



**The Chartered
Institute of Logistics
and Transport**

A Railway fit for Britain's Future

A response by The Chartered Institute of Logistics and Transport (UK) to the DfT consultation

April 2025

Question 1 –

Do you agree that GBR should be empowered to deliver through reformed incentives and a simplified and streamlined regulatory framework?

We agree in principle with the approach of creating GBR as an operationally independent body run by empowered rail experts.

We have previously set out our support for the creation of GBR in our policy document Re-structuring Britain's railways

(https://ciltuk.org.uk/Portals/0/CILT_RailGovernance_Paper_Digital.pdf?ver=2023-10-25-122756-640) issued in October 2023.

We do, however, have significant concerns surrounding the detailed proposals contained within the consultation document, and cannot support them as they stand.

In particular, we believe proposals for regulation, representation, and accountability are muddled. They do not adequately reflect the changing nature of the railway, which needs to evolve from a structure born out of privatisation thirty years ago to one that is to be predominantly publicly owned yet will retain a high degree of fragmentation.

The proposals envisage that a significant number of operators accounting for some 30% of train services on the national network will remain outside the GBR entity. This is likely to grow over time with increased devolution to Mayoral authorities. Those organisations will be dependent on GBR as both the infrastructure provider and the largest operator of services, creating a potential conflict of interest. The proposals could be modified to bring more passenger services within the GBR fold but, even if this were to happen, freight would always remain outside. To grow this vital economic service, businesses and financiers will require sufficient confidence to invest in rolling stock, staff, and facilities. This means that GBR must be subject to a strong, independent regulatory framework to protect the development and investment in non-GBR services, yet this is precisely the area where proposals are set to weaken existing regulation with few incentives on GBR to act in the interests of the whole railway across Britain.

Conversely, as GBR will be publicly owned, we do not believe statutory regulation is required to enforce its activities, so long as they do not affect other non-GBR operators or safety. Setting the direction of GBR and ensuring delivery should be a matter of political direction, representation, governance and accountability, with proposals modified and strengthened to enable GBR to fulfil its pivotal role in delivering economic, social, and environmental benefits across all nations and communities of Great Britain.

Question 2 –

Do you agree that the Secretary of State should be responsible for issuing and modifying a simplified GBR licence enforced by the ORR, and that the ORR's duties with respect to GBR should be streamlined to reflect the new sector model?

We have significant concerns regarding the proposals for the Secretary of State's powers.

Our areas of concern are:

1. **GBR will not be responsible for all rail services across Britain:** Transport and the administration of rail services are already devolved in many parts of Great Britain. We do not believe it is acceptable or appropriate for the Secretary of State to be solely responsible for issuing and modifying GBR's licence when the licence affects operations run by other administrations on different parts of the network. Furthermore, if freight and other open-access operators are to have the confidence to operate, invest and grow, they will require reasonable protections from actions that may be taken by an individual Secretary of State
2. **Investing significant powers in the Secretary of State may not provide the stability required:** The consultation highlights that this is “a once-in-a-generation overhaul of the fundamental rules, structures, and bodies that make up our rail industry”, and as such, it must consider the potential impact of the relative frequency with which the Secretary of State will change. There have been 27 Secretaries of State since 1981, and history indicates that changes occur for many reasons, not just changes in government or broader policy. We recognise that government must have sufficient levers to dictate and guide the direction of the industry within the context of devolved transport responsibilities, but we believe the ability to change GBR's licence must have sufficient statutory checks and balances to create stability in the planning, investment and delivery of services
3. **The proposed role and rationale for the ORR require a rethink:** As outlined in Question 1, the rationale for the proposed changes in the scope of powers of the ORR is muddled. On the one hand, we are unclear as to why an independent enforcement body is needed for a publicly owned organisation, where accountability should sit with the relevant authority. On the other hand, there should be no curtailment of ORR's scope that may erode the confidence of those who operate services outside GBR or those who provide services to the industry, which in turn may lead to reduced investment in services, skills, capabilities, or innovation.

Among stronger alternatives, we believe there is a compelling argument for primary legislation to establish a Strategic Rail Board that would include the Secretary of State, as well as the Secretaries for Transport in both Scotland and Wales and representatives of the Mayor of London and the Liverpool City Region. This would enable participation beyond the Secretary of State to those authorities that fund and direct rail services across Great Britain and would mean the issuing and any modification of the licence would be subject to scrutiny and influence by those who rely on GBR services. This would replace the proposed GBR Board, whose membership is currently proposed to be appointed solely by the Secretary of State. Representation must also include those benefitting from or funding freight and there may be a case for extending this to open-access passenger operations.

However, this suggestion extends beyond simply addressing concerns regarding the GBR licence. It has the potential to pave the way for all devolved authority services to be combined into a fully vertically integrated GBR across the whole of Great Britain, thereby removing most elements of continuing fragmentation, enabling the benefits of both combining track and train and clear accountability to be realised everywhere.

Within this alternative, legislation could be laid out to include a role for new Established Mayoral Strategic Authorities (EMSAs) which are proposed under other devolution legislation from this Government (see our response to Question 18).

In any event, we would expect the process by which the licence will be created and modified to be subject to a statutory open consultation process.

Question 3 –

Do you agree that the Secretary of State should be responsible for setting a long-term strategy for GBR to align with government priorities?

No.

As outlined in our response to Question 2, transport and the administration of rail services are devolved matters in many parts of Great Britain. Our railways offer economic, environmental, and societal benefits to the nations and communities they serve, extending beyond the parts of the railway proposed to form GBR and which also need to reflect the interconnectedness of a national network.

We believe that a strategy for GBR must encompass the entire rail network of Great Britain. Within an increasingly devolved environment, there should be stronger and fully inclusive arrangements for national and regional bodies to work with the Secretary of State to ensure that services are planned and operated to both support the needs of local stakeholders and secure a wider national network of services for both passenger and freight that can operate irrespective of administrative boundaries to make of best use of available capacity and resources.

As described in Q2, we advocate the creation of a Strategic Rail Board with broader representation beyond the Secretary of State so that long-term strategies may be set for the whole of Great Britain.

Whoever sets the strategy, there needs to be a clear and transparent process with key components enshrined in primary legislation, allowing authorities, operators, passengers, or freight customers to make representations and submit requirements for a response before they are enacted. This would provide a focus on the industry's role in delivering economic, social, and environmental benefits across all nations and communities of Great Britain, including Net Zero, Accessibility & Inclusion and Connectivity.

Question 4 –

What are your views on the proposed functions of the Passenger Watchdog?

Transport Focus has done an excellent job as the independent voice of the passenger. Its emphasis on transparent research and evidence as a basis for developing policy has meant it has been highly successful in influencing the development of rail across Great Britain. The widening of Transport Focus' remit to now cover most modes enables it to take a more holistic approach for the passengers and users it represents.

Combining Transport Focus with ORR's passenger functions and the Rail Ombudsman into a new Passenger Standards Authority (PSA) makes sense. We support the inclusion of Board representation from Scotland, Wales, and London and recommend that every part of Great Britain is adequately represented.

We therefore support the creation of a PSA, assuming it will be able to perform a similar role to that of Transport Focus.

We believe there is merit in including London Travelwatch in the consolidation of passenger representative bodies.

We also note that there is no similar statutory advisory body for freight users that may assist the Secretary of State, devolved authorities or the ORR in creating strategies and making informed decisions and recommend that such a body is considered.

Question 5 –

Which of the approaches would best enable the establishment of the new passenger watchdog?

We believe the new passenger watchdog should be a Statutory Advisor but not a Statutory Advisor with Regulatory Functions.

Within a largely publicly owned environment, we believe that many of the proposed additional responsibilities, such as accessibility, information, or complaints policies, would be better placed with the Secretary of State and other relevant authorities, as this would strengthen both direction and accountability as well as simplifying arrangements.

Requirements on non-GBR operations, including open access operators, would be set through licence conditions.

Question 6 –

Which of the options to establish the Alternative Dispute Resolution function as part of the passenger watchdog would deliver the best outcome for passengers in your view?

The consultation suggests that transferring the ORR's sponsorship of the Rail Ombudsman (RO) to the new PSA is likely to be the simplest option, with the least disruption to the RO and the passenger experience for the new watchdog. We have no reason to doubt this statement and, therefore, support this approach. It will, however, be important to be able to show the impartiality of the RO remains unfettered by such change.

Question 7 –

Does the proposed new access framework enable GBR to be an effective directing mind that can ensure best use of network capacity?

No. Whilst the proposed access framework should work satisfactorily for GBR's own passenger services, it does not adequately cater for the 30% of services that fall outside this category, particularly for freight.

The consultation states that "GBR will unite track and train", but this is misleading, overstating what is being proposed and does not adequately address a 'whole system' approach.

Current proposals are for GBR to operate all the infrastructure currently operated by Network Rail (i.e. excluding HS1, Core Valley Lines, and some London lines, with the status of HS2 unknown) but will operate only 70% of the trains based on today's service levels. In some parts of the country, this will be significantly lower (notably in Scotland, Wales, the Welsh Borders, as well as on Merseyrail and in London), and GBR will not operate freight or open-access passenger services which affect many routes across Great Britain.

Looking at today's operators, there is a large number of operations that will sit outside GBR:

- Caledonian Sleeper
- ScotRail
- TfW Rail
- Merseyrail
- London Overground
- Elizabeth Line
- Heathrow Express
- Lumo
- Hull Trains
- Grand Central
- DB Cargo UK
- Freightliner Group
- GB Railfreight
- Colas Freight
- Direct Rail Services
- Devon and Cornwall Railways

This is a substantial list. And yet proposals within the consultation offer little to no reassurance that these operators will be able to survive or thrive.

Proposals are claimed to create a simpler framework that will “enable GBR to take decisions on the best use of its network, putting the interests of passengers and freight customers first while providing certainty that the benefits of investments will be realised” and that “GBR will take access and charging decisions in the public interest”. But there is no indication about what “the best use of [the] network” or “public interest” means or how trade-offs between different passengers or freight customers will be managed. Making the best use of capacity is subjective, depending on your viewpoint.

Proposals have been written from the standpoint of the existing DfT's responsibilities, and we are concerned that aspirations will neither be sufficiently simple nor sufficiently open to other operators to deliver the benefits sought. GBR will continue to sell long-term access rights to non-GBR operators, including freight, while allocating equivalent types of high-level access rights to GBR services. This is not significantly different from today, as it retains many of the issues and complexities that the proposed changes aim to address, but it will be the same body that is making decisions as will also operate its own services in pursuit of its own objectives, as laid down by the Secretary of State. At best, this may add a further layer of complexity to decision-making, but it will, inevitably, also create conflicts of interest.

In Scotland, for example, whilst Transport Scotland will issue its HLOS and SoFA to GBR for railway infrastructure in Scotland, it will need to obtain and pay for access rights for its services to run, whilst services currently run by LNER, XC and AWC will not as they will run as part of

GBR. In England, along the Welsh Borders, services are operated by TfW Rail, which needs to obtain and pay for access rights to serve those stations in England whose service levels are currently subject to a Memorandum of Understanding between DfT and TfW. The link into England is essential to the connectivity of services between North and South Wales but is outside of the control of TfW. Current proposals will do nothing to simplify arrangements or improve accountability.

Elsewhere in the consultation document, proposals are suggested to keep the licensing for the retailing of tickets structurally separate from GBR's online retailing function, to ensure that GBR is not treated favourably over any other retailer. We believe this is analogous to track access, and that similar considerations are required here, necessitating separation and independence between those making decisions on the use of network capacity and those utilising that capacity. We believe that an independent regulator is best suited to carry this out.

With UK governments likely to change every five years, and Secretaries of State even more frequently, reliance on SoS Directions and Guidance, or an Access and Use Policy, does not remotely give the necessary confidence to investors. This is particularly relevant for investments in logistics infrastructure which is required to support the Government's policies to move more freight from road to rail.

Other approaches have not been explored in this consultation document, which may deliver better long-term outcomes and align more closely with a "once-in-a-generation" overhaul of the industry. This might include:

- **Being more explicit about different classes of operators**, i.e., GBR, non-GBR authority-sponsored passenger services, freight services, and open-access passenger services, and then setting out in legislation the process for deciding on the allocation of network capacity.
- **Exploring how non-GBR public authority-sponsored passenger services can be fully integrated** into GBR without compromising devolved powers, thereby consolidating access policies at a strategic level without the need for more detailed access rights. We have suggested the creation of a Strategic Rail Board with statutory representation from devolved authorities, which might pave the way for this to happen, thereby aiding and simplifying the process of allocating network capacity. Evolving arrangements for allocating network capacity to cater for local aspirations will become even more critical as proposals for more devolution and an increase in local mayors with transport powers come to fruition in the years ahead.
- **Special consideration of freight.** Freight operations will always remain outside GBR and so will require special treatment. We welcome the Secretary of State's commitment to 'realising the economic and environmental benefits of rail freight through a new statutory duty, recognising the sector's growth potential', but to be meaningful, the rail freight growth target needs to be included in legislation, or be a requirement on the Secretary of State. The six key objectives set for GBR should be modified to be relevant to both freight customers and passengers. Private sector freight investors will need far more assurance about access to the network if they are to invest many hundreds of millions of pounds in long life (30+ year) assets which are specific to Great Britain and cannot be used elsewhere. In the absence of such investment, it is doubtful that the Government's 75% growth target for rail freight can be achieved. It should be noted that the majority of such investors are located overseas – in Australia, Mexico, Germany,

Switzerland et al – and thus have little understanding of, or affinity with, UK government policy and strategy. Without a clear requirement to make proper provision for current and future freight services and facilities, the natural and ever-present fear that GBR will favour its own passenger services is highly likely to cast a long shadow over private sector investment in freight.

- **Public authority investment in infrastructure** A number of devolved bodies have already indicated a desire to invest in their own infrastructure such as stations which support and integrate other parts of their own regional transport systems with the wider rail network. This may also add pressure on GBR to change GBR services to serve these stations, but there is currently no clarity on how this would be achieved.
- **Greater clarity on the strategic role of open-access passenger operations** and, from this, a clear rationale for allocating network capacity, against which current and prospective businesses can make informed investment decisions. We note the current disparity between policy statements in support of a continued role for open-access passenger services and recent objections to most service propositions. We urge the government to either clarify the circumstances under which the benefits of open access can continue to survive and thrive or to decide whether the benefits of public ownership of rail services and combining track and train outweigh the cost and complexity of making provision for such services.

Question 8 –

What - if any - key access rules and requirements for GBR should be updated and included in legislation?

It must be recognised that, under GBR, freight will be the only strategically essential national railway operation which carries full commercial risk and, accordingly, requires specific provisions and support to ensure it is not disadvantaged by the monopoly infrastructure provider, which also runs its own trains that compete for scarce capacity on the network.

GBR should have a duty to support freight, with a formal presumption in favour of granting access for freight and a requirement to demonstrate, transparently, its reasons if it believes the necessary access cannot be granted. As well as a duty to support freight, GBR must have a statutory duty to act in a fair, transparent and non-discriminatory way and a duty to enable businesses to plan for the medium and long term with a reasonable degree of assurance. GBR's processes and procedures (including the proposed Access and Use policy) must support freight growth and customer investment. These processes must be consulted upon and procedures for considering future capacity and timetable proposals must continue to operate.

The criterion for capacity allocation of 'public good' contained in the consultation document is a wholly inadequate basis for long term investment in freight: if anything, it implies that passenger services will have priority over freight. Clear decision criteria for allocation of capacity and network change should be included, with criteria relating to the economic contribution of a path – or an item of infrastructure – predominant. GBR should be required to apply such criteria consistently and demonstrate their application transparently. The framework needs to be flexible for new freight flows which are introduced, as well as for short term changes to train plans to meet customer requirements.

In addition to the provision of capacity required by growing freight business, GBR should also be required to maintain the current structure and level of freight access charges. Freight charges

should continue to be capped as today. Inflation increases should be offset by an efficiency improvement discount to incentivise GBR to increase productivity and reduce the cost of renewing, maintaining and operating the railway in real terms. Such arrangements are common with other regulated monopolies and GBR will be no different from Network Rail in this regard so far as freight is concerned, with the added threat that the monopoly suppliers' own trains will be competing for paths on its congested network. We welcome the proposals for pricing discounts for freight linked to delivering the growth target: track access charges must be set at a level for rail freight to be competitive with road freight.

GBR's licence must ensure that the railway remains in a good condition for freight, including high levels of performance and asset condition. GBR should not be able to dispose of land without consultation, as is required today in Network Rail's licence, and depots and terminals owned by GBR need to be subject to the same open access requirements as third-party sites.

It is imperative that the voice of freight is heard at the most senior level of management in GBR. We would advocate a Freight Director as a mandatory member of the GBR senior leadership team, in the same way that British Rail throughout its existence had a Freight Director or Chief Freight Manager as a direct report to the Chief Executive. We also consider that there should be mandatory freight representation on the GBR board.

Question 9 –

Does the proposed role of the ORR acting as an appeals body to ensure fairness and non-discrimination provide sufficient reassurances to operators such as freight and open access wishing to access the GBR-managed network?

The ORR's proposed appeal function needs to include much greater powers to intervene in capacity allocation, track access, duration, pricing decisions and network change (e.g. new freight connections) than is proposed in the consultation. It is important that GBR is held to account for its performance and outputs, and that there is a strong independent appeal function to protect rail freight.

As drafted in the consultation, the ORR does not have powers of direction over GBR which can, ultimately, disregard ORR's view unless it has incorrectly applied its own processes. Further, it is completely impractical to operate an ever-changing business such as rail freight if frequent appeals to ORR are the only means of securing access to earn a return on expensive assets. GBR must be required to itself apply transparently the correct criteria, with only occasional recourse to ORR being necessary, at which point the Regulator must be empowered and required to act quickly and effectively in the interest of users who are being unfairly treated by a monopoly supplier of infrastructure.

Question 10 –

Do you foresee any unintended consequences of the ORR retaining its existing powers with regard to other infrastructure managers which might affect the smooth passage of trains between the GBR and non-GBR network?

Freight and, to an extent, some open access and other passenger operators run over what will be a mix of GBR and non-GBR networks. It is essential that end-to-end flows will remain seamless and that infrastructure provision across Great Britain will remain a national rail network, to prevent critical supply chains being disrupted by inconsistent requirements from differing infrastructure managers. This may be exacerbated by the statutory powers to be

granted to Mayoral Strategic Authorities, which could see their priorities lying with their own passenger services rather than freight.

Not only does this include HS1, Core Valley Lines and parts of the TfL network, but it would be useful to confirm or make provision for future arrangements for HS2 and those parts of East-West Rail not running over the current Network Rail estate.

There are increasing instances where tram-train or other light rail services currently operate or are planned to operate over the GBR network, and these cases need to be considered in sufficient detail when planning the GBR network.

Question 11 –

The government intends to include in primary legislation a power to enable amendments to the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 to ensure consistency between GBR's processes and those used by other infrastructure managers. Do you agree with this approach?

Broadly, yes, subject to a statutory consideration of any impacts upon, and representation of, those bodies that fall outside the direct control of the Secretary of State. This might be achieved through the ORR.

Question 12 –

Do you agree with the proposed legislative approach regarding a 5-year funding settlement for Great British Railways?

A 5-year funding settlement for infrastructure for Great British Railways gives stability that is needed when planning rail assets and the suppliers and private investors who make this happen. This principle of stability should be extended to the fully integrated railway; without it, we do not believe the full benefits of vertical integration can be achieved. That said, the experience of five-year settlements for Network Rail through the Control Period mechanism is mixed and could be improved to enable a more efficient use of available resources and finances across the whole railway.

Network Rail's delivery has often been criticised by the regulator, operators, government and other stakeholders. The five-year settlement period was designed to provide stability. However, in practice, it has often been too long for Network Rail to plan its work, with actual work undertaken frequently differing significantly from any plans drawn up many years before.

The consultation document describes the periodic review as a "tried and tested process." However, it was designed in a very different era. Circumstances change and can affect not only the work required but also the broader needs of the network. This is exacerbated by the lengthy time it takes to complete the entire process. The consultation for the last Control Period, which ran from April 2019 to March 2024, began in 2016. The High-Level Output Specification and Statement of Funds Available were issued in 2017 and included, among other things, a particular focus on increasing the network's peak capacity in England and Wales. But the pandemic struck only one year into the Control Period, creating a disconnect between objectives and the emergent needs of the railway and funding.

We note that proposals include a role for "ORR to assess in assuring significant changes to GBR's business plans 'in-life', or major changes to the grant awarded through this funding

process”, which indicates a desire in government for greater flexibility, particularly when more volatile passenger and operator funding is taken into account.

A year-by-year funding arrangement is inappropriate, but alternative approaches might be more suitable. A rolling three-year settlement might be a good compromise, reducing workload and the need for greater funding flexibility.

We envision a planning process that involves creating a five-year strategy, accompanied by a three-year funded planning horizon and internal management of annual budgets within GBR.

Current arrangements segregate infrastructure Operations, Maintenance and Renewals, from Enhancements. However, this split may not be optimal as there is a relationship between the age and condition of assets and opportunities to enhance and modernise. This becomes even more compelling when fleet and service changes are factored in. We recommend that Enhancement funding is included alongside day-to-day funding as part of a three-year rolling programme of funding. This will give GBR the ability to link expenditure alongside plans to generate additional revenue or reduce cost.

There will be a need to continue checking the consistency of the HLOS and SoFA. One of the major challenges of the new railway structure will be to ensure that GBR operates efficiently. In achieving this, we believe it is essential to maintain the current role of ORR in determining the resources an efficient, integrated railway needs to fulfil the objectives set by the government. Benchmarking of the different regional divisions of GBR against each other will also be an important tool.

Question 13 –

Do you agree with the legislative approach set out above to retain the Secretary of State’s role in securing the overall affordability of fares and continuing to safeguard certain railcard discount schemes?

CILT(UK) has recently published its recommendations for reform of the rail fares and ticketing system

https://ciltuk.org.uk/Portals/0/DNNGallery/uploads/2025/2/18/CILT_RailFareTicketing_Paper2025_DIGITAL.pdf, February 2025. This identified the complexity of the current arrangements and the need for a holistic approach to reform. Most of the content is in relation to the detailed implementation of changes and is thus not suitable for primary legislation. While it also refers to the ‘operator’s’ role in setting fares, the recommendations remain valid if the ‘operator’ is replaced by ‘GBR’, or the relevant devolved authority, as envisaged in this consultation.

Fare regulation has arguably had limited effectiveness in the network, driven unintended consequences, such as promoting long-distance commuting, often protecting the fares of the highest earners, and created constraints that have hampered the rail industry's ability to respond to market, societal, and technological changes.

As the rate of change in consumer markets increases, we believe greater flexibility will be needed in future.

Our recommendations recognise that individual fares will need to change by different amounts, both increases and decreases, from any ‘standard’ national percentage change, to enable simplification and associated increased perception of ‘fairness’. It is important that this flexibility is introduced within the Bill.

We acknowledge the Government has a concern over the amount raised from fares in relation to affordability for both taxpayers and users and that this is best exercised by the Secretary of State. We agree that some form of direction on fares should be included in the strategy of GBR. The move to a publicly owned railway means that previous regulatory provisions are no longer appropriate. They should be replaced by government and authority direction and guidance, linked to funding arrangements (perhaps as part of a rolling three-year settlement) with leaders of the appropriate authorities being required to consult and held accountable for their approach.

While this might be perceived to allow individual fares to increase by large amounts, rail operates in a competitive environment with other modes, with open access and even with working from home, and this will act as a constraint upon excessive fare increases. This assumes that GBR will experience the full revenue effect of fare changes for its own operations, offsetting costs and any payments to or from the Government. We also note that existing regulation already provides a high degree of flexibility for authorities in the level of the annual fare increase and that devolved authorities may set their own level.

Question 14 –

What, if any, safeguards are needed to ensure a thriving and competitive rail retail market while also ensuring GBR can deliver a high-quality offer to its customers?

We believe that other options, in addition to those currently being proposed, should be considered.

Whilst there are some potential benefits to GBR having its retail arm, the case for having a nationalised rail retailer as an integral part of GBR has not been made, whilst it retains the role of setting technical and consumer standards for the sale of rail products.

The majority of tickets are not sold by what would become the GBR retailer. Third Party Retailers (TPRs) are popular amongst many, and almost 40% of revenue is now sold through digital TPRs, and around a further ~25% is sold by TfL and B2B businesses. Under current proposals, devolved authorities would also continue to sit outside GBR and would continue to sell through their own outlets.

It is right that GBR will set the licence conditions for the sale of rail products. But there may be merit in exploring whether digital services might be better and more efficiently provided entirely through TPR's:

- Existing TOC digital sales often lack funding and innovation seen in TPR's and it may be more beneficial to establish a stronger competitive environment within which TPRs can compete with each other whilst also encouraging new entrants and continued innovation
- TPRs should be required to sell the full range of products and provide access for all rail users, including those who are less confident or unable to access or use standard digital apps or websites. This would require some changes to the way in which some products are set up and sold.
- Whilst there is concern that TPR costs are too high and are not able (or entitled) to serve all markets, in-house industry costs also remain high and competition should drive costs down

We also note that it will be important to retain a non-digital model for ticket sales for those members of the public who are, for various reasons, unable to access or use digital services or digital platforms.

Question 15 –

The government intends that GBR's statutory duty in relation to devolved leaders should strike a balance between enhancing their role whilst also ensuring that GBR has the appropriate flexibility to direct the national network. Do you agree with this approach?

We agree with the objective but we disagree with the detail of the proposals.

We are not convinced that the proposed arrangements would deliver the benefits claimed for a publicly owned operation and risk a future disconnect between services operated directly within GBR and those that are not.

As we have outlined elsewhere, we believe a better approach would be to establish arrangements that enable devolved leaders and freight interests to become true partners in setting direction and guiding the operation of GBR.

This might be achieved through the creation of a Strategic Board which has representation from devolved authorities. This would enable GBR to more fully integrate track and train across most of Great Britain, thereby delivering benefits to the entire country rather than just parts.

Question 16 –

Do you agree with the proposed approach in Scotland on enabling further collaboration between track and train while preserving the devolved settlements?

Scotland will retain its ability to set a separate HLOS and SoFA. But ScotRail will always be a separate legal entity to the GBR Scotland Infrastructure over which it operates. This means the current alliance arrangements would need to continue, in contrast to operations in England. Scotrail would continue to obtain and pay for access across the Scottish network, even though the Scottish Government funds this through their HLOS/SoFA process.

We believe there may be better arrangements that fully integrate Scotland's railways into GBR whilst retaining the Scottish Government's right to direct and fund its services.

Question 17 –

Do you agree with the proposed approach in Wales on enabling further collaboration between track and train while preserving the devolved settlements?

No.

Arrangements for the Welsh government to develop its rail services in Wales are even weaker than those in Scotland. It does not have the same right to set its own HLOS or SoFA and will remain reliant on the Secretary of State for Transport for the provision of infrastructure in Wales, while continuing to obtain and pay for access across the Welsh network. There is less opportunity for a deep alliance, as seen in Scotland.

Geography also plays its part, where the Welsh rail network is a reverse 'E' shape with lines from the England/Wales border to Holyhead, Aberystwyth, and Pembrokeshire ports, requiring an

even more complex arrangement for English stations on the Welsh Marches route, whilst north-south connectivity by rail inevitably requires travel over tracks within England.

We believe there may be better arrangements that fully integrate Wales's railways into GBR whilst retaining the Welsh Government's right to direct and fund its services.

Question 18 –

Do you agree with the government's approach of making targeted amendments to existing legislation to clarify the role of devolved leaders in relation to GBR?

We continue to support actions which embrace and include devolved authorities so they become an integral part of the railway.

We would, however, have concerns if such an approach was used to weaken the ability of city regions to influence the operation and development of their local rail and other transport services, particularly if they conflicted with the aspirations of GBR. The 1968 Transport Act gave the relevant Passenger Transport Executives the responsibility for developing local rail services and setting fares, allowing them to transform what had been declining, or even abandoned local rail networks into modern, comprehensive transport systems. This regional influence over the expansion of the rail network was used to support sustainable economic growth, reduced traffic congestion and improved access to jobs, education, healthcare and other services for some of the most deprived areas in the country. However, subsequent rail legislation post-privatisation was used to weaken the ability of city-regions to influence the operation and development of their local rail services. The new GBR legislation, in conjunction with the Government's parallel devolution proposals, provides an opportunity to address this issue. The activities of GBR need to reflect an understanding of the wider transport role of city regions and the part that GBR should be playing within that growth agenda.

Similarly, although the fragmentation of the rail industry made third party investment in rail more complex, expensive and challenging to realise, authorities such as Northumberland, Warwickshire and Transport for West Midlands have continued to press ahead with creating new rail markets through the delivery of new stations and services. The proposed GBR legislation should therefore also consider how such LTA investment can be more actively encouraged in future, including influencing stopping patterns of GBR run services.

However, we have a number of reservations about current proposals that anticipate how an appropriate level of devolved influence will be achieved. in practice.

Proposals outlined in the English Devolution White Paper, published in December 2024, aim to establish devolved Strategic Authorities in areas without elected Mayors and to enhance existing Strategic Authorities in areas with elected mayors. The Strategic Authorities will become their area's Local Transport Authority (LTA), responsible for producing their area's Local Transport Plan (LTP).

Proposals are to create a statutory role for devolved governments and Mayoral Strategic Authorities (MSAs) in governing, managing, planning, and developing the rail network. GBR will be mandated to engage with the new and existing devolved administrations, ensuring that rail policy is developed and funded in partnership with these new devolved authorities.

In addition to this statutory role for MSAs, several of those existing Strategic Authorities will become Established Mayoral Strategic Authorities (EMSAs). These will also have the right to

request full devolution of defined local services, as has occurred in Greater London. They will also receive Integrated Financial Settlements which will include all local transport funding streams, specifically including rail.

However, it should be noted that that, in most instances, the geography of MSAs/EMSAs does not fully cover a city-region's economic geography or future GBR "Route" area. The majority of local/regional rail services extend into a wider Travel-to-Work area which includes neighbouring Local Transport Authorities. The focus on devolution via MSAs/EMSAs could create a "democratic deficit" for neighbouring LTAs which could actually end up with reduced influence over their local rail services compared to the current situation.

It will therefore be important that the rail reform legislation allows for the creation of MSA/EMSA-led "Regional Rail Partnerships" (such as the current West Midlands Rail Executive) which include neighbouring LTAs (or indeed neighbouring MSA/EMSAs) and which would dramatically simplify the number of individual LTAs which GBR would have to deal with.

This is a complex and evolving picture that will change and raise different considerations regarding the status of rail plans being promoted by each of these Strategic Authorities. The consultation document itself shows a highly complex 'sliding scale' for a GBR Mayoral Partnership Framework, which GBR will be expected to navigate. Whilst it is not proposed to formalise these different arrangements in statute, it is expected that GBR's statutory role will underpin the approach and ensure that the full range of options are available to partners.

We believe legislation should minimise the risk of political infighting and that it is inappropriate to expect GBR to adjudicate between the inevitability of competing aspirations of different MSAs, EMSAs or national governments where a whole network view is needed to maintain seamless end-to-end flows of traffic across the whole of Great Britain. This is of particular and critical importance for the freight sector who risk being caught between vocal competing passenger arrangements.

We believe that our proposals for the creation of a Strategic Rail Board with both passenger and freight representation will enable trade-offs to be explored and decided upon among the different authorities, incorporating these into the setting of GBR's strategy, directions, guidance, and funding. It would be right for the Strategic Rail Board to ask GBR for advice and provide options before incorporating these into the strategy and funding provided to GBR.

Question 19 –

The government intends to create a new delegated power that would enable the Secretary of State to update, amend or revoke provisions in TDLCR and related assimilated law in Great Britain, subject to public consultation. Do you agree with this approach?

Broadly, yes, however changes to TDLCR should not be used to expand its use into the light rail sector, whether intentionally or unintentionally, as this could cause unforeseen consequences in respect of operating light rail systems, particularly for street running services.

Question 20 –

Please provide evidence on anticipated transitional or ongoing costs or benefits for you or your business resulting from these proposals. For example, please provide evidence on the scale of transitional costs associated with familiarising with the new proposals and structure, changes to

administrative burden resulting from these proposals, or any other direct impacts associated with the proposed changes.

Not Applicable