



# URBAN TRANSPORT GROUP

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Consultation Response

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

Response to the consultation on  
legislation to implement rail transformation  
from the Urban Transport Group

**August 2022**

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## 1. Introduction

- 1.1. The Urban Transport Group represents the public sector transport authorities for the largest city regions in England (London, Liverpool City Region, Greater Manchester, West Yorkshire, South Yorkshire, West Midlands and Tyne and Wear). This response is on behalf of these full UTG members. However, we are also a wider professional network which includes West of England Combined Authority, Translink, Strathclyde Partnership for Transport, Nottingham City Council, Tees Valley Combined Authority, Cambridgeshire and Peterborough Combined Authority and Transport for Wales.
- 1.2. The Urban Transport Group welcomes many of the proposals in this consultation and the ambition to simplify the management of the rail network and allow for longer term and integrated planning. However, the consultation is silent on the integration of rail with the rest of the transport network, especially in the city regions. Given the wholesale omission of local transport authorities and city regions from this consultation, we feel we need to emphasise their vital role in the management and funding of the current rail network.
- 1.3. As we point out, pre-Covid a third of all rail journeys were made on services with at least some devolved control, and the new Passenger Service Contracts avowedly build on the work done by several transport authorities and the devolved administrations in managing their local rail networks effectively.
- 1.4. The Plan for Rail and this consultation do not propose to change the current devolved arrangements. Yet the authorities and groupings involved in specifying and managing the passenger rail network will have no statutory or formal status or role in any part of the new structure. Given this the Government should reconsider and give city region transport authorities a clear and statutory role in the new railway framework, so that their expertise and knowledge of local communities can be fully used in managing, planning and developing the rail network, and further devolution of services and infrastructure can be agreed where appropriate, and rail can become part of wider integrated transport networks. This is not just about powers and status; such integration and proper involvement of city regions in the planning and management of the railway can deliver Government objectives such as increased housing, regeneration and social and economic development, as well as decarbonisation.

## 2. Summary

- 2.1. The Urban Transport Group represents the public sector transport authorities serving the largest urban areas in England. On the railways it has initiated a Rail Devolution Network, bringing together the devolved authorities and administrations which have full or joint franchising responsibilities for local and regional rail networks. These include the Governments in Scotland and Wales, as well as Transport for London, Transport for the North, the Liverpool City Region and the West Midlands Rail Executive.
- 2.2. These and other devolved authorities have consistently made significant investments in the railways over a long period, making them one of the biggest investors in the rail network. Pre-Covid, a third of rail journeys were made on services with at least some devolved control. Our reports on rail devolution have set out how important rail is to the city regions and to devolved administrations, and how local/devolved involvement and control has



delivered better services and infrastructure (See our reports on [“Rail Devolution Works”](#), [“Rail cities UK: our vision for the future”](#), and [“Action stations: how devolution is transforming rail stations for the better”](#)).

- 2.3. We have welcomed the Williams-Shapps report and the reforms set out there, and the intention in it to give “greater control for local people and places”. As we set out in our statement of December 2021, [“Making rail reform work for people and places in the city region”](#) (attached as annex one), we want reforms to build on the success of the devolution of rail powers and extend its benefits to more people and places.
- 2.4. Given the potentially lengthy lifespan of the legislation it should make provision for the full range of potential devolutionary options for services and infrastructure. These are set out in full in [“Making rail reform work for people and places in the city regions”](#). The legislation should also safeguard any existing local arrangements where authorities and administrations have a role (such as for particular stations or where their services use national rail infrastructure).

### 3. Overarching issues

- 3.1. We welcome the recognition of the important roles played by local authorities in many parts of the railway (1.26) and the commitments in this section (1.11 and 1.35-6) to avoid changing previously agreed devolution of rail services and infrastructure. However, some of the descriptions of the current structure omits or understates the role of local and devolved authorities in the railways. In particular para 1.24 on stations omits the fact that several stations on the national network are owned or managed by devolved administrations. In many cases, authorities have been the promoters and/or funders of new/upgraded stations; this previous investment needs to be identified and protected in any new legislative or licensing arrangements. Some rolling stock is also owned by devolved authorities (e.g. the new Merseyrail Electric train fleet). It is important to recognise these arrangements because they need to be safeguarded in the reforms.
- 3.2. On the other hand, para 1.11 states incorrectly that Merseytravel manages the rail infrastructure in Liverpool. This is not the case, though in fact the Liverpool City Region Mayor and Combined Authority have expressed interest in taking over the management of the infrastructure used by Merseyrail trains.
- 3.3. There are also places where local metro services run over National Rail tracks (for example Tyne & Wear Metro services to Sunderland, London Underground services and South Yorkshire tram-train services). In any new legislation and licence for GBR, it is important that these rights are recognised and protected.

### 4. Establishing Great British Railways

*Q1 Does the scope of the proposed designation of Great British Railways as an integrated rail body appropriately capture what you would expect for an effective guiding mind for the railways? (paragraph 2.6) Please explain.*

- 4.1. We support the designation of Great British Railways as an integrated rail body (2.6). However, section 5.11 points out the importance of environmental issues including tackling climate change, enhancing biodiversity and improving air quality and the local environment,



and 3.16 commits to a statutory duty on GBR “to consider environmental principles” in its operations. We would therefore like to see GBR required to maximise environmental value, as well as social and economic benefits.

- 4.2. We largely support the core functions set out in 2.7. However, these say that GBR must be “accountable for the customer offer”, without saying to whom they will be accountable. We would suggest adding “...to the UK Government, to Scottish and Welsh Governments for services and infrastructure in those countries and to local or sub-national bodies where they manage or oversee services in their areas.”
- 4.3. The core functions should also include a requirement to contribute to meeting the policy objectives set out by UK and devolved governments and those of local and sub-national authorities, as set out in Local Plans, Local Transport Plans, and strategies of Sub-National Transport Bodies. The railways have an important role to play in meeting local and national objectives on decarbonisation, levelling up and other policies and GBR’s core functions should include being required to assist these, for example through its long term plan.
- 4.4. We support the requirements proposed in 2.8, but believe it is vital that a duty for GBR to co-operate and collaborate with local and devolved authorities should be part of this list. In particular, GBR should be required to have regard to adopted Local Transport Plans, adopted Local Plans and the adopted strategy of Sub National Transport Bodies.

**Q2 Are there any other factors Great British Railways should balance and consider as part of its public interest duty? (paragraph 2.9) Please explain.**

- 4.5. The public interest duty set out in 2.9 should (as noted above on 2.6) require GBR to maximise the environmental, as well as the social and economic value from the use of the network. In particular, the primary legislation should include a reference to the net zero target and carbon budgets in the Climate Change Act 2008. The considerations should be reworded: “benefits for communities and regions” should be separated out and added to “as expressed through the plans and policies of devolved administrations and local authorities”. “Benefits to the economy and supply chains” should be a separate consideration.
- 4.6. We believe GBR should be designated a “Best Value Authority”, or at least have a general “Duty of Best Value”. Local authorities have to meet such duties already, and are required to “consider overall value, including economic, environmental and social value, when reviewing service provision. As a concept, social value is about seeking to maximise the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.”<sup>1</sup>.
- 4.7. Where GBR considers that Best Value, as defined by the Best Value Duty, will be secured by devolving the management of rail services and assets to local authorities it should be able to do this. Local transport authorities should also have the power to request that GBR formally considers such devolution. This should be set out as part of GBR’s public interest duty, and the framework for authorities to be able to make such requests and for GBR to respond to them should be clearly set out, with appropriate criteria (which recognises the benefits already achieved by devolution) and timescales for such requests to be considered.

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<sup>1</sup> Best Value Statutory Guidance, September 2011, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5945/1976926.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/5945/1976926.pdf)



- 4.8. We support the new Passenger Service Contracts set out in 2.12; indeed as this section acknowledges it was Transport for London and Merseytravel that developed this approach. However, as set out in our December 2021 statement on '[Making rail reform work for people and places in the city regions](#)', we want to see the benefits of devolution extended and deepened to more passengers and places up to and including full devolution where there is the aspiration and capacity locally for city regions to do this to do (either in their own right or as part of wider groupings). Where this is not being contemplated or implemented in the first instance the new contracts let by GBR should be based on the policies and objectives of the city regions and sub-national bodies served by these contracts.

**Q3 Do you support the proposal to include a power in primary legislation to enable Scottish and Welsh Ministers to delegate their contracting authority to Great British Railways, subject to the terms of delegation being mutually acceptable to ministers in the Devolved Administration(s) and the Secretary of State? (paragraph 2.17) Please explain.**

- 4.9. We note the proposal in 2.17 to allow Scottish and Welsh Ministers to delegate their contracting authority to GBR. We are however unclear why this would be necessary, and under what circumstances this power might be used. Current Scottish and Welsh Government policies are if anything to take more control over their rail services and infrastructure, and we are not clear what this power might achieve. We await clarification of this. It is also notable that one of the few references to devolution in the document is in relation to re-centralisation.

**Q4 Do you have any views on the proposal to amend Section 25 of the Railways Act 1993 to enable appointment of a public sector operator by Great British Railways by direct award in specific circumstances? (paragraph 2.18) Please explain.**

- 4.10. We support the proposal to amend Section 25 of the 1993 Railways Act to allow for a direct award to a public sector operator, However, we would like to see this broadened so that where the quality of passenger services is poor, and/or the value for money for the relevant passenger service contract is unacceptable, and no recovery is possible, a public sector operator can be appointed. It should be noted that in the cases of the Tyne and Wear Metro in 2016 and the West Midlands Metro in 2018, the transport authorities concerned, having previously contracted out the operation to the private sector, decided that the service quality was such that a public sector operation would provide better value for money.
- 4.11. We would also like to see this proposal extended, so that where a contractor is clearly underperforming and not meeting local needs, local transport authorities can formally request GBR to make use of this power, remove the underperforming operator and make a direct award to a public sector operator.

**Q5 Do you support the proposed amendments to Regulation 1370/2007, which are i) reducing the limitation period for the challenge remedy, ii) introducing a remedy of recovery to accord with the new UK subsidy regime, iii) clarifying who may bring a**



claim, iv) retaining the ability to make direct awards under Article 5(6), and v) clarifying the PIN notice period? (paragraph 2.20) Please explain.

We support these proposed amendments. However, we believe that in certain circumstances it should be open to local or combined authorities to challenge an award of a contract, where that authority believes that the award of that contract will materially affect its interests and the interests of the communities in its area. We would like to see this made clear in the legislation promised.

## 5. Securing better use of the network

- 5.1. We support reform of the access system as set out in 2.28 and ORR's continued role in overseeing the access framework. We have however noted in the past that the costs allocated to regional and local rail services are disproportionately high whereas the costs allocated to InterCity services are disproportionately low. This has the effect of making InterCity services appear profitable and commercial whilst regional and local services appear to have very poor economics. These artificial constructs were helpful in underpinning the approach taken to rail privatisation. Meanwhile rail freight does not pay its full costs which helps to make it more competitive with road freight. We set this out in more detail in the following consultation response: "[Network Rail's consultation on its methodology for allocating fixed costs to train operators in Control Period 5 \(CP6\)](#)". It is our view therefore that a thorough review of the track access regime is undertaken to address the outdated and unjustifiable assumptions which currently underpin it.
- 5.2. We welcome the proposals to simplify processes and procedures across the industry, and the work that GBRTT will lead to reform the framework that governs access to the railway (2.32). Combined authorities and others have had significant experience of navigating the complexities of the current framework and will have many suggestions on how to reform it, so it is essential that they are fully involved in this work. As noted above, there are existing access rights for metro services to the national rail network and this process should protect and, where appropriate, enhance these rights.
- 5.3. Beyond this however, there are, as set out in our [December 2021 statement](#), ambitions by city region transport authorities and groupings of authorities for greater control over their local rail services and infrastructure. These ambitions are not intended to add to the complexities in the rail network; they are intended to integrate the rail network and passenger services on it into wider city-region transport networks, and to enhance the role of the railways in those areas. The GBRTT commission should therefore consider proposals for devolution from transport authorities in England (and ambitions by Welsh and Scottish Governments for better links with English cities and London).
- 5.4. We note the potential areas for reform in 2.34 include "overhauling the timetabling and service development processes to maximise efficiency, value for money and social and economic benefits realised". It is essential that "value for money" is defined so as to be a broad approach rather than narrow rail-only value. The "social and economic" (and environmental) benefits should be those accruing to the communities served, not just to the rail industry. For example, timetabling could enable clockface simple service patterns, linked to bus and tram services, and designed to attract people from car use, but this might not fit a



narrow rail-only focus. Here again, city regions and transport authorities have clear proposals and ambitions for service developments, and these need to be included in this review.

- 5.5. 2.34 also suggests reforms might support “simpler management of stations, where we envisage some train operator responsibilities transferring to Great British Railways”. As we have set out<sup>2</sup>, local, combined and devolved authorities have a track record of investing in, managing and upgrading stations and developing them as hubs or gateways for the communities they serve, meeting many of the Government’s wider policy objectives including increased housebuilding. We believe that the GBRTT commission should be required to take account of this and consider and promote models for local involvement and investment in and management of stations as appropriate. We welcome the objective (2.35) of ensuring that devolved rail bodies should be among those given the confidence to make long term investment decisions.

**Q6 Do you support the proposed statutory duty on ORR to facilitate the furtherance of Great British Railways’ policies on matters of access to and use of the railway, where these have received Secretary of State approval? (paragraph 2.38) Please explain.**

- 5.6. We do not support this duty. Decisions about access to the rail network must remain fully independent of funding bodies so that these decisions are made on a rational and unbiased basis. If ORR is required to have regard to GBR’s policies but not those of other infrastructure managers or network funders, this could disadvantage those managers and funders, who could face losing or reduced network access as a result. This in turn could disincentivise transport authorities and other third parties from investing in the rail network. If the proposal is pursued, the duty should be extended so that it applies to other rail network managers and funders of network operations other than GBR. ORR must take into account the needs of others investing in the railway, including local/combined authorities and any investors they are working with. Investors in new stations or in services need clarity that these will be facilitated and will not be blocked (for example where a new station to serve a new development is ruled out on access grounds because of its effect on existing passengers or operators). In any event, GBR will need to be transparent about the criteria it will use to inform its decisions on access, and any associated framework, so that other parties can engage fully with the process

**Q7 Noting we will consult separately on the use of the power to amend the existing Access and Management Regulations, are you aware of any immediate essential changes that are needed to these Regulations to enable Great British Railways to deliver its guiding mind function? (paragraph 2.44) Please explain.**

- 5.7. We have no immediate changes to suggest to these regulations. We look forward to the consultation on the proposed power to amend EU rules (para 2.41).

**Q8 Do you agree with the proposed recasting of ORR’s competition duty to better reflect public sector funding? (paragraph 2.49) Please explain.**

**Q9 Do you support the proposal to include in legislation, a power for Great British Railways to issue directions to its contracted operators to collaborate with one another in circumstances where doing so could otherwise give rise to concerns under**

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<sup>2</sup> <https://www.urbantransportgroup.org/resources/types/reports/action-stations-how-devolution-transforming-rail-stations-better>



**Chapter I of the Competition Act 1998, in particular, where this could lead to defined benefits to taxpayers and/or passengers? (paragraph 2.54)**

**Q10. Would Train Operating Companies be willing to share information and collaborate in the way envisaged without the proposed legislative provisions? What are the risks to them without the proposed legislation? Would the proposed legislative approach help to resolve these risks?**

**Q11. Are there any particular additional safeguards (in addition to the safeguards outlined in paragraph 2.54 - 2.55 above) that you consider necessary to support the interests of third parties (including freight, open access and charter operators) or to otherwise protect passengers and/or taxpayers?**

- 5.8. We welcome in principle the proposed recasting of ORR’s competition duty. This needs to reflect all public sector funding of rail services, not just the funding from the UK Government. It is important that any competition for rail services is seen as a means to an end, not an end in itself; for routes like Coventry-Birmingham-Wolverhampton or Leeds-Wakefield-Doncaster, the introduction of increased competition on inter-city services will undermine the local services on those corridors and potentially remove access rights from them.
- 5.9. We support the proposals to remove barriers to collaboration between operators and the power for GBR to issue directions requiring operators to share information and undertake other collaborative activities. We would like transport authorities to be able to request GBR to use this power, recognising that this will be needed only in extremis where operators are refusing to share information with authorities. Transport authorities will be able in some cases to support GBR in applying this power, by helping define the benefits likely to arise. However, all parties concerned must benefit from any collaboration that is proposed. Requirements to collaborate must not be used to advantage the operators contracted by GBR over other operators or Infrastructure Managers. The intended circumstances and requirements for collaboration need to be clarified further to ensure their fairness in this regard.
- 5.10. Train operators will in general collaborate, especially if incentivised to do under the contracts. However, this backstop power will be essential to ensure that this happens, and that projects such as the “Grand Rail Collaboration” co-ordinated by West Midlands Rail Executive<sup>3</sup>, which have clear passenger benefits, is underpinned by contracts and legislation.

**Q12 How should we ensure that Great British Railways is able to fulfil its accountability for the customer offer while also giving independent retailers confidence they will be treated fairly? (paragraph 2.61) Please explain.**

- 5.11. While we agree on the need to support independent retailers on rail tickets and to treat them fairly, this is not the major issue on rail fares. We welcome the commitment in 2.58 to create a new online retail offering to replace the multiple train operator websites, but the real issue in rail fares and ticketing is the need to reduce complexity and to simplify the rail ticketing offer. In city regions, there is overwhelming demand for the London system – simple, all-mode, all-services zonal fares, including rail with other transport modes. The evidence from integrating national rail onto the London ticketing system is that this has attracted patronage

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<sup>3</sup> <https://wmre.org.uk/west-midlands-grand-railway-collaboration/>



and made rail simple to use as part of an overall transport network. We would like to see GBR empowered to work with city-region (and indeed other) transport authorities to create such simple zonal systems. There is also a need for much greater coordination between the currently separate DfT initiatives on smart ticketing for buses (which is concentrating on multi-operator bus ticketing not multi-modal ticketing) and on rail (which is focussing on rail ticketing rather than multi-modal ticketing). This fragmented approach risks repeating the many false starts and expensive failures of smart ticketing initiatives of the past in GB and risks continuing to leave city regions and GB as a whole far behind comparable urban areas and nation states where simple, smart, multi-modal and integrated ticketing has been delivered or is on its way (such as the Netherlands and Northern Ireland).

- 5.12. If the rail fares system were simplified, and the complexity of the current system were radically reduced, independent retailers would find it much easier to market rail services, including as part of wider packages such as business travel and holidays. However, the reference in 2.61 to “commercially unattractive products which third party retailers do not wish to” sell, but GBR may have to, raises difficult issues – passengers need to be able to access such products, and independent retailers should be required to sell those, or at least signpost them. Otherwise products aimed at groups such as people with disabilities, carers, families, cyclists and others, which may not be strictly commercial, may be bypassed and those involved may be disadvantaged. The new GBR system should be an opportunity to do away with cherry picking profitable parts of the rail market, rather than protecting it.

## 6. Chapter 3: Establishing the new Sector Structure

**Q13. Does the proposed governance framework give Great British Railways the ability to act as a guiding mind for the railways, while also ensuring appropriate accountability? (paragraphs 3.13) Please explain.**

**Q14. Do you agree with the proposal for Great British Railways’ new duties to be captured in the licence and that primary legislation should require the licence to include specific duties in relation to accessibility, freight and the environment? (paragraph 3.16) Please explain.**

**Q15. Do you support the proposal to amend ORR’s powers to exclude the ability to impose a financial penalty on Great British Railways for licence breach? (paragraph 3.26) Please explain.**

- 6.1. We note the GBR structure proposed in 3.3 – we have responded to GBR’s proposals on this, making the case for empowered directors at regional and local level with which transport authorities can do business and develop working relationships.
- 6.2. We support in principle the proposals in paras 3.6-3.8 on GBR’s relationship with Government. Given the nature of GBR, we believe that some GBR board members should be drawn from transport authority /devolved authorities, or at least have a background in those organisations.
- 6.3. We welcome the governance framework set out in 3.10-3.12. However, the process of the Secretary of State issuing guidance and directions needs to be clear and open, to avoid



misuse of this power for day-to-day political interference in GBR. We welcome the Whole Industry Strategic Plan and have responded to the consultation on it.

- 6.4. We also believe that GBR should be given the status of statutory consultee in the planning system in England, as is the case with Active Travel England. This will support GBR's ability to act as a guiding mind for the railways. It will also allow GBR to promote rail-led development and move away from the car-based development that the current planning system has tended to produce.
- 6.5. We note the proposed governance framework for GBR set out in 3.13 and following paragraphs. We support this in principle. However, there is no requirement at any point for transport authorities, combined authorities or sub-national transport bodies in England or in many cases the devolved administrations in Scotland and Wales to be consulted on the elements in this framework, or the use of the individual levers.
- 6.6. We would, for example, want to see a requirement in primary legislation for the GBR licence to include duties to consult devolved authorities and administrations (3.16), alongside duties on accessibility, freight and the environment (which we support). The licence itself should require GBR to consult local transport authorities, mayoral combined authorities and other devolved authorities in the exercise of its core functions and in developing its business plans (3.19). In particular, as noted above, it should require GBR to have regard to adopted Local Transport Plans, adopted Local Plans and the adopted strategies of Sub National Transport Bodies. The Secretary of State should be required to consult transport authorities when producing and amending the license (paras 3.20-3.21). In issuing directions and guidance (para 3.30), the Secretary of State should consult with transport authorities alongside the Devolved Administrations.
- 6.7. Given the wholesale omission of local transport authorities and city regions from these processes, we feel we need to emphasise their vital role in the management and funding of the current rail network. As we note above, pre-Covid a third of all rail journeys were made on services with at least some devolved control, and the new Passenger Service Contracts avowedly build on the work done by several transport authorities and the devolved administrations in managing their local rail networks effectively. The Plan for Rail and this consultation do not propose to change the current devolved arrangements. Yet the authorities and groupings involved in specifying and managing the passenger rail network will have no statutory or formal status or role in any part of the new structure. We hope the Government will reconsider this and give city region transport authorities a clear and statutory role in the new railway framework, so that their expertise and knowledge of local communities can be fully used in managing, planning and developing the rail network.

**Q16 Please provide any feedback on the proposed business planning arrangements for Great British Railways.**

- 6.8. We largely support the proposed business planning arrangements, especially the bringing together of track and train service planning (3.35-3.36). However, we have some reservations:



- 6.9. The relationship between the five-year Integrated Business Plans and the 30 year strategy is unclear; we would want to see them integrated and the business plans reflect the objectives and directions of travel set out in the 30 year plan
- 6.10. We are unclear what the business plans would actually contain, and how granular they would be; for example, whether they would include detailed area-based plans or whether they would only involve national (GB or England-only) measurements and measures
- 6.11. As major funders of the railway, city regions and other transport bodies would want to contribute to these business plans and ensure their areas' needs were represented, but – despite the comments elsewhere about GBR having regional managers empowered to work with local communities – it is unclear whether GBR will be required to seek input from local bodies (or indeed any external bodies at all) to its business planning process. While we accept that final decisions on major enhancement investment will remain with the Government, enhancement planning should be much more integrated with the planning and investment for train services and for maintenance and renewals. The current approach, with an entirely separate Enhance Programme (RNEP) promotes disjointed approaches; a more integrated approach will realise efficiencies and increase opportunities for city regions and other transport bodies to co-invest for incremental enhancements.
- 6.12. City regions and those in partnerships to manage local rail services will want to develop business plans for the railways in their own area, so we urge the Government to commit to area-based or at least contract-based business plans that can be jointly owned by the rail operators, GBR and local authorities.

**Q17 Will the proposed approach to independent scrutiny and challenge provide sufficient transparency and assurance that Great British Railways can be held to account? (paragraphs 3.45 – 3.47) Please explain.**

**Q18 Do you support the proposal to give ORR a statutory power to levy a fee on Great British Railways to cover the costs of ORR's functions which are currently funded through the network licence? (paragraph 3.48) Please explain.**

- 6.13. Transport authorities and devolved administrations have had painful experiences with the current system of Network Rail providing opaque and very high costings for rail upgrades and investment, and also with escalation in these costs and poor delivery. ORR has not in the past provided a remedy for these problems, yet addressing them, bringing down costs and avoiding escalation are all critical to justifying rail investment to others. We therefore want to see ORR empowered to scrutinise GBR's costs and the way these are developed, and require much more openness on them.

## **7. Chapter 4: Reform of Wider Industry Structures and Processes**

**Q19 Will the proposed changes enable Transport Focus to effectively undertake the role of independent passenger champion in the new rail industry structure? (paragraph 4.8) Please explain.**

- 7.1. We support the changes proposed to Transport Focus's remit and powers to cover all matters affecting passenger experience all the bodies involved in this.



**Q20 How can we ensure that accessibility is integral to Great British Railways' decision making and leads to cultural change in the rail industry? Please explain**

**Q21 Do you support the proposal to expand DPTAC's remit to become a statutory advisor to Great British Railways, as well as to the Secretary of State, on matters relating to disability and transport? (paragraph 4.15) Please explain.**

- 7.2. We support the duty on GBR to improve accessibility, the requirement for it to consult with accessibility stakeholders and the expanded role for the Disabled Persons Transport Advisory Committee. However, it should be noted that city region transport authorities and devolved administrations have been leaders in improving accessibility on the railways and on wider transport systems, and have shown what is possible in many areas (including introducing the first commuter trains with level access for wheelchair users in Merseyside). We would like to see this best practice and the achievements from it acknowledged and drawn on by GBR and others in making accessibility integral to GBR and its decision-making and investment.

**Q22 In addition to providing Great British Railways with powers to make “permitted information disclosures”, are there any other revisions to the Railways Act 1993 or barriers to promotion of open data that you consider need to be addressed? Please explain.**

- 7.3. Transport authorities have in some cases found it difficult to access relevant information about rail services or infrastructure in their areas, on the grounds of commercial confidentiality. While we accept this is necessary in some cases, we hope that the simplification in this plan will reduce the need for such confidentiality, and that there should be a default in favour of open data on the railways.

**Q23 Do you support the proposal to include a power in primary legislation to enable the ratification of the Luxembourg Rail Protocol? Please explain.**

- 7.4. We note this proposal and while in general accept the basis for it, we believe that the legislation should avoid any limiting of options on the provision of rolling stock. The guiding mind role of GBR and any partners will be best served where there is maximum flexibility on the provision and financing of rolling-stock. The key objective should be to ensure rolling stock strategy and procurement can be properly integrated with strategies and investment across services and the network. The Liverpool City Region Combined Authority has shown the benefits of such an approach in its procurement of new trains for the Merseyrail network.

## **8. Chapter 5: Conclusion**

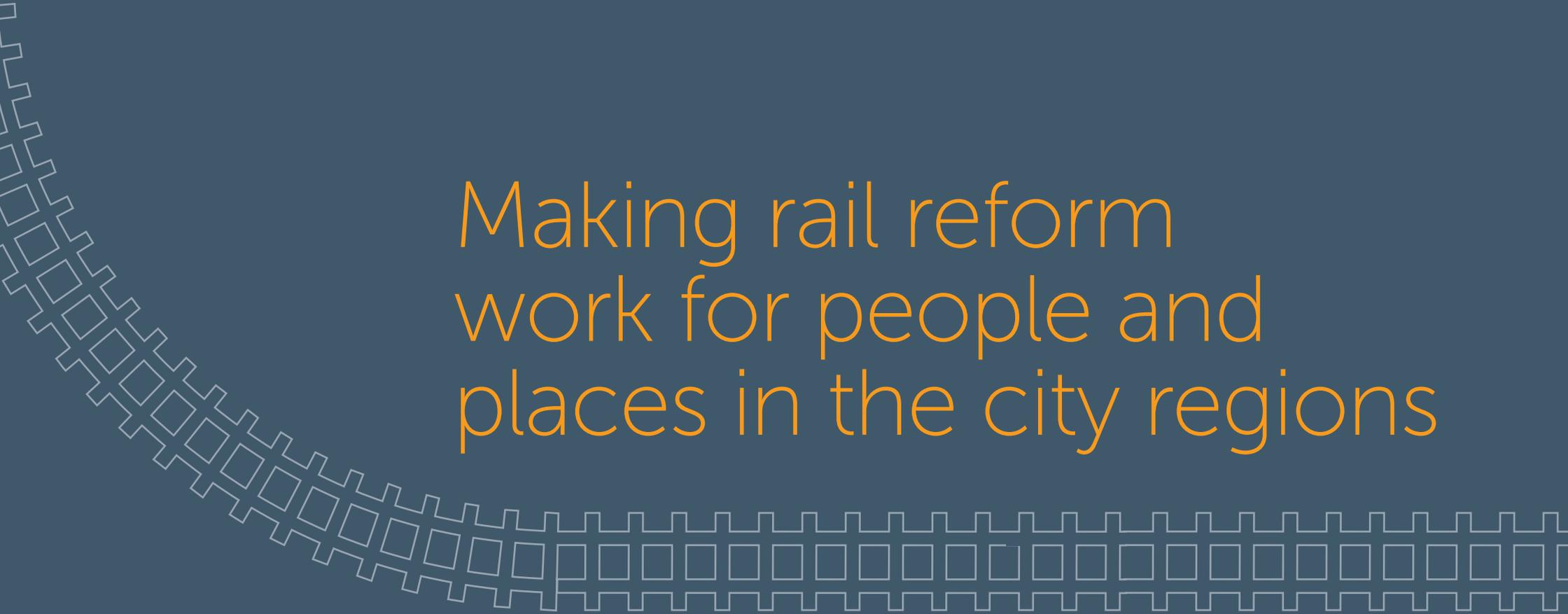
- 8.1. We support many of the ambitions set out in this chapter. We want to see “a relentless focus on improving the railways” with “clear lines of accountability” and “customer-centred decision-making” (para 5.2). However, as well as supporting “integration on the network” (5.4), the new structure should support and promote integration between the rail network and other transport networks, especially in the city regions.
- 8.2. We welcome the promise that “Great British Railways will be empowered to work more effectively with local communities, businesses and other partners” (5.8, but as we have said,



the proposals as they stand do not allow for this; they do not give the city region transport authorities the status they deserve in the new structure (indeed, as we have noted, they are hardly mentioned). Overall, the framework in this document is highly centralised, and there are no clear routes set out through which communities, and those representing them, will be able to influence the management and future of rail services, stations and infrastructure in their areas.



Making rail  
reform work  
for people  
and places in  
the city regions



# Making rail reform work for people and places in the city regions

Pre-COVID one in three rail journeys were being made on services responsibility for which was devolved in full or in part to city regions, regions and administrations in Wales, Scotland, London, the North of England, Liverpool City Region and the West Midlands.

The devolution of responsibilities for rail has been one of the big success stories on rail in recent years.

By and large it has led to more investment, higher levels of passenger satisfaction and more reliable services. It has also helped embed heavy rail services within wider public transport networks and within broader plans for housing, economic development and decarbonisation.

However, devolved authorities and administrations have often struggled with the complexities and high costs that have been associated with the format of the rail industry since privatisation. We therefore welcome the Williams-Shapps plan to simplify the structure of the industry.

Rail is critical to so much of what city regions are trying to achieve – from meeting ambitious air quality and decarbonisation targets to giving the public the public transport they want and need (one network, one ticket, one identity). Yet too often in the past local rail services have sat outside the wider local public transport – remote and unresponsive to local need. The Williams-Shapps rail plan offers the opportunity to change that.

Given the success of rail devolution (indeed national government has now borrowed the template for contracting out rail services which a devolved authority pioneered) it is vital that devolved authorities have a seat at the table when big decisions are being taken about how the Williams-Shapps plan will be implemented in practice.

Find out more about the benefits that rail devolution has brought already and the wider case for extending those benefits to more people and places [here](#).

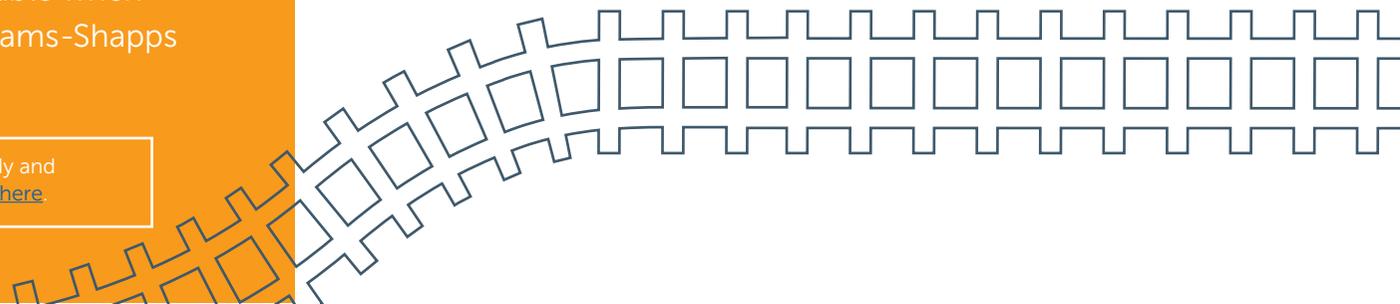
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## The key issues for us are:

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- How we can build on the success of the devolution of rail powers which has already taken place in order to widen the benefits to more people and places - including in relation to stations, services, branding and infrastructure.
- How the new rail industry structures and systems will realise the benefits of devolution in line with local aspirations and circumstances and enable and incentivise city regions to invest in those services. An annex to this statement sets out scenarios for this (recognising that different areas will have different ambitions for the role they wish to play).
- How devolved authorities will be involved in evolving governance structures and reform processes for the industry.
- How funding flows will work in the new structure and how they relate to our current and future roles.
- How in practice GBR and DfT intend to work with us to ensure that rail ticketing reform (and smarter ticketing formats) aligns itself with the wider multi-modal ticketing products and smart ticketing that we already provide, or are developing.

We recognise that the railways are now embarked on a long period of restructuring and reform and we want to play our full part in making these reforms a success for the people and places we serve.

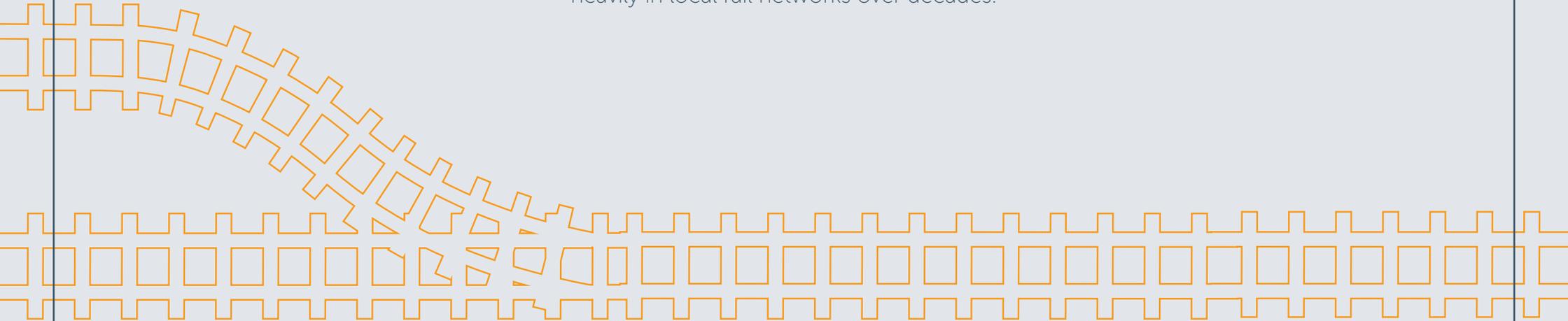


## Scenarios for further rail devolution success

Depending on local aspirations and capabilities there are various scenarios for how the proven benefits of devolving further responsibilities for rail could be extended to more passengers and places.

The reforms and supporting legislation should support and facilitate the full range of options for extending and deepening local control and accountability for both **rail services** and **rail assets and investment**.

The full range of options are set out here but city region transport authorities will want to take up the options at the upper end of responsibilities whereas transport authorities for other areas may more likely favour the lower end of responsibilities. This is because in city regions rail is often an important if minority (in terms of mode share) part of wider public transport networks and which passengers want to be able to use and experience as a single integrated public transport network. City regions also have the capability and capacity to take on a more significant role as well as a track record of having invested heavily in local rail networks over decades.



# Services

## 1. Full control of local rail services

In this scenario, the contract or concession for running local rail services wholly or mainly in a city region would be let by the city region transport authority, rather than by Great British Railways. The service levels, timetable, station staffing and service quality standards and incentives regime would be set as part of this concession, subject to agreement on track capacity with the system operator (this will presumably be part of GBR, but this is one of many areas to be confirmed). The services and stations would be branded as part of the city region's integrated transport system and fares integrated within wider local public transport fares structures. Revenue risk would be borne by the authority and operator as agreed within the concession contract. This is essentially the system by which London Overground and Merseyrail services are provided.

## 2. Full control and direct provision of local rail services

In this scenario the benefits of full control set out above would apply but an operating subsidiary of the city region transport authority would run train services (rather than operation being contracted out to a private sector provider). This is the system now operating in Wales, where Transport for Wales Rail Limited runs the Wales and Border rail services on behalf of the Welsh Government. It is also the system which will be introduced in Scotland in 2022 when services will transfer from operation by a

private sector franchisee to a subsidiary of Transport Scotland. Light rail systems like the Tyne and Wear Metro and the West Midlands Metro are also operated (and owned) by the city region transport authority.

## 3. Joint control of local rail services

In this scenario, the concession for local rail services will be let jointly by GBR and the transport authority. The transport authority and GBR will jointly decide service levels, branding and oversee quality standards. Revenue risk will be shared. There could be separate point to point rail fares as well as zonal multi-modal fares, with revenue apportionment arrangements.

## 4. Joint management responsibility for local rail services between GBR and the transport authority

This scenario is similar to 3, with joint management responsibility by GBR and the transport authority, but revenue risk will stay with GBR. This is essentially the arrangement that governs West Midlands Trains, with the West Midlands Rail Executive involved in management of the franchise, as well as for the Northern and Trans Pennine Express franchises which are overseen by a DfT and Transport for the North joint board.

## 5. Buying additional services

In this scenario, GBR will let the concession for local rail services, but the transport authority will be able to buy additional services on top of the baseline that GBR has determined. This is essentially the system

that existed before privatisation between Passenger Transport Executives and British Rail.

## 6. Consultation and partnerships on local rail services

In this scenario, GBR will let concessions or agree contracts to run the local rail services, and transport authorities would be consulted on the service levels, station staffing and facilities, service quality standards, arrangements for integration with other modes and fares to be included in these concessions. This could also include the ability to trigger performance reviews if quality standards fall below agreed levels.

In addition, in all cases, transport authorities will want to be involved in the concession agreements for longer distance services in their areas and on timetabling proposals generally. These services are important for local economies and the strategies for these services need to support the local economic, environmental and other strategies developed by city regions and local authorities. Rail collaborations, like the Grand Rail Collaboration in the West Midlands, will allow joint service development between the local transport authority, GBR and all train operators.

In some cases transport authorities may wish to consolidate their role on rail within a wider regional grouping (such as has been the case in the North of England via Transport for the North).

## Assets and investment

Scenarios for management and control of rail assets need to be considered separately, though they will in practice link to those for services.

### **1. Devolving control and ownership of rail infrastructure**

In this scenario, the transport authority takes over ownership of rail infrastructure – stations, tracks and signalling – from what is now Network Rail and will be GBR. This scenario is being pursued by the Liverpool City Region in relation to the Merseyrail network, and has taken place in Wales where the core Valley lines network have been transferred to Transport for Wales. It has also occurred in the past where former heavy rail routes which were part of the national rail network have been converted to light rail (such as in Greater Manchester). This scenario would also allow a transport authority to let a concession for both the infrastructure and operations.

### **2. The ownership of rail infrastructure stays with GBR but management is transferred to the transport authority**

Whereas scenario one sees the transport authority take over the freehold of rail infrastructure, this scenario would be a leasehold for the infrastructure. For example this would allow transport authorities to take over the leasehold of local stations from private operators so that they can invest in their future whilst longer term asset management and protection responsibilities remains with GBR.

### **3. Rail infrastructure stays with GBR, but the transport authority invests in upgrading it**

Transport authorities use their own resources (or source other public and private funding) to pay for upgrading of rail infrastructure, the contracts for which would be let and managed by GBR. A non-urban example is the Cornwall main line upgrade of track and signalling, with European and other funding brought in by Cornwall Council. There would be an agreement between the transport authority and GBR specifying outputs and delivery dates, with penalty clauses if these were not met.

### **4. Most rail infrastructure stays with GBR, but stations transfer to the transport authority**

This scenario was proposed by Transport for Greater Manchester, which argued that it could manage better and make better use of stations and the surrounding estate than would be the case if they stayed with Network Rail. Development rights would transfer to the LTA, though some gain-sharing arrangements with GBR could be agreed.

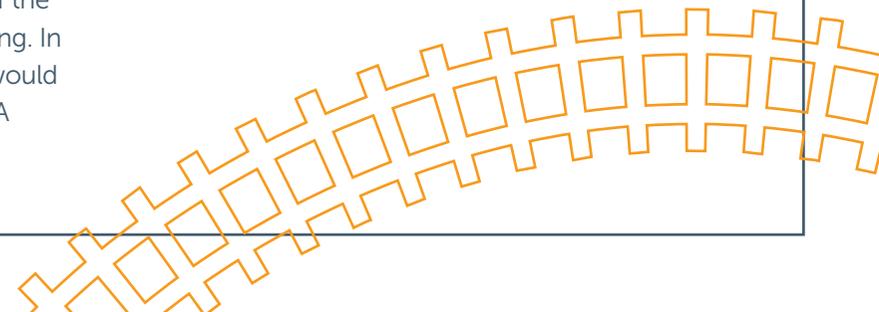
### **5. Bespoke station investment/upgrade deals**

In this scenario, investment packages for individual stations are agreed under bespoke arrangements. In some cases the LTA might take ownership of the station to more easily facilitate additional funding. In other cases, GBR might retain ownership but would have a joint investment agreement with the LTA which would bring in funding to upgrade it.

### **6. Agreed long term investment strategies for local rail**

Transport authorities will agree with GBR a long term investment programme for lines and networks in their area. This can be used to shape rail programmes for transport authority controlled funding streams such as the Transforming City Fund and the City Region Sustainable Transport Settlement, as well as the decarbonisation targets to be set in Local Transport Plans. Such strategies should also form part of the 30 year Whole Industry Strategic Plan.

In relation to the funding flows that sit alongside these reform options where transport authorities are taking on responsibilities for rail provision formerly undertaken by national Government, that funding would also need to be devolved. More widely for all the scenarios there will need to be financial transparency by GBR so that transport authorities have a clear view of the costs allocated to their local rail services. This will also provide transport authorities with a robust basis for sourcing any additional local public or private funding to support enhancements and improvements.





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