

GETTING BRITAIN MOVING:

Labour's Plan to Fix Britain's Railways



Mission-driven government

The Labour Party is committed to five national missions that will underpin and determine the national renewal that we will lead in government.

Labour will ensure that a reliable, safe, efficient, accessible, affordable and quality transport system plays its part in that national renewal.

Our transport system – both public and private – will contribute to our five missions in the following ways:

1.

Get Britain Building Again:

Ensuring reliable, affordable and accessible transport, which works for passengers and efficiently moves goods around the country, is important to economic growth and productivity.

2.

Switch on Great British Energy:

Accelerating the move to greener transport will reduce our dependence on expensive and volatile fossil fuels, and support the transition to cheap, clean, homegrown power, which will lower costs, boost our energy security, and help deliver the emissions savings needed to accelerate to net zero.

3.

Get the NHS Back on its Feet:

Providing reliable, affordable and accessible transport for key workers is essential to enabling critical institutions like the NHS to operate efficiently and successfully. Making the most of our rail network also helps reduce emissions, which benefits public health.

4.

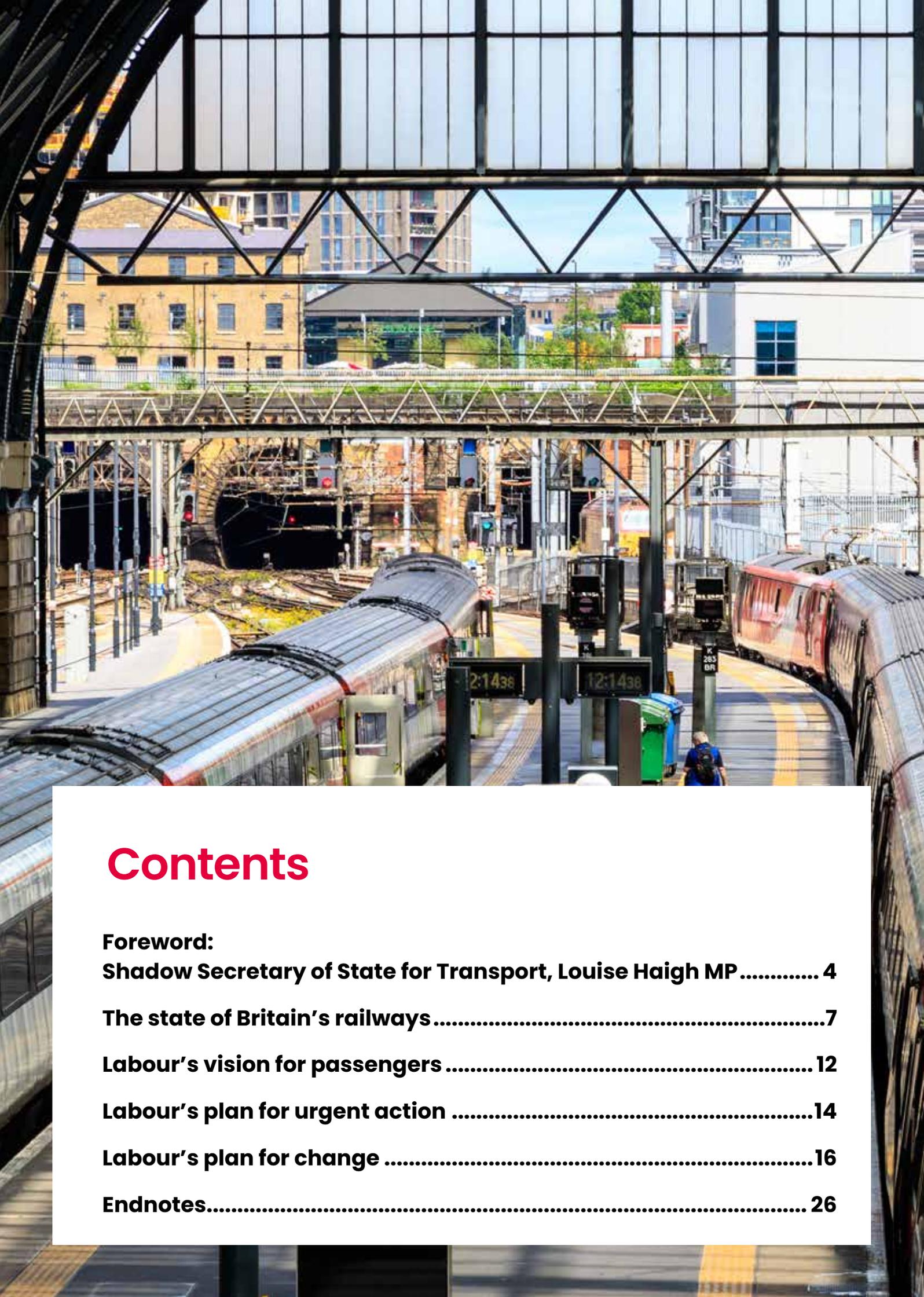
Take Back Our Streets:

Ensuring our roads and railways, buses and transport interchanges are safe will help make our streets safe.

5.

Break Down Barriers to Opportunity:

Delivering reliable, affordable and accessible transport is vital in helping people to access opportunities through work and education.



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Foreword: A modern rail system to serve a modern Britain

For two centuries, our railways have been at the heart of our national transport network and emblematic of British ambition and innovation. Labour has a clear mission to secure the highest sustained growth in the G7, with good jobs and productivity growth in every part of the country making everyone, not just a few, better off. We will remove barriers to infrastructure delivery and get Britain building again.

Our railways are an essential part of transporting people and goods around the country and play a vital role in connecting up our economy. The sector supports around 600,000 jobs across the UK¹ and in 2019, before the Covid-19 pandemic, it was estimated that £2.50 was generated in economic benefits for every £1 worth of work on the railways.² Unlocking the full potential of the railways will also help us lower emissions from transport.

We need a modern rail system – with improved services for passengers and better value for money for taxpayers – to serve as the backbone of a modern Britain.

The deepening crisis caused by the Conservatives

But 30 years after privatisation, Britain's railways are in a deepening crisis. There is significant consensus about the causes: perennial underinvestment, fragmentation, inefficiency and waste, a lack of strategic direction, and, most recently, 14 years of tinkering around the edges and failing

to address root causes by successive Conservative Governments. Many of these failings were exacerbated by the pandemic, but already existed long before Covid-19 struck. Passengers have to endure the grim, daily reality of late, overcrowded and cancelled services. A reliance on trains often means being late for work or late home, missed meetings and appointments or being stranded at stations in the middle of the night. It means people being unable to pursue job or educational opportunities or missing out on spending time with friends and family, because they can't trust trains to get them there.

The Conservatives have long known that the system is failing, which is why they commissioned an independent review by Keith Williams in September 2018. Yet, more than five years later, they have taken no action. They have resigned themselves to the continuing decline and failure of our railways at a time when a successful rail network could scarcely be more critical for jobs, connectivity, productivity and growth.

The failure to fix the crisis on our railways could be costing the public as much as £2.2 billion a year.

The Conservatives have also taken industrial relations – and overall morale – on the railways to an all-time low. The first national strike on the rail network for almost three decades is rumbling on into its second year, costing the economy up to £25 million a day.³

Labour's challenge is to put our rail system back on track to sustainable growth and improvement, with a clear strategic direction, proper integration, coordination and control.



Labour's vision is to deliver a unified and simplified rail system that relentlessly focuses on securing improved services for passengers and better value for money for taxpayers.

As Secretary of State, I won't be running the operation of the railways day to day, but I will be the passenger-in-chief, setting the strategy to improve our railways and making sure it delivers against our **six key objectives**:

- 1. Reliable** – so that people can have confidence in their journey, whether it's a one-off trip or their daily commute.
- 2. Affordable** – so that prices are kept, wherever possible, at a point that works for both passengers and taxpayers.
- 3. Efficient** – so that people know that their journey will be as straightforward as possible, from booking to travel, and to provide better value for the travelling public and taxpayer alike.
- 4. Quality** – so that passengers have the service experience they have a right to expect.
- 5. Accessible** – so that our railways are available for everyone to use.

- 6. Safe** – so that people don't worry about their safety on the railway and are not in fear of accidents or crime while travelling.

Labour's plan for rail

Labour believes Britain's railways should be a source of pride, not exasperation. As the country which created the railways, they are an iconic part of our heritage, and have played an essential role in enabling people to see our country, spend time with loved ones, and seize economic opportunities for more than two centuries.

Labour's plan is to create a unified and simplified governance structure that places passengers at the heart of the mission, objectives and incentives for the railway, and places train operators under public ownership and control.

Public ownership for our railways is about the practical need to deliver better services where they have failed. Even the Conservatives have had to bring failed franchises into public

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ownership – most recently TransPennine Express – just like the last Labour Government brought infrastructure into public ownership and control in 2001 after the disastrous collapse of the privatised Railtrack.

An incoming Labour Government will establish a new, arm’s length public body – Great British Railways – which will be a directing mind in charge of Britain’s railway infrastructure and services, responsible for the day-to-day operational delivery of the railways, for ensuring infrastructure and services work together, and for innovations and improvements in the experience of passengers and freight users.

The Secretary of State will set the long-term strategy and infrastructure priorities and hold the new body to account on its performance, but Great British Railways will be led by rail professionals and industry experts and have operational independence. This new structure will end the meddling and interference on operational and industrial relations matters by Ministers and Whitehall that has created such confusion and paralysis.

We will also fold the contracts currently held by private train operators into this new body, as they expire over the next few years or if they are broken by operators who fail to deliver for passengers. We would therefore expect to complete this process during Labour’s first term in office, without the taxpayer having to pay a penny in compensation to outgoing private operators.

Labour’s plan is pragmatic. Much of it builds on the analysis of how the railways have fallen short of the standards expected by passengers set out in the 2021 Plan for Rail.

But we believe that these reforms don’t go far enough. They will not fix the fundamental problems that beset the industry – continuing fragmentation, inefficiency and waste, and an ongoing conflict in public service provision between passenger needs and private commercial interests. Where private operators have failed, Great British Railways will be tasked with improving services. For open access operators, wherever there is a case that open access adds value and capacity to the network, they will be able to continue to compete to improve the offer to passengers.

Labour’s plan has been drawn up following extensive consultation, through which we have received detailed submissions from a wide range of stakeholders – including passenger groups, devolved regional and national leaders, experts from across the entire passenger rail and freight industry, trade unions, and third-party companies involved in our rail network. In line with our commitment to economic responsibility, all policies within this document will be subject to our fiscal rules.

Labour’s plan will fix our railways for the benefit of passengers and the taxpayer. It can usher in a decade of growth, innovation and service improvement, with the railways playing their part in Britain’s national renewal.



Louise Haigh
Shadow Secretary of State for Transport



The state of Britain's railways

The impact on the economy in lost growth

Britain's railway system, once the envy of the world, is in crisis, and it is failing passengers and the economy because of the way it is structured, incentivised and run.

The second National Infrastructure Assessment ('Second NIA') identifies that:

"Better transport and digital networks can support economic growth in both high performing and underperforming places. Investment in transport networks can enable sustainable trips within and between cities – the main engines of economic growth. Better connections can boost productivity in cities through increasing access to high skilled labour, attracting new investment and firms, and capitalising on agglomeration benefits."⁴

Agglomeration effects should mean that the larger the city, the more productive it becomes. But the Second NIA finds that large regional English cities are less productive than similarly sized European cities, in part

due to poorer transport networks. This means businesses do not have as wide access to labour markets as comparable cities, affecting productivity and growth potential. Cities' underperformance has a negative effect on national growth and contributes to regional disparities in England.⁵

There are a range of failings inherent in the model of privatisation that the Conservative Government imposed on the country. You don't have to take our word for it – this is what the Conservative Government's own 'root and branch' review of the railways said in 2021:

"Breaking British Rail into dozens of pieces was meant to foster competition between them and, together with the involvement of the private sector, was supposed to bring greater efficiency and innovation. Little of this has happened. Instead the fragmentation of the network has made it more confusing for passengers, and more difficult and expensive to perform the essentially collaborative task of running trains on time."⁶

Services are failing passengers

Passengers suffer from deteriorating service quality, unreliability, increasing disruptions, delays, cancellations and overcrowding, shortages of carriages, seats and onboard catering, and poor availability and cleanliness of toilets – all while a confusing array of fares continue to rise, often outpacing the rate of inflation, and dividends are being paid to parent companies.

According to the Government's Plan for Rail, even before the pandemic around half of trains in northern England and a third of trains nationally were late in 2019–20 – a level of poor performance that has barely improved in the past five years.⁷

Passenger satisfaction also reached a ten-year low in 2018 as a result of delays, cancellations and poor customer service, while public trust in rail travel plunged to just 20% in 2019 – below public trust in banks and energy suppliers.⁸

The lack of accessible public transport remains a real barrier to travel for the millions of people across the country who are disabled.⁹ This has left far too many people unable to reliably access employment, education, health care and leisure. It is estimated that people with a disability in the UK take 38% fewer trips than those without a disability. As of 2022, only 31% of stations had 'reasonable' step-free access and only 35% had accessible toilets.¹⁰

All passengers also deserve to feel safe on public transport, but crime on public transport remains far too high – particularly crimes against women and girls. The British Transport Police has found that more than a third of women have been sexually harassed on their commute to work, and only one in five people who have witnessed harassment on public transport reported it to police.¹¹ The rate of crimes on public transport that are solved also remains far too low, at only 13.8% in 2023.¹²

Failure is increasing costs

The cost of a failing, fragmented railway is chiefly borne by the taxpayer through poor value for public money and by passengers through services that fail to improve as fares rise. For instance: 300 people are employed full-time to argue over whose fault delays are; passengers have to battle a dizzying array of 55 million different tickets; and 75 different types of train are in passenger service on today's network, imposing greater costs in maintenance, regulation and crew training.

The failure to fix the crisis on our railways could be costing the public as much as £2.2 billion a year. The Government has itself estimated that the potential cost savings delivered by simplifying the network are approximately £1.5 billion a year and Labour's analysis suggests the current model wastes as much as a further £680m per year. In the context of substantial pressure on public finances, made worse by the Conservatives' catastrophic economic mismanagement, the failure to begin realising these savings has been an unacceptable waste of public money.

Inertia is constraining innovation for passengers

A lack of strategic direction and inertia in decision making has fractured the incentives for innovation and chronically delayed passenger improvements.

The requisite barcode technology is in place for digital season tickets, for example, yet the fragmented nature of the industry means that fewer than half of train operators have introduced them.

Similarly, fewer than half of train operators have chosen to introduce automated, one-click 'delay repay' compensation when things go wrong. This means that most passengers have to re-enter their details each time they claim – details that the train companies already hold when passengers have bought their tickets on their websites and through

their apps – with repayment typically taking several weeks.

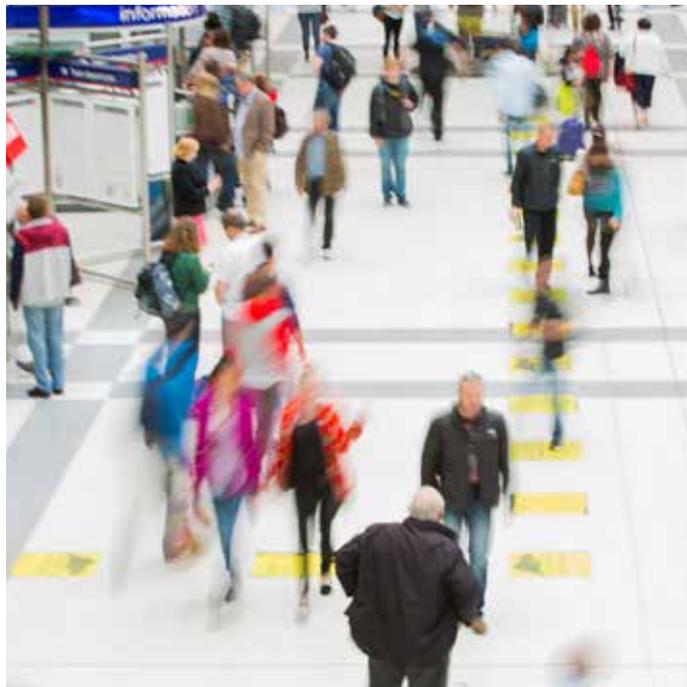
The technology also already exists to allow customers who need booking accessibility assistance to make bookings, book journey assistance and buy a Disabled Person's Railcard via a single app, yet rolling it out across the network has been beset with delays. As a result, a passenger requiring assistance on a common journey encompassing two separate operators has to fill in a dedicated and time-consuming form on one operator's website and then repeat the process on a second. They also have to visit a dedicated website to buy a Disabled Person's Railcard, while the journey booking itself may be booked on a dedicated third-party app.

Fragmentation is hampering coordination

The current system is designed for each part of the railway to act in isolation, motivated by their own competing and often conflicting incentives: operators are incentivised to focus on their own revenue and costs, while Network Rail focuses on infrastructure upgrades and maintenance, with little ability to ensure that these are reflected in improved services for passengers.

This leads to huge inefficiency for both passengers and freight:

- For example, in 2017 the West Midlands franchise award was based on forecast growth, underpinned by complex timetable changes. The vast bulk of revenue was simply abstracted from other operators' services, at the cost of a significant deterioration in train performance across the line, with reliability plummeting as the knock-on impacts were felt by other operators. This was a poor outcome for passengers and for taxpayers, as the Government ultimately funds the shortfall in revenue.



- On the overcrowded arterial Midland Mainline route, East Midlands Railway took more than 1,000 seats out of service under instruction from the Department for Transport and sold them to Turkey, 18 months before new trains are due to be introduced in December 2024.
- On freight, trains are frequently sidelined into loops to allow passenger trains to overtake them, often on multiple occasions during a single journey. This extends journey times and significantly reduces the productivity of rail freight, which needs fast, unimpeded paths to enable optimal utilisation of its rolling stock and drivers.

The system is inadequate for delivering significant timetable restructuring, even where there is a strong public interest case for doing so. Network Rail has to negotiate with train operators over their services and timetables. There is no statutory requirement for them to work with local or national transport authorities or mayoral combined authorities to ensure that their services join up with other local transport, such as buses and trams. And no organisation is able to make significant changes to the timetable as a whole to maximise capacity, increase reliability and improve services for passengers.



Government micromanagement is stifling services

The current system of intensive micromanagement of rail delivery bodies by the Department for Transport and Treasury officials and ministers is hampering the efficient running of our railways.

The stifling but ineffective micromanagement of operators and staff against narrowly specified contract criteria means that operators lack the freedoms required to innovate, improve the quality of services and increase demand. As a consequence, people with talent and experience within train operators are leaving the sector because they are underutilised.

Legal and regulatory frameworks are limiting change

Rail's legal and regulatory framework is based on the privatisation legislation from 30 years ago. The Secretary of State for Transport is legally responsible for letting and managing train operating contracts, giving rise over the past decade to significant inefficiency. It also prevents regional and city mayors, sub-national transport bodies and leaders in the relevant nations from being able to influence the design and provision of services in their communities.

The legacy legislation also obliges the Secretary of State to try to return to private competition those parts of the railway that end up in public hands through the operator of last resort, irrespective of whether this is the best outcome for services and passengers.

In today's system, the costs of the railway are managed by the Department for Transport and HM Treasury has control over revenues. This creates a fundamental divide in the Government's management of the industry and embeds a temptation to run the railway for the short term.

The railways are currently run through a complex web of contracts. Train operators

The 2018 timetable collapse is a case in point: the processes undermined the industry's ability to plan major timetable changes in advance, effectively leaving no one in overall charge.

Fragmented thinking and decision-making lies behind the failure of almost every major upgrade programme in the last decade to realise its full potential.

- For example, the East Coast Mainline upgrade, including rolling stock, cost £4 billion in government-funded investment. But this enormous outlay for taxpayers delivered no noticeable improvement for passengers, as infrastructure delivery – managed by Network Rail – was not joined up with a plan for service improvement, managed by operators and the regulator.
- Or take the Ordsall Chord viaduct, which was intended to link north and south Manchester, accommodating four planned trains an hour, vastly improving the experience of commuters who battle delayed and overcrowded services daily. Since no single body is able to make strategic decisions across the whole timetable to optimally utilise capacity, ultimately the substantial investment accommodated just one train an hour instead of four.

have contracts with the Department for Transport that specify exactly what services they must run and to what standard. Conflicts are resolved by post-hoc dispute and challenge based on private contractual rights, not robustly sorted out in advance based on the overall public interest.

Workforce and productivity are declining

The knowledge and experience of the industry is irreplaceable. The National Skills Academy for Rail estimates some 75,000 people will leave the industry through retirement or other forms of attrition by 2030.¹⁴ A third of the rail workforce is over 50 years or older and only 16% of rail employees are women.

Consistent workforce deficits exist in key areas – which include Signalling and Telecoms, Systems Engineering, and Electrification and Plant, according to the National Skills Academy for Rail.¹⁵ Digital signalling, including in-cab signalling, for example, is critical to allow for capacity uplift and better use of infrastructure.

The consequences are already being felt, with a direct impact on the reliability of services. The failure to properly plan for the future, driven by short-term incentives, led to driver skills and recruitment gaps on TransPennine Express. This ultimately manifested in driver shortages, leading to a wave of cancellations.

The financial position is weakening

Covid-19 had an enormous and sustained impact on rail industry revenue. Passenger income overall remains below pre-pandemic levels, as passenger volumes have not yet fully returned. In addition, there are wide disparities in the rate of growth between routes, as passenger travel patterns have changed since the pandemic. These need to be understood and responded to. Without reform to encourage growth and simplify

the sector, the revenue shortfall is likely to remain substantial.

The failure of the current system, where cost and revenue are split across different parts of Government, to trial new commercial initiatives based on modelling – e.g., trialling a new ticket type or service improvements to deliver long-term growth in passengers – prevent revenue growth that is fundamental to bridging the post-pandemic gap.

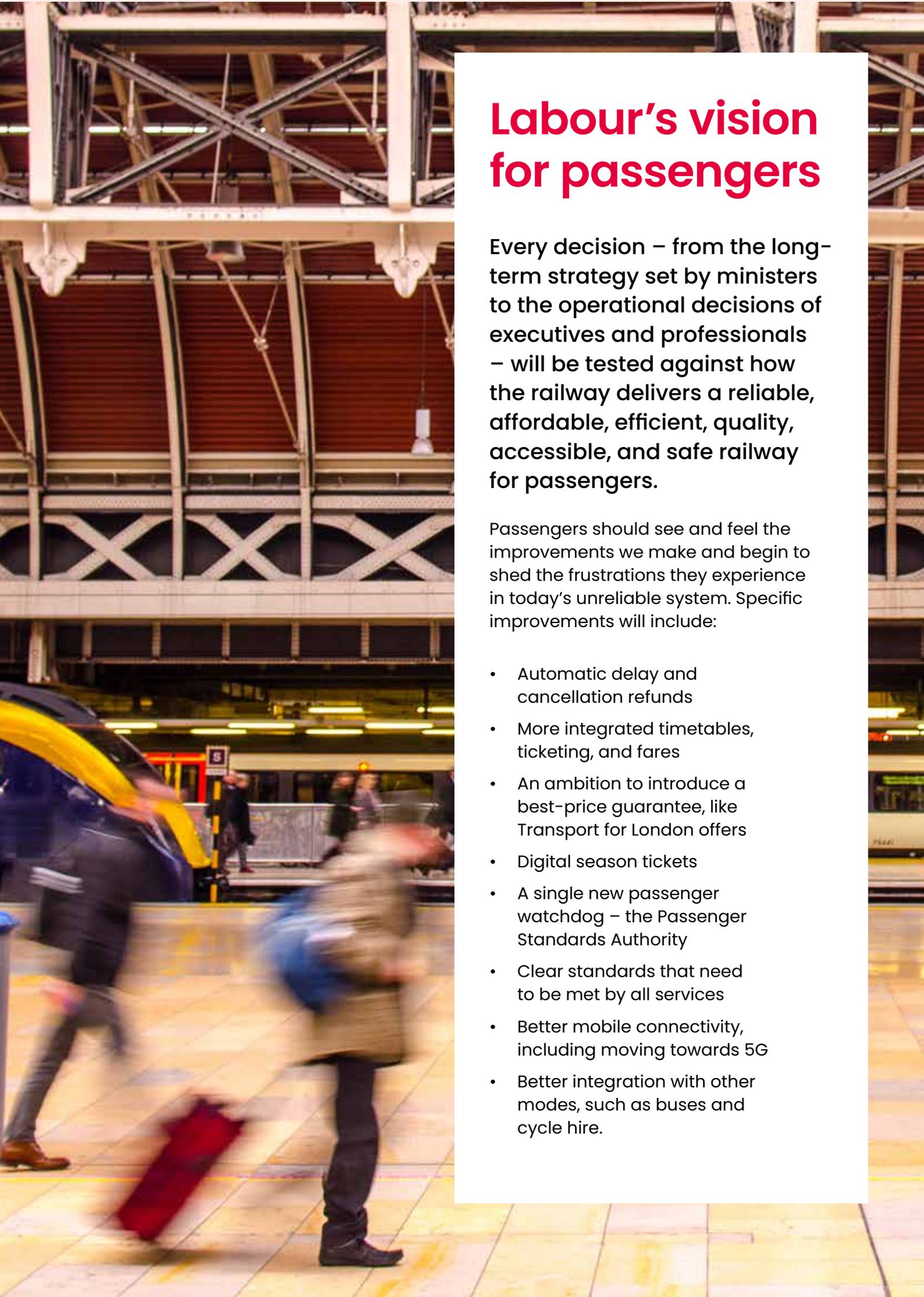
Lack of a long-term strategy is hindering progress

The absence of a comprehensive, long-term strategy is another critical issue which is hindering progress and improvement. Successive assessments have highlighted the lack of a clear vision holding back rail. This is partly due to the fragmented nature of decision making within the current system, where multiple private operators have differing priorities and objectives.

The Williams Review provided extensive evidence of the failure of an overly complex and fragmented rail industry, with competing and conflicting interests. Labour agrees with much of its analysis and many of its recommendations, but they do not go far enough in fixing the failures inherent in the railway model created by the Conservatives in 1993.

Further, an entire parliamentary term has been spent making next to no progress on the Review's recommendations. Instead of acting as a catalyst for change, the Review has been used as another excuse for inertia.

The time for reviews is over. Labour will fix the problems at the root of the industry by fixing the broken model that causes them.



Labour's vision for passengers

Every decision – from the long-term strategy set by ministers to the operational decisions of executives and professionals – will be tested against how the railway delivers a reliable, affordable, efficient, quality, accessible, and safe railway for passengers.

Passengers should see and feel the improvements we make and begin to shed the frustrations they experience in today's unreliable system. Specific improvements will include:

- Automatic delay and cancellation refunds
- More integrated timetables, ticketing, and fares
- An ambition to introduce a best-price guarantee, like Transport for London offers
- Digital season tickets
- A single new passenger watchdog – the Passenger Standards Authority
- Clear standards that need to be met by all services
- Better mobile connectivity, including moving towards 5G
- Better integration with other modes, such as buses and cycle hire.



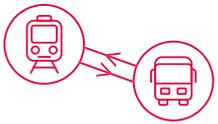
1. More reliable services

A unified system will plan and deliver an achievable, reliable timetable and ensure that the network is able to deliver it, so that the services promised to passengers are delivered. Better coordination of the timetable and engineering works will reduce delays, improve reliability and reduce cost.



2. Simpler, more affordable tickets

In line with the long-term strategy set by the Secretary of State for Transport, Great British Railways will simplify the ticketing system and drive innovation across the network, replacing the current multitude of platforms and myriad array of fares, discounts and ticket types and maximising passenger growth. We will also ensure that ticketing innovations like automatic compensation, digital pay-as-you-go and digital season ticketing are rolled out across the whole network.



3. Integrated, efficient services

With our railways unified under a single directing mind and brand, it will be more straightforward to integrate the railways with other forms of transport. In Switzerland, for example, timetabling is carefully coordinated across different modes of transport, according to an hourly rhythm of services which is easy to understand, navigate and rely upon,¹⁶ by a single body – the publicly-owned federal railway, SBB.¹⁷ This model is viewed as world-leading and has led to both significant passenger growth and increased workforce productivity.¹⁸



4. Improved service quality

Passengers have a right to expect quality service. Comfortable journeys, clean carriages, clean and functioning toilets, power sockets, tables, catering, adequate Wi-Fi (and, in due course, 5G) are essentials for improving passenger experiences and improving productivity for working passengers.



5. Accessible services

Labour will take advantage of the benefits of a unified network to deliver a more reliable and consistent experience for passengers with accessibility needs.^{19 20} We will also use the ability to plan across the whole rail network to better target investment to raise accessibility standards across the board and give local authorities more control over their transport networks to better consider accessibility needs for door-to-door journeys.



6. Safe services

We will improve rail safety through seamless, reliable timetabling, better integration with other modes of transport to reduce waiting times between connections, and working with the police on staffing where there could be safety issues. We will also seek to accelerate, target and better standardise the deployment of technologies across the network to enhance safety, promote reporting of crimes and ensure evidence is recorded.²¹

Labour's Plan for Urgent Action

Resolving many of the issues identified above requires broader structural change, but steps can and must be taken to begin to address key issues from day one. The Secretary of State will take urgent action by issuing the below directions to Department for Transport officials, Network Rail, the Office of Rail and Road, the Rail Delivery Group, and the Great British Railways Transition Team:

Making improvements from day one – DfT, OLR Holdings (DOHL, the operator of last resort, which already manages services taken into public ownership) and Network Rail will be instructed to work closely together from day one of a Labour Government on getting the basics right. This will be done through a partnership model, with a newly appointed leadership team for a 'shadow' Great British Railways beginning to bring decisions together and tasked by the Secretary of State with delivering improvements for passengers while primary legislation is progressed. This will fire the starting gun on reform and begin the process of creating a single, unified body to deliver improvements for passengers.





Unblocking barriers to delivery – the Secretary of State will direct the newly appointed leadership of Great British Railways to pull together an expert team to address key priorities:

Operations – a resource-led, viable timetable will be devised, agreed with the Secretary of State, and implemented at speed to tackle train crew management, timetabling, and service delivery issues. Existing private operators will need to be held strictly to account against contractual performance criteria to ensure that they do not allow services to deteriorate in advance of their contracts expiring.

Fares – the overcomplicated fares system will be reviewed, to begin the process of simplifying it and introducing digital innovations. Drawing on the functions of the Rail Delivery Group, which will transfer to Great British Railways in due course, reforms to the underlying fares regulations will be implemented as soon as possible, while making sure to avoid unintended consequences.

Providing industry leadership – the leadership of Great British Railways will also be tasked by the Secretary of State to convene the industry to begin transforming delivery and implementing a plan for continuous real improvements. There are experienced professionals in every part of the sector who will be empowered to deliver. Customer service experts from outside the rail industry will also be brought in, to stimulate innovation that is genuinely focused on the customer.

Preparing legislation to implement improvement – the Department for Transport will prepare the legislation needed to transfer relevant powers to the new body without delay.

Industrial relations – the politicised, adversarial approach to industrial relations pursued by the Conservatives will end when Labour takes office. An experienced industry professional will lead a team within Great British Railways tasked with developing a plan and establishing a forum to foster a more productive relationship with rail workers and their trade unions, in which they are valued and respected as partners for the positive change we need to see on the network.

Labour's Plan for Change

While our Plan for Urgent Action will start the most urgent work as soon as we take office, our Plan for Change requires more fundamental and long-lasting reform of our railways' structure, governance, decision making and strategy.

Labour's pragmatic plans will improve services for passengers and deliver better value for money for taxpayers. We will deliver a unified and simplified rail network, ending the labyrinthine array of responsible bodies, competing interests and restrictive contractual arrangements that has undermined accountability, stifled innovation and hindered performance.

1. Great British Railways – leadership for Britain's railways

We will establish Great British Railways – an arm's length body and 'directing mind' of empowered rail industry experts and professionals, tasked by the Secretary of State with improving the rail network with a relentless focus on passengers and freight customers.

Within the clear strategic direction set by the Secretary of State, Great British Railways will be responsible for planning timetables, improving services, and the operation, maintenance, and improvement of rail infrastructure.

Labour's plans in this area, aided by the forthcoming findings of the independent Review of Rail Infrastructure and Urban Transport carried out by Juergen Maier CBE, mean that in future, service delivery will be better joined up with planning infrastructure improvements.

This will also include reviewing the recent performance of Network Rail to identify improvements that can be taken forward into the new Great British Railways. An investigation carried out by the National Audit Office found that 37% of all cancellations and delays of more than 30 minutes on Govia Thameslink (GTR) franchise services were mainly due to failures caused by Network Rail in the infrastructure and its management of the network between July 2015 and March 2017.²² The Office of Rail and Road continues to identify several areas in which Network Rail's performance must improve in its most recent review.²³

Labour will also consider the scope for any large new rail infrastructure project to be required to develop a growth plan with local areas and other relevant bodies.

While rail may only represent a small proportion of overall transport emissions, it has the potential to play a large part in the solution to decarbonising our transport sector by attracting more people onto our railways and making greater use of rail freight.

Labour will set targets for modal shift to lower emissions from the transport sector. Making public transport a more reliable and attractive choice can result in huge reductions in emissions from journeys. Travelling from London to Edinburgh by train, for instance, results in emissions 91% lower than travelling by car and 92% lower than flying.²⁴ It has also been estimated that if drivers could be persuaded to switch just one 30-mile car journey a month to rail, then total emissions from all cars could be reduced by 6.5%.²⁵

Great British Railways will have a robust governance structure, accountable to the public and the UK and devolved Parliaments and operating within a long-term strategy for services and infrastructure determined by the Secretary of State.

It will bring finances together into a single body, enabling it to take long-term decisions to increase patronage and deliver improvements for passengers and freight without the micromanagement of the current system or of British Rail – but while remaining accountable to the Secretary of State, whose agreement will be necessary for significant decisions around services and infrastructure.

As a directing mind, Great British Railways will manage competing cross-network planning and operations requirements on a forward-looking basis, making informed trade-offs between different uses of the railway while maintaining consistent assumptions and updating its plans and risk analysis over time, which is as crucial for the efficiency of freight operations as it is for passenger services. It will be operationally independent, but will have to agree the most substantive decisions with the Secretary of State.

It will be a new organisation, with a new culture dedicated single-mindedly to delivering for passengers and taxpayers. It is Labour's intention that the organisation will be headquartered in Derby, as is currently planned.

A Railways Act will be delivered in the first parliamentary session, as a critical step to enable the full benefits of a unified railway and deliver reform.

2. The principles underpinning Great British Railways

Five core principles underpin our approach to the new body:

1. **Passenger-focused** – the new structure will be incentivised by the targets and performance criteria set by the Secretary of State to focus on passengers and on delivering a reliable, safe, efficient, accessible, affordable and quality network.
2. **Long-term, whole-system thinking** – accountabilities and responsibilities will be realigned to allow Great British Railways to



take a system-wide view, underpinned by a long-term strategy for the railway set by the Secretary of State.

3. **Empowering devolved authorities** – decision making will take place as close to local communities as possible, so the railway can be responsive to local needs.
4. **Bringing cost and revenue together** – track and train will be brought together so that decisions can be made on a whole-industry basis, with a single view across railway costs and revenue, rather than being driven by what is best for individual organisations. Open access will continue to exist alongside this.
5. **Arm's length decision making** – day-to-day operations and decisions will be managed by professional industry experts, with only the most substantive decisions on services and infrastructure to be agreed with the Secretary of State.



3. Governance of the new body

Great British Railways will be placed on a statutory footing as an arm's length body – operationally independent of, but accountable to, the Secretary of State. But it is not enough for Great British Railways simply to answer to the Secretary of State. It will also be accountable to the UK and devolved Parliaments, devolved regional bodies, passengers and regulators.

i. The role of the Secretary of State – a 'passenger-in-chief'

The Secretary of State will be the 'passenger-in-chief', holding Great British Railways to account for delivering for passengers and freight, alongside a powerful new passenger-focused watchdog. The Secretary of State's responsibility will be threefold:

1. Setting the long-term strategic direction for rail

A long-term strategy, set by the Secretary of State, will outline how the railway should deliver against clearly stated passenger objectives and the overall objective of growing rail use. It will outline the role of rail in growing the economy, addressing regional and national inequality, delivering an integrated transport network, and helping to achieve our climate objectives. It will be updated on a five-yearly basis.

Issuing such a strategy will enable the Government and the sector to make aligned decisions on the best use of funding, resources and investment and provide a key mechanism for ministers to ensure that the railways respond to public priorities.

It will also create a stable foundation for innovation and problem-solving; allowing, for example, electrification to be delivered efficiently in due course and for investors to understand the long-term outlook for the industry.

It will set out how the industry should make the most of the significant planned investment in rail and how these enhancements will be integrated with the existing network and transport system. This will save time, reduce costs and enable innovators to develop new ideas and solutions, allowing the full benefits of investment to be realised.

The strategy will seek to integrate and reflect the ambitions of devolved and regional and national stakeholders into a single coherent strategy for the railway, underpinned by regionally and nationally focused delivery plans. It will be published early in a new Labour Government, clearly setting out the benefits that the Government wants to achieve from rail.

2. Setting clear objectives for passengers

As the ‘passenger-in-chief’, the Secretary of State will define the long-term strategy and the clear set of objectives and detailed outcomes that those who run the railways will need to deliver and will hold them to account for it.

Great British Railways’ regulatory regime and performance monitoring will ensure that it is not overly bureaucratic and stymied by the wrong incentives. The Secretary of State will appoint the Chair of Great British Railways. Everything – from executive pay to unlocking future investment – will be tested and measured against the key performance indicators that will drive progress in making the railway safe, accessible, reliable, quality, affordable and efficient. The Secretary of State will also hold statutory powers to ensure proportionate strategic interventions, where appropriate, to drive performance improvement for passengers and freight.

3. Approving targets for the growth of rail freight, with a duty on Great British Railways to enable that growth

The Secretary of State will impose a duty on Great British Railways to enable the growth of rail freight alongside passenger services, setting clear and meaningful targets for rail freight growth within pre-defined periods.

ii. The role of devolved powers

A single directing mind is essential to ensuring that the railway serves the passenger interest nationally. But it is also vital that national and regional governments and mayors have the power to integrate local railways with other transport modes. They need the ability to create unified transport networks that serve their cities and regions, like London has with Transport for London.

Supporting local economic development

A unified railway will help integrate planning between the railway and its national,

regional and local stakeholders, creating new opportunities for large-scale infrastructure investment in towns, cities and regions.

There is considerable land value potential in unused, rail-owned land, for instance, which could leverage sources of private capital and generate new income streams. Integrating transport projects with housing increases their financial viability, through the sale of residential land plots with planning permission to housebuilders. Such projects would support economic growth and jobs and deliver much-needed affordable housing across the country.

The Secretary of State and Great British Railways could consider further devolution of stations to maximise opportunities for economic development.

Devolved structure and decision making

While the rail network is integrated nationally, and governance must reflect the need to balance and integrate local, commuter, regional, national and high-speed services, there must also be a statutory role for devolved leaders in governing, managing, planning and developing the rail network, to bring decision making as close as possible to local communities.



For the first time, therefore, devolved leaders in Scotland, Wales, and in Mayoral Combined Authorities will have a statutory role in the rail network. National and regional transport bodies will have the ability to agree national and regional rail services with the unified rail body, enabling devolved leaders to develop ambitious plans for seamless, integrated transport networks and a public transport system that properly serves their local areas.

Balancing the ambitions of leaders in one area with those elsewhere on a network that operates across devolved boundaries is an inevitable tension, but Great British Railways will be required to remain agile, making decisions at pace and based on local communities' needs.

iii. The role of a passenger voice

Great British Railways will not be marking its own homework. Alongside the accountability measures available to the Secretary of State to drive improvements for passengers, and continued safety regulation by the Office of Rail and Road, a powerful new passenger watchdog – the Passenger Standards Authority – will independently monitor standards and champion improvement in service performance against a range of measures.

The new watchdog will consolidate the customer-focused regulatory and other functions of the Office of Rail and Road, Transport Focus and the Rail Ombudsman to bring a relentless focus within one independent body in the interests of rail passengers, alongside its responsibilities for other parts of the transport system.

In terms of rail, it will have the power to demand service improvement plans, inspect the performance of Great British Railways with information gathering powers and assess performance fairly and transparently against published data.

The functions that will be transferred and absorbed into the new watchdog include:

Office of Rail and Road

- Passenger assistance
- Passenger information
- Complaints and compensation codes of practice, monitoring and compliance
- Consumer law and investigation and enforcement

Transport Focus (in its entirety)

- Insight, surveys and reporting
- Consumer campaigns and advocacy
- Passenger rights and advice

Rail Ombudsman (in its entirety)

- Complaints resolution (alternative disputes resolution).

By bringing these functions and expertise together, passengers will have a one-stop-shop where their interests are protected, where they can get advice, have unresolved complaints addressed and where rights and standards are monitored and reported publicly and transparently.

iv. The role of regulation

While Great British Railways will have the operational independence to make decisions relating to fares, timetables, track access and other operational aspects of the railway – in line with its long-term strategy and in agreement with the Secretary of State where decisions are substantial – its performance, standards and conduct will continue to be overseen by expert regulators:

- Safety standards and safety regulation will continue to be set independently and applied across Great Britain. The Office of Rail and Road will continue to regulate health and safety for the mainline network, as well as London Underground, light rail, trams and the heritage sector.
- The Health and Safety Executive will continue to monitor and enforce standards for all other at-work activities (which are not enforced by local authorities).

- The Rail Accident Investigation Branch will retain responsibility for accident investigations.
- While not a regulator, the independent Rail Safety and Standards Board has acted as the safety, standards and research body for Great Britain's rail network. We will review its exact remit to ensure it is able to fulfil a similar role within the new model.
- Similarly, the British Transport Police will continue with its role in protecting the safety of passengers and staff.
- Great British Railways will also be subject to the same regulators as private companies, including the Environment Agency, Planning Inspectorate, Information Commissioner's Office, Financial Reporting Council, Competition and Markets Authority and Advertising Standards Authority.
- The Office of Rail and Road will also continue to make approval decisions on open access applications on the basis of an updated framework and guidance issued by the Secretary of State.

4. Reducing waste

Labour's plans will improve services for passengers and deliver better value for money for taxpayers. The delivery of our reforms has the potential to realise significant efficiencies across the system. The Government's analysis in the Williams Review estimated that the savings generated by ending the inefficiency and fragmentation is equivalent to £1.5 billion a year after an initial five-year implementation period. Our analysis suggests the current model wastes as much as a further £680m per year. Consolidating the operations of 14 separate train operating companies into a single, unified organisation could lead to savings from:

- Eliminating private operators' bidding costs (which are currently built into what they charge to other parts of the railway)
- Reduction in the cost of interface friction between Network Rail and train operators



- Saved dividends to train operator owning group shareholders
- Reduced duplication of management and marketing
- Eliminating costs to DfT from running contract competitions

5. Rolling stock

With ten current rolling stock companies owning and leasing trains and carriages worth billions, it would not be responsible for the next Labour Government to take on the cost of rationalising rolling stock as part of our urgent programme of reform. Great British Railways will continue to lease rolling stock when taking on operator contracts, but will apply the single directing mind approach to ensure that barriers to sharing rolling stock across the network that currently cause systemic delays are eliminated.

Over the longer term, we will develop a long-term industrial strategy for rolling stock which supports British manufacturing, innovation and interoperability and aligns with the wider objectives of the industry. This will

seek to end the current boom-and-bust cycle, ensure a strong pipeline of work, and consider the best financing structures for future orders, in partnership with private capital.

6. The role of freight

The economic potential of rail freight is huge – rail is a highly efficient way of transporting goods, with a single freight train able to carry as much as 129 lorries.²⁶ The sector already contributes an estimated £2.45 billion to the UK economy – with 90% of these benefits occurring outside London and the South East.²⁷ The expansion of rail freight is also critical to meeting the challenge of net zero: Rail freight produces 76% fewer carbon emissions than road freight²⁸ and reduces congestion by requiring fewer lorries on our roads. UK rail freight is underutilised compared to that of similar European economies.²⁹

Under Labour, the delivery of freight operations on the rail network will remain within the private sector, but a unified railway will be tasked with reducing complexity for freight customers. In line with the proposal

outlined in the Williams Review,³⁰ Labour will bring the management of freight contracts into Great British Railways and introduce a statutory duty on the organisation to promote the use of rail freight, with an overall growth target set by the Secretary of State. A central freight team within Great British Railways will give freight customers a single point of contact for promoting freight growth across the organisation.

We will include safeguards to ensure that freight operators continue to receive fair access to the network, with the Office of Rail and Road remaining an appeals body and regulator of freight to ensure fair network access.

7. The role of open access

Open access services introduced by independent operators (such as Hull Trains and Lumo) to use spare network capacity to supplement existing contract operators will remain where it adds value and capacity to the rail network. Open access operators can



play an important role within a rail system. Open access has a proven track record in driving competition and better passenger outcomes in countries whose services are run predominantly by public operators. Such operators make the most of network capacity and can help lower emissions by contributing to mode shift. The ORR will continue to make approval decisions on open access applications on the basis of an updated framework and guidance issued by the Secretary of State.

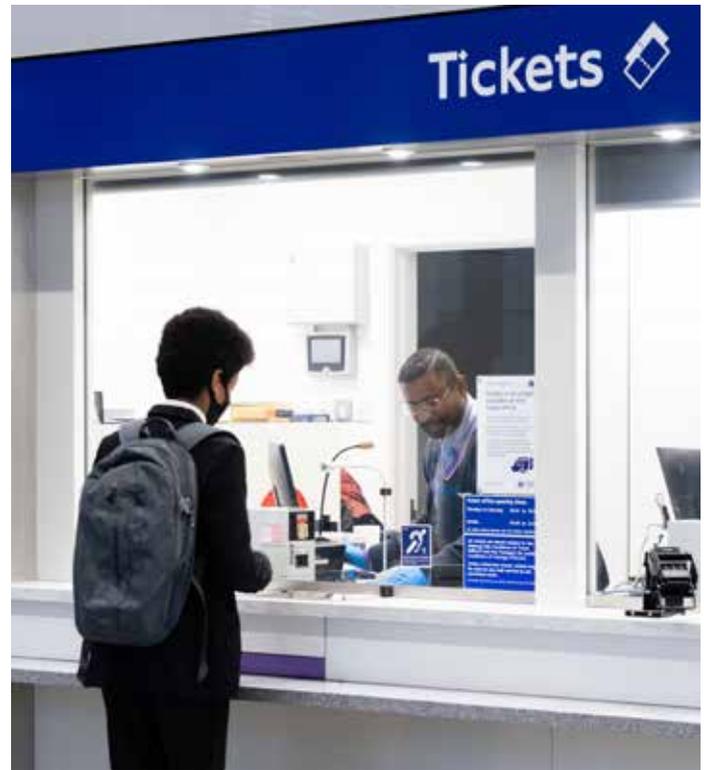
8. Innovation to grow rail and drive efficiency

The unification of the rail network will drive innovation and growth. A unified rail network will create an environment where the medium- to long-term vision for rail is widely understood, enabling more rapid collaboration and decision making within the industry. Where retailers, for example, have invested in innovative technology, such as digital season ticketing and automatic compensation to improve the passenger experience, a unified railway focused on passenger experience will simplify and speed up how that is rolled out.

Such innovation applies to freight too. Freight operators and customers are modernising standards and investing in new digital systems and innovations, including in terminals and on rolling stock. Great British Railways' directing mind will enable a range of freight innovations, including better integrating freight into traffic management and other network systems and ensuring that freight needs are appropriately considered in data systems and wider innovation.

9. A new approach to industrial relations

The failed approach to industrial relations pursued by the Conservatives will end once Labour takes office.



Labour will reset industrial relations on the railway. Alongside delivering value for money for the taxpayer, we will restore trust and ensure that all rail workers are treated with dignity and respect as the rail system is reformed. There is good evidence that fair and decent working conditions improve worker productivity and wellbeing, and constructive industrial relations improve the reliability of service provision.

Labour will require and support Great British Railways to create an integrated industrial relations framework and a workforce strategy to tackle longer-term issues proactively, with a focus on the railway workforce as an asset to be nurtured rather than a cost to be cut, minimising the risk of disputes across the entire network.

Labour will also ensure individual and collective rights at work are protected and strengthened through our New Deal for Working People.³¹ This will help to ensure that all rail workers benefit from positive changes to the network and from their contribution to a growing economy. We want to restore their pride in working for Great British Railways as a new, single employer.

We will also work to break down barriers to entry and progression within the rail industry,

so that more women, ethnic minorities, and underrepresented groups see rail as a positive career choice for them. In this, we will seek to learn from best practice to date and work with trade unions.

Labour's offer to the dedicated rail professionals and workforce across the rail industry is clear: your efforts and expertise are fundamental to putting our railways back on track and delivering a service to be proud of. Together, we will work with you to fix this dysfunctional system and give you the freedom to deliver the service that passengers deserve.

10. Station management

Stations, which are almost wholly owned by Network Rail, will be integrated into Great British Railways, with the new body responsible for their management and development. This would end the current patchwork approach where train operating companies manage many stations on behalf of Network Rail and will make it easier to make improvements to services and accessibility and to identify commercial opportunities.

11. Implementing legislative change

In the pursuit of a more efficient and passenger-focused rail system, the approach to bringing rail services back into public ownership will be measured and pragmatic.

A Labour Government will transition each contract as it comes to an end, and will make clear that open access should continue to exist where it adds value and capacity to the network.

Within five years of a Labour Government, the core terms of the existing contracts will have expired, and we expect they will have been transitioned into management by Great British Railways.

This phased approach ensures a smooth transfer of operations, allows for careful

planning and integration into the new system and avoids imposing costs on passengers and taxpayers in compensation for contractors.

Labour will deliver a Railways Act for England, Scotland, and Wales to enable the full benefits of a unified railway, by achieving the following:

1. Giving statutory force to Great British Railways and implementing the new structure, which will bring the decisions that matter to passengers together under one set of goals.
2. Transferring expiring train operator contracts directly to the new statutory body.
3. Removing the requirement to return franchises to the private sector

An incoming Labour Government will end the dither and delay, and commit to enacting legislation to make long overdue rail reform a reality for passengers.



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