stations will be modernised, with one-team working expanded across the network.

Improving customer service at stations large and small across the network is vital to modernising the passenger experience and integrating rail travel better with wider transport services. This will also make it easier for tourists to navigate the network and boost economic growth in towns and cities outside London.

As modern payment methods roll out more widely, operators will enable more station staff to serve customers directly, rather than routinely behind a counter or window. They will welcome passengers who cannot or do not want to use contactless or mobile tickets, advise on journeys and timetables and help them buy tickets or access other services.

Staff are, and will remain, key to achieving high-quality customer service. To help them work well together, single operational teams will be introduced by Great British Railways and its operators, bringing together passenger assistance, train dispatch and station management. This has proven successful at some major stations where it has already been introduced. Operators will be measured closely on customer service under their contracts, and incentive and reward structures for staff will be developed based on performance and passenger satisfaction.

Stations can also play a bigger role in their local communities by providing opportunities for new, innovative services for passengers and residents alike. This could include on-demand shopping collection, small-scale freight, and public services such as education, training and health and wellbeing services to modernise the role of stations in local places.

This can be adapted to local needs: communities in Dartmoor and along the East Coast that rely on tourism and heritage will have different customer service needs to commuter towns, for example. Better integration with other transport services and consistent customer service will help to increase use of rail services, make journeys easier and support local regeneration right across the country. Further plans to improve stations are set out in Chapter Three.

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Customer satisfaction rose by around 13% at London Victoria after one-team working was introduced.<sup>68</sup>

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Image (page 69) – Team Victoria colleagues from Network Rail, Southeastern and Southern Rail at London Victoria.



## **35. Fares will be simplified.**

Confusing fares undermine trust and damage passengers' confidence that they are getting the right fare.<sup>69</sup> Great British Railways will use its leadership role to simplify the current mass of complicated fares and tickets, ending the uncertainty and confusion about whether passengers are using the right train company. It will set most fares under a clear framework agreed with Ministers.

On long-distance services, where operators will have more commercial freedom, including more control over fare setting, a greater range of book-ahead tickets will be offered. These will help to end the sudden cliffs in prices that passengers can encounter at different times of day. Advance purchase tickets have been a great innovation of privatisation and will continue to help to reduce fares at peak and near-peak times.

## **36. Affordable fares and season ticket caps will continue to be protected.**

As achieved today through regulated fares, the government will protect the 'turn up and go' railway and the interests of commuters by ensuring affordable walk-up fares, including for off-peak journeys, remain available as now and season ticket fares are capped. The government will also ensure that tickets are available, as now, between any two stations on the national network. For longer-distance travel, the cheapest fares will continue to be available only by advance booking and committing to a particular train – but passengers will, as was the case before the pandemic, be able to turn up and go.

## **37. Off-peak services will be protected.**

Until the pandemic, rail resources were heavily concentrated on pre-9am peaks into the biggest cities and back out of them in the evenings. Premium fares were charged for peak services, often to the dissatisfaction of passengers who felt they did not get good value. If commuter demand permanently and significantly reduces, some of the assumptions around the peak timetable and charging structure may change. Great British Railways will want to provide frequent services for commuters and maximise use of those services. Decisions on how best to deliver this will be taken when demand patterns become clearer.

Regular off-peak services are one of the great strengths of our railways. They provide a universal offer for passengers, with all but the smallest stations having frequent services all day, including late into the evening and on Sundays. This helps passengers to trust they can get home if they travel by train and, crucially, supports our weekend and late-night economy in major towns and cities. As the economy and society rebound from the pandemic, regular off-peak services across the network continue to be important to protect public trust in the service and support the arts, culture and late-night economy across the country.

Weekend and evening services were often targeted for engineering works because they affected fewer passengers and therefore cost less. Great British Railways will need to consider the optimum time for such works since leisure journeys will likely become a bigger part of the market.

### **38. New flexible season tickets will be introduced to reflect changing working patterns.**

Even before the pandemic, the traditional five-day commute was changing with a shift away from traditional season tickets, a trend that is likely to accelerate.<sup>70</sup> A new flexible season ticket will be introduced for the growing number of people who do not commute every day.

Passengers will get a discount without having to pay for full-time season tickets that cover days on which they do not need to travel. Tickets will be sold allowing travel on any eight days in a 28-day period. Passengers will not have to choose the days in advance of travel and they will not have to be spaced out in any particular way over the ticket's validity period. Flexible season tickets will launch this summer and will be available on all major commuter routes. Traditional season tickets will continue to be available as now.

### **39. Journeys across rail, bus, tram and bike will become seamless in the future.**

The government has committed £3 billion of new money to bring about a bus revolution in England outside London.<sup>71</sup> Railway stations will increasingly be hubs for local bus services, with full information displayed about connecting buses and greater availability of integrated ticketing between rail, light rail and bus services.

The government's ambition is for passengers to be able to buy a through ticket from any bus stop to any station with a single tap on their phone or contactless bank card. The government will work with operators to promote and improve the PlusBus scheme, which already allows rail-bus through ticketing, including by making PlusBus tickets available as digital tickets so that passengers can start their journey on a bus.

New transport services, such as automated vehicles and rented e-scooters, are emerging, with trials currently underway. As these mature, Great British Railways will need to aim for seamless integration and learn from the errors that have held up integration with other mobility services in the past.

## **40. Getting to the station on a bike and taking it on a train will be made easier.**

The government is investing £2 billion of new money to dramatically improve cycling.<sup>72</sup> A bike can make clean and sustainable transport journeys door-to-door when combined with a train, bus or light rail, matching the convenience of the car. The government will invest substantial sums on safe cycle routes to stations, particularly in commuter towns such as Guildford and Harrogate, and increase cycle storage at stations, including at city-centre termini, where it is currently limited.

Bringing a bike on board makes a train journey even more convenient, yet even as cycling has grown in popularity, the railways have reduced space available for bikes on trains. Great British Railways will reverse that, increasing space on existing trains wherever practically possible, including on popular leisure routes. It will also make it easier to reserve bike spaces online and without reservation on quieter trains. All future train fleets will need to include more bike spaces relevant to the markets served. Operators will continue to restrict bikes on peak-hour commuter trains, where the space is needed for passengers.

## **41. Trains will be made more pleasant to travel on and easier to work aboard.**

Because the emphasis was on carrying more passengers, recent designs of new trains have compromised on passenger comfort, with hard seats in close configuration and features such as tables no longer commonplace. In this new era, where more travel is likely to be discretionary, the railways will have to do more to satisfy their passengers.

Great British Railways will introduce new design and ride standards that will make sure all new trains are more comfortable than their predecessors. Subject to negotiations with suppliers and business case approval, Great British Railways will bring forward the normal replacement cycles on existing trains equipped with "ironing-board"-like seats, beginning with long-distance trains, in order to make the seats significantly more comfortable, or to replace and eventually remove them altogether.

## **42. Compensation will be simpler and easier to claim, with a consistent, modern process right across the network.**

When passengers are delayed, they should be properly compensated. Although the introduction of two-tier Delay Repay for delays of 15–29 minutes (a 25% refund) and over 30 minutes (a 50–100% refund) has created a clearer system in most areas, only 37% of eligible passengers claim for their delays and almost a third of Delay Repay 15 passengers are not aware of their right to claim compensation.<sup>73</sup> As a first step, a simpler, straightforward claims process will be introduced to help make the experience easier for passengers.

Delay Repay 15 is one of the most generous rail compensation offers in Europe and the government will complete its roll-out to form a single, national compensation approach in the coming years. This will mean that wherever on the network passengers are delayed, they will receive the same, straightforward claims experience. This will make it simple to claim online and improve efficiency. Automated notifications of entitlement to claim compensation will be expanded to make it even easier for passengers. This will also enable the aim of straightforward, automated compensation for those who use smart ticketing options to be realised in the future.

## **43. Passengers will receive clear, consistent information before, during and after their journeys. Their experiences will be monitored more effectively.**

Useful, timely information is needed to make travelling by rail easier and simpler and can help rebuild confidence in using public transport. Today's sometimes mixed messages – from different operators, Network Rail and the Department for Transport – will be replaced by a 'single source of the truth' across Great British Railways services. New standards for communications will underpin this. There will be fewer annoying and repetitious recorded announcements.

By working with innovative partners, new information such as average punctuality data, expected service crowding and real-time updates on station accessibility and service times will be rolled out at stations, on trains and directly to passengers as well as through third-party providers so they can also provide consistent information. This will help people know whether lifts are working, how busy a service may be and where the most accessible point of a platform is. During the pandemic, such innovation has proved invaluable to those travelling on the network and it will be expanded so that passengers are better informed.

To monitor progress in improving customer service and the overall passenger experience, more granular and relevant customer insights will be collected and shared openly, whilst maintaining information security. This will help to improve understanding of passenger needs, strengthen monitoring of operators and improve public trust in rail.

#### **44. The first robust national accessibility strategy and long-term investment programme will improve inclusion and access for all.**

Great British Railways will be given a statutory duty to improve accessibility, building upon the existing work of ORR in this space. Transport Focus will champion the interests of passengers in accessing the network, identifying failures and concerns, and escalating issues to the Secretary of State to ensure action is taken. ORR will hold Great British Railways to account for all its obligations and duties in the round, including matters that affect accessibility. Transport Focus and ORR will work closely together to align their work and secure improvements, as they do on the national road network.

A comprehensive audit of network accessibility will be conducted to provide robust, consistent and detailed information across the full range of facilities and standards. Data generated will be made publicly available and will be regularly updated so that passengers can plan their journeys with greater confidence.

A national accessibility strategy will provide the first robust, joined-up, system-wide approach to accessibility, including getting to, from and around stations and on and off trains. The strategy will introduce new, consistent standards to enable passengers to know the level of service to expect wherever and whenever they travel. This will be underpinned by improvements in training and information for staff, leading to a more inclusive culture that puts the needs of passengers first.



**Over 370 stations now have open source, real-time data on lift and escalator accessibility.**

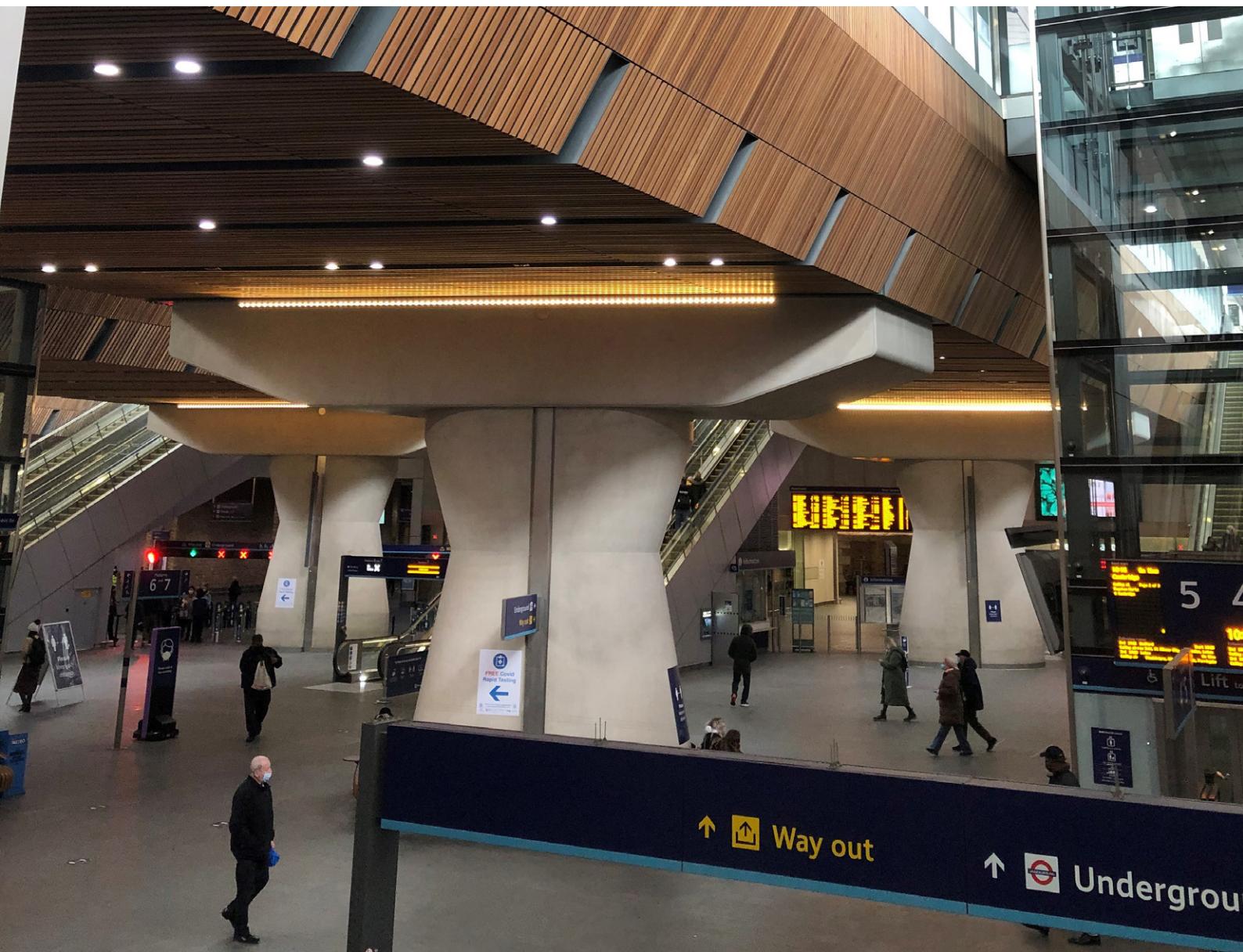
This can be integrated into apps and websites to better inform passengers about how they can get around stations.<sup>74</sup>

Image (page 75) – London Bridge station, which was modernised to include fully accessible platforms.

Today there are numerous different funding pots for accessibility improvements, including Access for All, Stations Improvement Fund and the Customer and Communities Improvement Fund. The government will consolidate these into a single accessibility fund, agreed as part of Great British Railways' funding settlement. This fund will serve a new long-term investment programme that will allow investment to be prioritised where it is most needed, using data from the accessibility audit to enable the national accessibility strategy's goals to be delivered. Improvements will also be delivered in a more efficient and timely manner alongside other schemes such as track renewal or station modernisation.

Design standards for stations will be updated by an expert working group, including community rail partners, to bring new ideas and make best practice standard. This will include setting out how to make stations more accessible and inclusive, and integrate them more effectively with wider developments and transport services so people can access rail and other services more easily.

Navigating stations will be made easier with new, consistent and inclusive signage using graphic designer Margaret Calvert's new Rail Alphabet 2.



# Chapter Six

# Unleashing the private sector's potential

**Great British Railways will be expected to learn from the best elements of the public and private models, and to be entrepreneurial and actively promote the railways and the many businesses that serve it and support it.**

Hundreds of innovative, competitive private businesses filled the gap of British Rail's research and development arm in the 1990s, not least the dynamic rail freight operators who have transformed that market as coal and steel traffic declined. The government wants to ensure that rail combines the best of the public and the private sectors in future.

The railways have huge potential to deliver innovation, attract investment and help lead the digital transport revolution that has already begun, rather than becoming a victim of it. This requires a culture change and a willingness to challenge old ways of working and to empower people within the industry and outside it to solve problems, modernise and adapt.

Our country succeeds when its public and private sectors work in tandem. Just as the partnership that created the Oxford-AstraZeneca vaccine procured hundreds of millions of vaccine doses and rolled out jabs faster than any other country in Europe, our new model for the railways will take the very best of the private sector – innovation, an unrelenting focus on quality, outstanding customer service – and harness it under the single guiding mind of the public sector.<sup>75</sup>

The railways will be next to unshackle innovators and create opportunities for the forerunners in rail innovation by setting up its people with the right tools and embracing start-ups and global players alike. This includes creating an open, innovative system with shared data, new forms of competition, and opportunities for new ideas to flourish and scale-up to benefit passengers, freight customers, the economy and taxpayers.<sup>76</sup>

Image (page 77) – Drone inspection of tracks and overhead wires.



Rail freight trains  
**emit 25%**  
of the CO<sub>2</sub>e of lorries

**37%**  
of passengers are **happy** with the  
reliability of their **internet connection**



## 45. The economic and environmental benefits of rail freight will be supported by a new, customer-focused approach, modern track access rights and new safeguards.

Freight use of the railways has recovered quickly after an initial shock in 2020 and seems likely to take a bigger share of traffic and revenues in the future. The rail freight market has been transformed over the past quarter century, from largely moving coal and steel to now moving construction materials, containers and food supplies between ports and businesses across the country.<sup>77</sup> Freight trains reduce road congestion, connect markets over long distances and are much less carbon intensive than road freight.<sup>78</sup> They have played a crucial role in keeping food and medical supplies moving during the pandemic and the freight sector will be key to building back better as we look to support economic recovery across the country.

Critical safeguards will be introduced to ensure freight operators receive fair access to the network. A new, rules-based track access regime underpinned by legislation will be established that, though not set in stone, cannot be changed at Great British Railways' sole initiative. It will be designed in partnership with the market as part of a wider track access framework consultation. ORR will act as an appeals body for operators or applicants to ensure that Great British Railways applies policies, including track access and charging, fairly.

Great British Railways will also have a statutory duty to promote rail freight to secure economic, environmental and social benefits for the nation. Alongside this, the government will issue guidance on its priorities for rail freight in each funding settlement. These safeguards will not only create the security that private partners need, they will also help to improve and sustain a focus on the benefits that rail freight can deliver.

Future access agreements could support the growth of the rail freight market by including more flexible use of train paths and simpler ways of charging or building upon the offer of longer contract terms to support investment by operators. A methodology to better assess the value of rail freight will help to support decision making and will be reinforced by more open data. The government will work with the market to consider vital network enhancements that increase capacity for freight or help to grow the rail freight market. This could include the long-delayed remodelling of the Ely North junction to improve freight journeys across East Anglia and from the Port of Felixstowe to the Midlands and northern England. It will also explore ways to enable future Strategic Rail Freight Interchanges to be located more appropriately around the country.

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The Port of Felixstowe reports that half of its freight traffic to the North and Midlands is moved by rail.<sup>79</sup>

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Image (page 79) – A freight train being loaded at a port.



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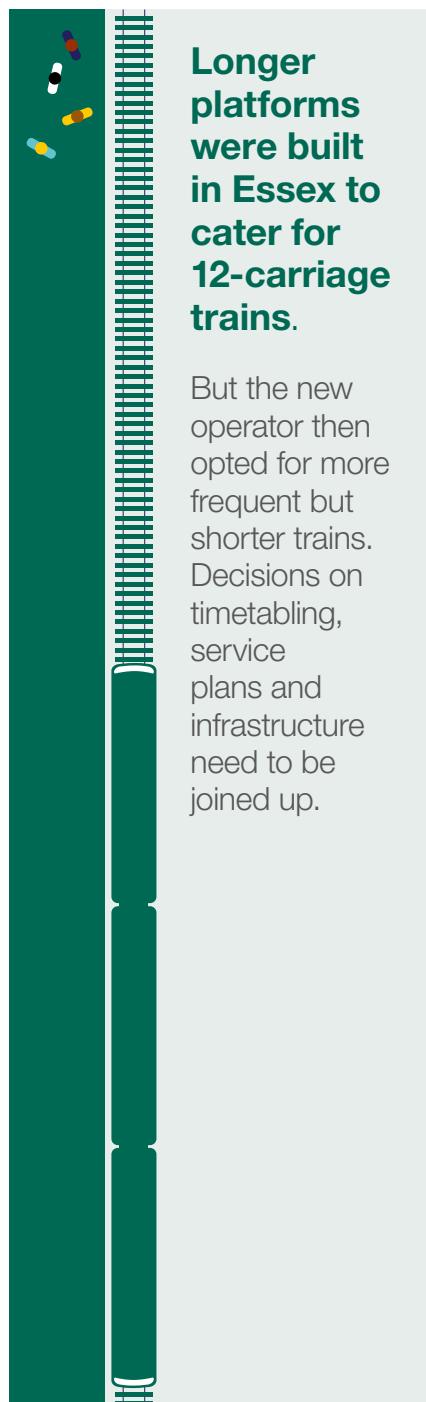
To improve the freight customer experience, a national freight co-ordination team will be created within Great British Railways to act as a single point of contact for freight operators and customers across the network. It will help to embed freight firmly into strategic decision making, including by incorporating freight into the new 30-year strategy. The government will also set a growth target for rail freight, as has been done in Scotland, but this should not become a ceiling. Together these changes will strengthen the place of rail freight on the national network and create new opportunities for growth and investment, giving confidence to the sector's customers and investors.

## 46. Operators will take a lead role in improving services and performance by innovating with private partners, including train-leasing companies.

Commercial operators are well placed to use their knowledge, experience and skills to identify new opportunities to improve passenger satisfaction, achieve cost efficiencies and offer new services and features that people want. They will work as close partners of Great British Railways' regional divisions, bringing best practice from international markets and adding value through challenging suppliers and other partners to work together to improve customer service, performance and efficiency.

Passenger Service Contracts will include incentives on collaboration and innovation. These will encourage operators to work closely with partners, including other operators, local teams and suppliers such as train-leasing companies to improve services and performance. For example, improvements in reliability can be unlocked by creating a focus on reducing delays that, although they may not be an operator's fault, still have a negative impact on their passengers.

These reforms will create a culture in the sector where every organisation, public or private, is aligned and incentivised to achieve high levels of performance, from train build and maintenance to service dispatch, that will get trains running on time across the network. This includes adopting new technology to improve customer information to reduce delays and prioritising investment or collaboration focused on resolving issues more quickly and efficiently.



Integration of fleet planning with infrastructure improvements will be important to improve passenger experience, financial efficiency and environmental sustainability. The reforms set out in this white paper do not assume any direct change to the current industry model for procurement of train fleets and maintenance by independent train-leasing companies. The government will however take forward work to assess options to ensure reliable delivery and value for money for the taxpayer and passengers. This work will also consider supply chain sustainability and how to sustain and generate high-value jobs and economic activity.

#### **47. Modern contracts will be introduced to increase competition, reduce costs and help to attract private investment for new technologies.**

The rail system needs to be more open to engaging commercial partners, to maximise value and stimulate more dynamic, competitive supply chains. Contracts will be modernised, with complex approval processes and supplier frameworks overhauled, and new ways of working explored to improve pace and value for money. This includes adopting international standards that will enable integration with global services and engaging earlier and more effectively with small and medium sized businesses.

These steps will enable the modernisation of ticketing and retail to be accelerated and made more affordable, by reducing reliance on bespoke systems and opening up the market to local and global suppliers and investors.

Simpler procurement, open data sharing and the use of testing environments such as sandboxes, will also help to remove barriers to investment and innovation and enable more effective testing of emerging technology. This could have real benefits: for instance, artificial intelligence and remotely piloted drones could be used to monitor track conditions more effectively and safely, spotting emerging problems and requiring fewer workers to access tracks.

## 48. Partnerships with other key infrastructure providers, such as broadband innovators, will help to boost the country's drive towards a revolution in connectivity.

The railways have huge potential to push forward the government's ambitions for 5G and gigabit speed connectivity. Harnessing the opportunity to partner with technology businesses could enable our railways to become the backbone for connecting people digitally as well as physically, while also improving the on-board experience for passengers. This would help to level up businesses and communities across the country.

Private sector funding will be used to modernise the railways' digital infrastructure through the recently-announced Project Reach initiative. This will not only upgrade the fibre network used on the railways and improve passenger connectivity, it will also turbocharge the government's efforts to provide high-quality broadband in harder-to-reach rural communities, so that businesses and people across Great Britain can benefit from fast online connections and the digital economy. This is a clear demonstration of modernisation that improves the railways, provides a public good and is delivered through private investment.

As a first step, a public-private partnership between Network Rail, Govia Thameslink Railway and Cellnex will introduce full and fast mobile connectivity from Brighton to London in partnership with mobile network operators. This will enable passengers travelling on around 1700 trains a day to experience completely connected journeys by 2023 including in stations, tunnels and cuttings, and will also boost connections for local communities along the route.<sup>80</sup>

Open data, clearer accountabilities and better lines of sight over investment pipelines and strategic needs will foster easier delivery of other projects, such as new rail freight infrastructure that, under today's system, can be missed and stymie the ambitions of private investors to boost the economy. This will enable rail to fulfil its potential as a technology-driven transport service and help to foster a stronger, more globally competitive supply chain in the UK.

## **49. New, locally-led innovation schemes will unlock smarter working and support growth.**

To achieve real change, there needs to be renewed emphasis on locally-led innovation and new ways of working. Those who work on the railways should be able to suggest and lead innovation in their workplaces or local network. Great British Railways will support this, through greater adoption of design sprints and competitions to identify and solve challenges at pace locally and regionally. Targeted partnerships between Great British Railways, its partners and other transport authorities, investors and start-ups will enable collaboration between the public and private sectors to push innovative solutions forward. Best practice will be shared across the sector.

Tailored programmes to support entrepreneurs and local operational teams in developing solutions will help to reshape the culture of the sector to achieve smarter working, more affordable results and quicker adaptability. These will include better training, research and data functions and easier collaboration with innovators to help face future challenges, reduce costs in the near- and long-term and learn lessons from the effects of the pandemic.

## **50. Local engagement will better support small- and medium-sized enterprises and start-ups.**

Bringing together the whole sector to improve services, innovate and deliver more efficient outcomes will require more modern procurement, but will also need to be underpinned by a change in culture. Teams will be empowered locally to work collaboratively with private partners to do the right thing for passengers and freight customers. They will also improve engagement with local businesses and communities, including through creating new opportunities for local partners and businesses to play a greater role in shaping investments in their area.

Integrated local teams within Great British Railways' regional divisions will push forward design and delivery with their partners, supported by new incentives that encourage innovation, partnership and collaboration. These teams will develop, harness and grow local supply chains across Great Britain and foster new, innovative businesses and commercial partnerships to better support regional economies and help the railways to support levelling up through job and skill creation and locally-led solutions.

Through engaging innovators, third-party funders and investors, regional divisions will be able to use their new procurement and research, development and innovation (RD&I) capabilities to unlock additional private investment and support promising new start-ups. This will open up opportunities for innovative suppliers to secure funding, improve competition and speed up delivery. The government will continue to support exporters to take advantage of the emerging global trade opportunities from Britain's departure from the European Union.

## 51. Contestability across operations will be increased, but sub-contracting will need to deliver real value for money.

This chapter has made it clear that the railways will not become more efficient, modern and innovative without the involvement of the private sector, including the extensive supply chain, freight market, funders and passenger operators and rolling stock companies.

Where private partners are best placed to carry out work they will be able to compete to do so and will be contracted in a way that encourages innovation, collaboration and efficiency. Greater contestability will create new opportunities for a more dynamic, competitive supply chain. This includes opportunities for technology providers, banks, payment partners and investors to enable a transformation in customer experience.

The government and, in future, Great British Railways will continue to work in partnership with the supply chain to achieve the aims of the Rail Sector Deal, including boosting supply chain productivity and line of sight over the future pipelines of work.

Sub-contracting can bring valuable specialists in to support complex works, but can lead to multiple layers of costs and duplication. As such, contracts will need to be closely monitored and where sub-contracting takes place, Great British Railways' regional divisions will need to demonstrate that it is done in a cost effective way.

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Over 3,000 small and medium-sized enterprises are already delivering £2.5 billion of contracts on the railways: the government is committed to expanding this further.<sup>81</sup>

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Image (page 85) — South Western Railway service alongside a freight train in Hampshire.



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*Freightliner*  
A TransPennine Company

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# Chapter Seven

# Accelerating innovation and modernisation

**Britain's railways need to modernise if they are to become the backbone of a cleaner, greener public transport network, meet passenger demands for better connectivity and serve the needs of businesses and manufacturers more effectively and affordably.**

For too long, rising taxpayer subsidy and growing passenger numbers have masked inefficiencies, outdated working practices and underinvestment in modern technology and services. While other industries have had to modernise and innovate to survive, rail has not. Investment in skills and technology has been insufficient or fragmented, major projects to electrify and modernise mainlines to Wales and the Midlands have been late and over budget, and real opportunities to improve services for passengers and freight customers through new technology have been consistently missed.

Having spent 20 years catching up on long-standing problems from the previous century, rail needs to innovate and accelerate change if it is to remain relevant throughout this one. The pandemic has only made this more apparent and more pressing.

Disconnected, outdated systems and analogue ways of working delay services, increase costs and mean that train operators often have little information about how people are using their services or even whether a freight train has been delayed. Underinvestment in digital skills combines with fragmented data to limit understanding of customers and makes it harder to achieve more efficient working practices.

A modern rail network requires an ambitious approach to decarbonisation, climate change adaptation and data-driven transformation. This can only be achieved by becoming more outcome focused and forward thinking and by balancing competing priorities carefully. The railways need to better understand their customers, speed up delivery of projects, and set out clear long-term plans to unlock success and innovation.<sup>82</sup>

Image (page 87) – A Northern service on the Wharfedale Line in Yorkshire.



Rail is the cleanest public transport service, producing around 1% of transport emissions

Government is investing £245m in rail research and development from 2019 to 2024

Transport for London's open data is now used by over 600 apps



## 52. Electrification of the network will be expanded, and alternative technologies such as hydrogen and battery power will help to achieve zero emissions from trains and reduce air pollution.

Transport generates over a quarter of the UK's greenhouse gas emissions, making it the largest emitting sector of the economy.<sup>83</sup> But rail produces around 1% of Great Britain's transport emissions, despite carrying almost 10% of all passenger miles and nearly 9% of freight moved before the pandemic.<sup>84</sup> It is the only form of transport currently capable of moving both people and heavy goods in a zero-carbon way. There are huge opportunities for rail to contribute further to cutting transport emissions, including through further electrification.

Electrification is likely to be the main way of decarbonising the majority of the network.<sup>85</sup> Electrification does not merely decarbonise existing rail journeys: it has a clear record of attracting new passengers and freight customers to rail, the so-called 'sparks effect', thereby decarbonising journeys that would otherwise have been by road. The government has announced almost £600 million to start work on electrifying the Trans-Pennine route between Leeds and Manchester, design work to extend electrification to Market Harborough is underway and the government will announce further electrification projects in England will be announced shortly.<sup>86</sup>

Great British Railways will bring forward costed options to decarbonise the whole network to meet the government's commitment to a net-zero society as part of the 30-year strategy. These plans will help to kickstart innovation and change across the sector, support long-term funding commitments and build on the forthcoming Transport Decarbonisation Plan and Network Rail's recent Traction Decarbonisation Network Strategy.

Battery and hydrogen-powered trains will be trialled for passenger routes where conventional electrification is an uneconomic solution, in order to support the government's ambition to remove diesel-only trains from the network by 2040. Advances in technology, deployment and more appropriate regulation will be instrumental to achieving this in an affordable way, while also minimising disruption to passengers and freight customers.

In the near term, trials of existing technology, such as on-train batteries to cut pollution around stations, will be used to help tackle the immediate challenge of poor air quality on some parts of the network. The industry is currently considering options for the extension of third-rail electrification to pockets that depend on diesel operation, so that electric trains can be used on more journeys. Short infill electrification projects that benefit freight, between places such as Felixstowe and Ipswich and west London, will also be accelerated where possible to help improve freight connectivity through interchanges and create better links with freeports for cleaner, greener rail freight journeys.

### **53. The contribution of the railways to the nation's green recovery will be strengthened, including through a comprehensive environment plan by 2022 that will establish rail as the backbone of a cleaner future transport system.**

Rail can and will do more to spearhead the country's ambition to become a world leader in clean, green transport by taking more polluting cars and lorries off the road, improving rail's own environmental impacts and helping to restore our natural environment.

To support a green recovery, railways need to encourage a shift away from planes, cars and lorries, become the best option for long-distance travel and improve the whole journey experience. This includes making it easier to get to and from stations by walking, cycling or other public transport, supporting green infrastructure outside cities, such as charging points at rural stations, modernising fares to compete with air travel and improving freight connectivity through interchanges and creating links with freeports. This will help rail fulfil its role as a public service that supports achieving net zero across the whole economy and transport system.

To set firm foundations for achieving this, a comprehensive environment plan for the rail network will be published in 2022 and will form a key part of Great British Railways' 30-year strategy. More details on the strategy are set out in Chapter Three. The environment plan will set out clear commitments on carbon emissions, air pollution, biodiversity, waste, water usage, noise and vibration. It will also require close working with local and devolved administrations, and a specific duty will be placed on Great British Railways to consider environmental principles in all its operations. It will be accountable for and will lead the sector's delivery of a more environmentally sustainable rail network.

The rail environment plan will be a major part of transport's contribution towards the government's ambitions to make this the first generation to leave the environment in a better state than we inherited. The plan will include the first end-to-end approach to achieving a more sustainable rail system, from the supply chain and construction through to biodiversity across the network and cleaner, quieter passenger and freight journeys. A single measurement methodology for carbon across railway operations will be adopted alongside other new methodologies to support this, including for construction, maintenance and energy. Data on progress will be published regularly and transparently, and regions will be benchmarked against each other to unlock improvements, incentivise change and enable targeted action on local issues such as air quality at stations and noise.

#### **54. Energy efficiency, renewable power production, tree-planting and other green initiatives across the rail estate will be accelerated.**

Rail's extensive estate can be used more effectively to reduce the UK's net greenhouse gas emissions and improve biodiversity. A sustainable, long-term approach to land management on the network will support biodiversity, while also improving reliability and reducing the risk of landslips and flooding. To protect and enhance the natural environment, major initiatives will begin across the rail estate as part of the new duty to conserve and enhance biodiversity set out in the government's Environment Bill. The environment plan will also detail how the rail estate could support carbon offsetting and sequestration for the wider economy, including through extensive tree planting. Green barriers such as these will also be effective at reducing the effects of noise on properties bordering the railways.

New, aligned incentives across the sector will help to make stations and trains more sustainable by reducing energy consumption, saving water and improving efficiency. Initiatives such as the roll-out of LED lighting and water fountains at more stations and machine-learning systems on trains to improve braking are just a few examples of improvements that will help make rail not only more environmentally sustainable, but also cost efficient.

Renewable power generation on the rail estate will be increased to provide more clean energy to stations and local communities. Initiatives such as the world's first solar farm that directly powers the railways, currently operating in Hampshire and supported by the government, show the potential of the rail estate to generate clean power and reduce greenhouse gas emissions.

## **55. Long-term investment in climate resilience will be prioritised, supported by smarter forecasting, planning and technology.**

Climate predictions will be incorporated within the 30-year strategy to better prepare the railways for the future. Vital rail connections, such as the coastal route through Dawlish, will be protected and Great British Railways will work closely with local partners to protect these for the long term.

Innovation will be key to achieving safe, resilient railways in the future: this includes the use of predictive technology led by AI, smarter monitoring of land conditions and adoption of better forecasting. Such technology and new ways of working will enable services to be adapted at pace and make the rail system more responsive to change.

## **56. An ‘open by default’ approach to data sharing will better inform journeys, improve transparency and unlock new technology.**

Data will power the services of the future. Already we can see it improving journey planning tools for passengers and enabling real-time personalised messaging on LNER. However, data is fragmented across the sector, sharing information is expensive and contracts inhibit collaboration and mutual benefits. Overcoming these barriers would enable the use of technology such as 'digital twins', which use sensors and data analysis to model complex systems, such as passenger flows in stations or train performance, in greater detail. Limited use at London St Pancras during the pandemic showed how such technology can be used to help manage crowding. As set out in the government's recent Geospatial Strategy, digital twins could allow better planning of services and as a result, unlock more efficient use of train fleets, enable pre-emptive maintenance and simultaneously reduce delays and costs.<sup>87</sup>

Open data compiled by Great British Railways and its partners will improve transparency, trust and innovation, building on the commitments in the Rail Sector Deal. An ‘open by default’ approach to data will be introduced, with common frameworks and standards across the sector created and led by a new Rail Data Service within Great British Railways. The data service will be tasked with removing barriers to data sharing and will set performance targets to open up data. This will unleash new opportunities for partners to work with the railways to integrate rail data into passenger-facing apps, connect data across systems, and strengthen understanding of operations and services.

**Open data will make it easier for partners to provide new services such as:**



End-to-end journey planning



‘Find my seat’ features



Personalised travel offers, like free coffee when a service is delayed

Improving digital and data skills within the sector will be essential to achieving this vision. Working with further education partners, suppliers and institutions such as Innovate UK, the Alan Turing Institute and the Open Data Institute, the rail sector will be able to better co-ordinate skills development, recruit talent and create a modern, innovative workforce. This will create high-skilled jobs for people from all backgrounds, build rail's diversity and help the sector to better respond to new opportunities.

## **57. Research, development and innovation funding will be simplified to make it more outcome focused and to improve collaboration.**

Today, as in the rest of the rail system, there are too many taxpayer-funded organisations with split responsibilities and different priorities funding rail research, development and innovation (RD&I), and the benefits of investment for taxpayers and farepayers are often unclear. Great British Railways will become the primary public funder of RD&I initiatives across the sector, delivering priorities set by Ministers. Stronger links with centres of industry and private sector innovators will be a core part of the new RD&I system.

Great British Railways' regional divisions will lead delivery of RD&I projects to focus them on the needs of passengers and freight customers. They will work more closely with partners such as the UK Rail Research and Innovation Network (UKRRIN) to improve collaboration across the sector and beyond. This includes using the emerging network of regional innovation centres at universities and technical institutions, such as the National College for Advanced Transport and Infrastructure, to act as incubators, support networks and more active partners in modernising and expanding the supply chain across the rail sector.

RD&I schemes and funding pipelines will seek to break open the rail supply market, encouraging and supporting innovative new partners and incumbents to deliver new customer-focused benefits. Using open competitions for new initiatives, such as gateless ticket lines at stations and digital in-cab signalling for freight, will incentivise innovation and efficiency in the supply chain. Benchmarking across regions and more transparent data will help to measure effectiveness, promote efficient spending and strengthen accountability.

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The government has committed to increasing research and development spending to 2.4% of GDP by 2027.<sup>88</sup>

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Image (page 93) – Innovators working on a train during a HackTrain hackathon in Basingstoke, Hampshire.

Change will be implemented in close consultation with existing bodies such as the Rail Safety and Standards Board (RSSB) and Innovate UK to develop the most effective arrangements, whilst ensuring that critical functions are preserved, such as in relation to independent safety risk analysis and interoperability standards. RSSB will continue to be funded to perform research related to its core role in ensuring a safe and efficient rail network.



# Project Speed

## 58. SPEED will accelerate the delivery of improvements, making more efficient results the new normal.

The government's Project Speed is already driving improvements in the planning and delivery of infrastructure projects across the economy. The Department for Transport and Network Rail are applying this work on the railways to ensure rail infrastructure projects are delivered **better, greener, faster and cheaper**.

SPEED (**Swift, Pragmatic, Efficient Enhancement Delivery**), a rail-specific initiative, has been established to identify opportunities to reduce the timescales and cost of delivering rail infrastructure, in collaboration with the wider rail industry. This work is accelerating the application of SPEED principles to all projects in the rail sector. It is looking at ways to streamline the decision-making process, and strip out unnecessary complexity from planning processes through system-wide reform in conjunction with other government departments.

The government will ensure **more intelligent approaches** are adopted in applying technical and other standards, incentivise good practice, improve efficiency and reduce the impacts on passengers arising from track closures for infrastructure enhancements.

These benefits will be realised by **changing ways of working** across the whole rail sector. There are 11 cross-cutting themes that have been identified from a set of pilot projects. These focus on identifying opportunities for simplification and efficiency.

A key enabler is to **work as One Team** across the rail industry – towards a shared objective of delivering value for taxpayers and passengers. The government will simplify the review process to secure funding, and the rail industry will reduce the time it takes to agree blockade timetables with train operators during construction. The internal governance process that Network Rail uses to deliver railway infrastructure has already been replaced by a **more flexible approach**, called "PACE" (Project Acceleration in a Controlled Environment). Network Rail is building on approaches outlined in the Construction Playbook to deliver more efficient procurement approaches.

SPEED demonstrates that the industry is **already building the capability** and mindset across organisations to deliver on the ambition of a more efficient rail sector. The creation of Great British Railways to join up decision making and integrate track and train will help this further and protect the wider environment and climate whilst speeding up delivery.

The Project Speed approach will be used to deliver all rail infrastructure projects going forward. To make further progress and underline the commitment, the Department for Transport has set up an Acceleration Unit to unblock issues that affect infrastructure projects and to reinforce the Project Speed approach to drive forward progress for passengers.

Image (page 95) — The Dartmoor Line is being upgraded as part of Restoring Your Railway links to Okehampton, which reopens to passenger services later this year

OKEHAMPTON

Danger  
Overhead  
live wires

Danger  
Overhead  
live wires

# Chapter Eight

# Empowering rail's people

**The government has paid around £12 billion over the past 15 months to keep the railways running and keep 240,000 people in the sector in work.<sup>89</sup>**

The collapse in passenger numbers during the pandemic, and the likelihood of permanent changes in many of the key markets for rail, is the biggest challenge to the network in peacetime. The future of the sector hangs in the balance. Employees and employers all have a stake in that future and must be involved in shaping it.

The government wants the railways to provide high quality jobs across Great Britain with staff in the sector and across the supply chain able to learn, progress and, crucially, adapt to a changing transport sector. There is now a unique opportunity to build on progress made since the pandemic started, for all parties, including employers and trade unions, to forge a new approach to working that recognises that the best interests of passengers and staff are shared.

This will mean working across the sector to promote cooperation and collaboration between different parts of the system, developing an inclusive and diverse culture where people feel job satisfaction and rewarding people appropriately for helping to improve productivity and customer service.

A flexible and sustainable workforce is key to this. This cannot mean that everyone can do the same job in the same way as they always have but, instead, that people will have opportunities and investment in training to improve their skills and potential so they can develop their careers more effectively.

This chapter sets out plans to address the challenges of the past and grasp the opportunities of the future, including new technologies that will radically change the way passengers travel and freight is moved across the network. These plans will put the workforce front and centre in the transformed railways, at the heart of Great British Railways.<sup>90</sup>

Image (page 97) — Rail apprentices at Westwood training centre



Rail industry  
**wage growth**  
has increased on average  
**above the rate of inflation**  
over the past decade

**>250 days**  
**of strike action**  
have occurred since 2016



## **59. A new joined-up, cross-sector training and skills offer will support people at every career stage to develop skills and bring in experience from outside the rail sector.**

Reform of the railways must begin with ensuring that everyone working in the sector has a fulfilling, challenging, flexible and modern role and that together they have the skills and capabilities to deliver for passengers. The rail sector in Great Britain should become a world-class magnet for talent. Today, the fragmented structure of the railways impedes effective leadership at both organisational and individual levels. Staff are too often in a position to consider only their part of the sector, which limits the opportunity for whole-system, efficient solutions to emerge and for them to develop new experiences and broaden their horizons.

To tackle this, a sustained programme to invest in skills, training and leadership across the rail sector will foster greater collaboration and openness to innovation and new technology and so support vital long-term productivity improvements. This new approach will support people at every career stage to contribute to improving the service offered to customers and to make rail more attractive to new and experienced talent from outside the sector – including apprenticeships.

The new Connected Leaders Scheme, launched in 2020, is now beginning to equip future leaders across the sector with a deeper understanding of customer needs and a genuinely cross-sector perspective. Building on this, a virtual leadership academy will be established, drawing on the good example of the existing Roads Academy, which has supported a step change in the leadership capabilities of the roads sector.

The academy will professionalise and standardise the skills offer across the entire sector, bringing together commercial, technology and passenger service experience. It will draw on existing best practice and bring in external perspectives and opportunities for wider learning. The academy will be designed in close collaboration with leaders from across the railways, including those currently involved in the Connected Leaders Scheme. Action will also be taken to develop the key, system-wide skills and accreditation programmes in advance of the academy being established.

## **60. A sector-wide workforce plan will be developed to assist employers and build system-wide resilience.**

Constant rounds of industrial relations disputes on the railways have diverted the sector from developing a co-ordinated, strategic approach to planning its workforce. A reset is needed to allow the sector to dedicate time and attention to fostering the skills and talent needed to be fit for the future.

Great British Railways will work with the sector to develop a system-wide workforce plan that brings together the demands of the railways and the supply of skills in one place to enable a strategic assessment of current and future needs. This will help grow service resilience in the short term and build in lead times to plan effectively for future needs. The plan will build on examples of good practice across the sector, such as the Train Drivers Academy, launched in 2019 by the RDG to increase the supply and diversity of qualified drivers.

As part of this work, Great British Railways will support industry-wide co-ordination of driver training and take steps to ensure that operators can recruit and retain talent in a way that is sustainable for the whole sector.

## **61. Diversity across the sector will be improved through the inclusion of stretching measures in contracts to actively promote and increase recruitment and retention of a diverse workforce.**

The rail sector should work to reflect the people and communities it serves by drawing on the talents of those who are under-represented in the sector and would be attracted to a rail career with the right information.

This is why the sector needs to build on the progress already made, with Great British Railways leading industry-wide recruitment campaigns, including school-to-university engagement and shared apprenticeship schemes across the sector, that will demonstrate that the railways provide modern and inclusive career opportunities that are open to all.

Great British Railways will develop a sector-wide people strategy to attract diverse talent by following the evidence of what actually works to recruit and retain people from under-represented groups. The strategy should mean that everyone, irrespective of their background, feels working in the sector is an attractive, inclusive career choice.

Using evidence-based recruitment and retention practices will allow the railways to attract and nurture the rich variety of skills it needs to deliver the rail services the country relies on, support new career paths and empower its people to develop their skills working across the industry.

Network Rail's STEM Lab in Milton Keynes.



## 62. Comprehensive data on productivity and pay will be collected and published by ORR, which will report on the data and compare it with that of other sectors and labour markets.

The pandemic has further widened the gap between the railways' revenues and costs. Action is required now to close that gap. Modernisation can help to grow revenues, but action is also required to reduce costs and bring the railways into line with other sectors.

As a first step, in collaboration with ORR, the government will introduce new transparency requirements and reporting and analysis on productivity and pay. ORR will collect and publish comprehensive data on salaries and provide comparisons with other sectors and labour markets. It will also oversee, report and benchmark the sector's productivity.

A standardised approach for reporting staff costs will be introduced for passenger operators and Great British Railways to enable analysis on a consistent, comparable and robust basis. Regular reviews will be undertaken to determine how effectively resources and technology are being employed to deliver improved performance, reliability and customer service.

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Staff costs on the railways exceeded £6 billion in 2019–20.<sup>91</sup>

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# Conclusion Delivering the rail revolution

This white paper sets out the most ambitious changes to the rail sector in a generation. The government is determined to use this revolution on the railways to deliver meaningful change for passengers, freight customers and taxpayers during the course of this Parliament. Rail must play a major part in helping the country to build back better and unleash the potential of our society and economy in the years ahead.

The ten outcomes at the start of this white paper will guide our efforts to deliver the vision set out by Keith Williams and the government. Designing and implementing a sector-wide transformation of this ambition requires the whole sector to work together. The government will work in close partnership with the rail industry, innovators and other private partners and civil society to achieve the outcomes we all seek as we build a modern, customer-focused rail system.

Transformation does not happen overnight. The government is setting up a Rail Transformation Programme within the Department for Transport and the rail industry to establish a common understanding of the vision, set out the phases of delivery and work collectively with the sector to design and implement this major project. As the programme of reform is delivered, appropriate government approval processes, including in relation to arm's-length bodies, will be followed and the programme will follow assurance and approval processes appropriate for a Government Major Project (GMP).

Alongside this, the government intends to establish an advisory group to support the Secretary of State in ensuring that these proposals are implemented across the sector. Keith Williams will chair this group. As a respected leader in the sector, Andrew Haines has been asked to develop plans for establishing interim arrangements drawing from across the industry and beyond, including RDG, government and Network Rail. He will undertake this alongside his existing role as Chief Executive of Network Rail. The permanent leadership team of Great British Railways, including its chair and chief executive, will be recruited by fair and open competition.

Swift delivery is essential to unlocking the important benefits, including customer benefits and cost efficiencies. The programme will accelerate change wherever possible, while ensuring the sector can respond flexibly as new challenges and opportunities emerge. Whilst we work through longer term changes, the government and sector will also bring forward benefits for passengers and freight customers quickly. These include:

- Contactless journeys and the continued roll-out of digital ticketing;
- Introduction of flexible season tickets;
- Close engagement with the freight sector on fair access in the future and on development of a growth target;
- Consideration of short electrification infill schemes to support freeports;
- Delivering our commitment to Pay As You Go travel;
- Renewed focus on punctuality through recovery contracts and National Rail Contracts; and,
- Clearer communications on trains, at stations and on smart devices.

Pilot schemes of further initiatives and commitments set out in this white paper will also be introduced in the coming years. Alongside consultations and legislation this will create opportunities to develop understanding of how to implement these commitments most effectively and efficiently across the network.

This is an exciting moment for the future of the railways: replacing franchising, achieving a modern passenger experience, accelerating delivery of enhancements through SPEED, delivering decarbonisation and new pay, leadership and training schemes, while integrating the sector through the creation of a guiding mind and greater local and national accountability.

This is a fresh start for the railways. It is time to grasp the opportunities, overcome the challenges of recent years and rebuild public trust in rail.

# Our commitments

## Chapter Three – Integrating the railways

1. A new public body, Great British Railways, will run the network in the public interest.
2. Great British Railways will be the single guiding mind and leader that the railways currently lack.
3. Great British Railways will be given the means to think and plan for the longer term.
4. There will be a national brand and identity to emphasise that the railways are one connected network.
5. Great British Railways will be a new organisation, not just a larger version of Network Rail.
6. Great British Railways will be given a binding mandate to have as its primary focus serving the interests of passengers, freight customers and taxpayers and growing rail usage.
7. Great British Railways will be mandated to increase efficiency and co-operation.
8. The government will hold the railways' leaders accountable for meeting the needs of the customers and communities the network serves.

9. A 30-year strategy will provide clear, long-term plans for transforming the railways to strengthen collaboration, unlock efficiencies and incentivise innovation.
10. Great British Railways will be made up of powerful regional divisions, with budgets and delivery held at the local level, not just nationally.
11. In England, new partnerships with Great British Railways' regional divisions will give towns, cities and regions greater control over local ticketing, services and stations.
12. Devolved railways will be strengthened, with closer collaboration with Great British Railways improving services, consistency and co-ordination across the country.
13. Community rail partnerships will be empowered to strengthen rail's social and economic impact.
14. Station management will be integrated within Great British Railways to improve accountability for long-term investment in stations.
15. Opportunities to better unlock housing, local economic growth and social value will be explored.
16. Transport Focus will be reformed to become a passenger champion, advising the Secretary of State on passenger priorities.
17. Performance and efficiency will be independently scrutinised by the statutory regulator, the Office of Rail and Road.

18. Current safety and security rules will remain in place across the rail network. A consultation will be undertaken to ensure safety roles, rules and standards are appropriate for the future.
19. Cross-sector organisations will be consolidated and integrated to enable the railways to operate more effectively and efficiently.
20. Track access will be overhauled to make the best use of the rail network in the overall public interest.

## Chapter Four – Replacing franchising

21. Franchising will be replaced by new Passenger Service Contracts.
22. Passenger Service Contracts will focus operators on meeting passengers' priorities and will incentivise them to grow rail usage.
23. Each Passenger Service Contract will be designed to support the needs of passengers and the whole network, as part of an integrated system.
24. Passenger Service Contracts will be different across the network and will not take a one-size-fits-all approach, including on contract length.
25. Operators will have greater commercial freedom on some parts of the network, with revenue sharing arrangements where appropriate. New open access services will also be explored where spare capacity exists.

26. The geographic and financial size of Passenger Service Contracts will reflect local markets and needs.
27. Competition for Passenger Service Contracts will be greater than for franchises and Great British Railways will aim to compete all contracts.
28. If operators fail, the government will be ready to step in and take control where needed.
29. The government will work with the sector and potential new market entrants to develop and implement these changes.

## Chapter Five – A new deal for passengers

30. Easy, frictionless payment options for every journey will be introduced across the network.
31. Pay As You Go journeys will be expanded outside London to make millions more trips straightforward.
32. Digital tickets will be introduced across the network.
33. A new Great British Railways website and app will create a personalised travel experience.
34. Customer service at stations will be modernised, with one-team working expanded across the network.
35. Fares will be simplified.
36. Affordable fares and season ticket caps will continue to be protected.

37. Off-peak services will be protected.
38. New flexible season tickets will be introduced to reflect changing working patterns.
39. Journeys across rail, bus, tram and bike will become seamless in the future.
40. Getting to the station on a bike and taking it on a train will be made easier.
41. Trains will be made more pleasant to travel on and easier to work aboard.
42. Compensation will be simpler and easier to claim, with a consistent, modern process right across the network.
43. Passengers will receive clear, consistent information before, during and after their journeys. Their experiences will be monitored more effectively.
44. The first robust national accessibility strategy and long-term investment programme will improve inclusion and access for all.

## Chapter Six — Unleashing the private sector's potential

45. The economic and environmental benefits of rail freight will be supported by a new, customer-focused approach, modern track access rights and new safeguards.
46. Operators will take a lead role in improving services and performance by innovating with private partners, including train-leasing companies.

47. Modern contracts will be introduced to increase competition, reduce costs and help to attract private investment for new technologies.
48. Partnerships with other key infrastructure providers, such as broadband innovators, will help to boost the country's drive towards a revolution in connectivity.
49. New, locally-led innovation schemes will unlock smarter working and support growth.
50. Local engagement will better support small- and medium-sized enterprises and start-ups.
51. Contestability across operations will be increased, but sub-contracting will need to deliver real value for money.

## ➔ Chapter Seven – Accelerating innovation and modernisation

52. Electrification of the network will be expanded, and alternative technologies such as hydrogen and battery power will help to achieve zero emissions from trains and reduce air pollution.
53. The contribution of the railways to the nation's green recovery will be strengthened, including through a comprehensive environment plan by 2022 that will establish rail as the backbone of a cleaner future transport system.
54. Energy efficiency, renewable power production, tree-planting and other green initiatives across the rail estate will be accelerated.

- 55. Long-term investment in climate resilience will be prioritised, supported by smarter forecasting, planning and technology.**
- 56. An ‘open by default’ approach to data sharing will better inform journeys, improve transparency and unlock new technology.**
- 57. Research, development and innovation funding will be simplified to make it more outcome focused and to improve collaboration.**
- 58. SPEED will accelerate the delivery of improvements, making more efficient results the new normal.**

## Chapter Eight – Empowering rail’s people

- 59. A new joined-up, cross-sector training and skills offer will support people at every career stage to develop skills and bring in experience from outside the rail sector.**
- 60. A sector-wide workforce plan will be developed to assist employers and build system-wide resilience.**
- 61. Diversity across the sector will be improved through the inclusion of stretching measures in contracts to actively promote and increase recruitment and retention of a diverse workforce.**
- 62. Comprehensive data on productivity and pay will be collected and published by ORR, which will report on the data and compare it with that of other sectors and labour markets.**

Image (page 111) — Dawn on the railways at Clapham High Street, South London.



# Endnotes

- The full URL for each link is available in clickable form on <https://www.gov.uk/government/publications/great-british-railways-williams-shapps-plan-for-rail>
- 1 [Transport use during the coronavirus \(COVID-19\) pandemic](#), DfT
  - 2 [NTS0409](#), National Travel Survey.
  - 3 [Table 1314 – Freight Moved by commodity](#), ORR
  - 4 [Oral evidence: Costs in the English rail system HC 1294](#), Public Accounts Committee.
  - 5 Efficiencies based on internal unpublished DfT analysis; [Table 7223 – Franchised passenger train operator finances by franchise](#), ORR
  - 6 [Table 3103 – Historic passenger trains planned, PPM, and CaSL by operator](#), ORR
  - 7 [Table 7270 – Government support to the rail industry](#), ORR; [Table 7290 – Private sector investment in the rail industry](#), ORR
  - 8 [TSGB0101: Passenger transport by mode from 1952](#), DfT
  - 9 [Rail Factsheet 2020](#), DfT
  - 10 [Rail Sector in Numbers](#), Williams Rail Review
  - 11 [Report on Railway Safety and Interoperability in the EU \(2018\)](#), European Union Agency for Railways
  - 12 [Rail Industry Finance 2019-20](#), ORR; DfT Analysis using [Table 7180 – Average change in fares by regulated and unregulated tickets](#), ORR
  - 13 [Realising the potential of rail in Great Britain](#), Sir Roy McNulty for the Department for Transport
  - 14 [Top-line contactless figures, April 2018](#), Transport for London; [Smart train tickets reach tipping point as paper tapers off](#), Rail Delivery Group.
  - 15 [Passenger priorities for improvement \(2020\)](#), Transport Focus
  - 16 [Train punctuality at recorded station stops by operator](#), ORR. This is based on the combined punctuality statistics of Avanti, Northern, TPE and LNER TOCs.
  - 17 [Train punctuality at recorded station stops by operator](#), ORR
  - 18 [Current railway models: Great Britain and overseas](#), Williams Rail Review
  - 19 [Table 7223 – Franchised passenger train operator finances by franchise](#), ORR; [Table 7243 – Freight train operator finances over five years by operator](#), ORR
  - 20 [Inquiry into May 2018 network disruption](#), ORR
  - 21 [Modernising the Great Western railway](#), National Audit Office
  - 22 [Long Term Passenger Rolling Stock Strategy for the Rail Industry](#), Rail Delivery Group
  - 23 [Delay Attribution Review](#), Rail Delivery Group to the ORR
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  - 27 [Rail Sector in Numbers](#), Williams Rail Review; [Greenhouse gas reporting: conversion factors 2020](#), BEIS; [Report on Railway Safety and Interoperability in the EU \(2018\)](#), European Union Agency for Railways; Government Investment levels are based on internal unpublished DfT estimates; [Rail Factsheet 2020](#), DfT; [NTS0409](#), National Travel Survey; [Table 1220 – Passenger journeys](#), ORR; Improving Passenger Trust in the Rail Sector, Williams Rail Review Research; [Disabled rail passengers research summary \(2019\)](#), Transport Focus, DfT; [Passenger priorities for improvement \(2020\)](#), Transport Focus; [Passenger Rail Performance 2019-20](#), ORR; [Station Usage Statistics](#), ORR; [Table 1350 – Rail freight market share](#), ORR
  - 28 DfT internal analysis of the historic franchising schedule, 2013-2020
  - 29 [Independent Inquiry into the Timetable Disruption in May 2018](#), ORR
  - 30 [Trust in the Rail Sector](#), Williams Rail Review research.
  - 31 [Passenger Rail Usage 2020-21 Quarter 1](#), ORR; [Transport use during the coronavirus \(COVID-19\) pandemic](#), DfT.
  - 32 [Transport use during the coronavirus \(COVID-19\) pandemic](#), DfT
  - 33 [NTS0409](#), National Travel Survey
  - 34 [Oral evidence: Costs in the English rail system HC 1294](#), Public Accounts Committee
  - 35 Based in internal DfT analysis
  - 36 [Transport use during the coronavirus \(COVID-19\) pandemic](#), DfT
  - 37 Foreword, [Rail Needs Assessment for the Midlands and the North](#), National Infrastructure Commission
  - 38 [Oral evidence: Costs in the English rail system HC 1294](#), Public Accounts Committee
  - 39 [Transport Secretary launches £794 million investment to boost rail links in north and south](#), DfT
  - 40 [Dartmoor line rail services announcement](#), DfT
  - 41 [A new chapter for northern transport – GOV.UK \(www.gov.uk\)](#); [Transpennine Route Upgrade](#), Network Rail
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- 44 Based on internal unpublished DfT analysis
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- 46 [Table 7270 – Government support to the rail industry](#), ORR
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- 48 [Realising the potential of rail in Great Britain](#), Sir Roy McNulty for the Department for Transport.
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- 50 [Control Period 6 Delivery Plan](#), Network Rail
- 51 Assuming savings are distributed evenly over the five-year control period
- 52 Efficiencies based on internal unpublished DfT analysis; [Table 7223 – Franchised passenger train operator finances by franchise](#), ORR
- 53 Based on internal DfT analysis
- 54 [Our regions](#), Network Rail
- 55 [Our Stations](#), Network Rail
- 56 [Train punctuality at recorded station stops by operator](#), [Combined punctuality statistics of Avanti, Northern, TPE and LNER TOCs], ORR; [Table 3103 – Historic passenger trains planned, PPM, and CaSL by operator](#), ORR; [Table 7223 – Franchised passenger train operator finances by franchise](#), ORR
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