

# Strategic Transport Leadership Board

3 March 2022

## Agenda Item 6: Great British Railways

### *Recommendation:*

**It is recommended that the Board:**

- a) Notes the update on Great British Railways**
- b) Agrees that we work with our neighbouring STBs, and potentially London, to explore how a collaborative 'Wider South East Rail' partnership could be established, and bring back proposals for the scope and required governance for approval in July to support improved engagement with the rail industry, DfT and GBR.**
- c) Notes the next stage in the development of EEH's key rail objectives, to inform a more integrated rail plan for EEH region**

### **1. Purpose**

1.1. This report provides an update on Great British Railways and how EEH may – in collaboration with Transport East and Transport for the South East – formally work with it.

### **2. Key points**

- 2.1. In February the Secretary of State set out the government's plans for Great British Railways.
- 2.2. EEH and England's other sub-national transport bodies (STBs) are uniquely positioned to work with the new body to realise the potential of our rail network.
- 2.3. Working with our neighbouring STBs Transport East and Transport for South East, and potentially London, now provides an ideal opportunity to consider how GBR should be engaging with the wider south east region.

### **3. Context**

- 3.1. The Williams-Shapps Plan for Rail was published in May 2021, laying out the government's plans for widespread rail industry reform. It proposed the creation of a new public body to manage an integrated rail network: Great British Railways (GBR).
- 3.2. GBR is planned to have a set of three core functions:
  - To plan and manage access to, and ensure safe and effective use of, the Great British Railways Network, consistent with Secretary of State guidance
  - To manage Great British Railways infrastructure
  - To manage and secure delivery of high-quality, reliable Great British Railways passenger services and be accountable for the customer offer.

- 3.3. When the legislative changes required to realise the Williams-Shapps Plan for Rail, including the establishment of Great British Railways (GBR) were consulted on in June 2022, despite the statutory duty of the Secretary of State for transport to give due regard to STB transport strategies, the consultation on the creation of GBR failed to reference the role of sub-national transport bodies, such as EEH.
- 3.4. EEH's response to this consultation – presented to Board in February 22 called for the role of STBs to be included within legislation (see Annex 1).

#### **4. George Bradshaw address, February 2023**

- 4.1. In February 2023, the Secretary of State finally confirmed his position on the future of Great British Railways. While he pledged that GBR would work in partnership with regional partnerships, there was no reference to STBs.
- 4.2. The Secretary of State's Bradshaw address aligned with the recommendations in the Williams-Shapps Report presented to the Strategic Transport Leadership Board in July 2022 (Annex 1). The key points are summarised below:

**Great British Railways (GBR)-** Confirmed that GBR will be established as an arm's length body, with the location of its new headquarters announced before Easter. The Government will respond to the consultation on GBR's legislative powers by the summer.

**A new industry model:** The Secretary of State affirmed the role of the private sector in UK rail. There will not be a "one size fits all" approach to the new Passenger Service Contracts: risk will sit with the party best placed to manage that risk. The Government will look to remove barriers preventing those from entering the market. The Secretary of State supports increasing the number of open access services where it benefits passengers and taxpayers.

**Fares and Ticketing:** There will be a move to open data and systems. For ticketing, a more competitive retail market is encouraged, welcoming new players to spur more innovation and give passengers the services they need. There will be a focus on expanding the commercial opportunities around land and property near stations. Pay-As-You-Go ticketing will be extended to an additional 52 stations in the South East. LNER's single leg pricing trial will be extended. There will be trial demand-based pricing on some LNER services (reflecting practice in the aviation sector).

**Long-term Railway Planning:** The GBR Transition Team will publish its long-term strategy for the rail sector later this year which will set strategic direction. We responded to a call for evidence for this in February 22 (Annex 2). The Secretary of State also confirmed there will be a dedicated Strategic Freight Unit and a rail freight growth target set which EEH are keen to help inform and develop.

**Route and Region Structure:** It was again confirmed that GBR will consist of regional divisions that are accountable for the rail network in their area, including budgets. They will decide priorities for investment and collaborate; operating an integrated national network. GBR will have 5 regional divisions working in partnership with regional bodies such as the Greater Manchester and the West Midlands Combined Authorities.

**Trains:** Trains (rolling stock) will remain in the private sector and GBR will lease trains from rolling stock companies (ROSCOs). Currently, rolling stock is leased by TOCs.

#### **5. EEH's Proposed response: the creation of a Wider South East Rail Partnership**

- 5.1. The creation of GBR is a significant opportunity to reduce the complexity and fragmentation that exists in the rail industry and to better align long term planning of the railways to the journeys and options that passengers and freight want to make, both now and in the future.



- 5.2. EEH and England's other sub-national transport bodies (STBs) are uniquely positioned to work with the new body to realise the potential of our rail network.
- 5.3. EEH has already demonstrated the true potential for partnership working with Network Rail. By acting as co-commissioners and co-sponsors, EEH and Network Rail produced EEH's Passenger Rail Study Phases 1 and 2.
- 5.4. The approach paved the way for an example of the impact that collaboration between national infrastructure agencies and sub-national transport bodies can have. As a result of this partnership, EEH's evidence base and policy framework for rail (including the regional transport strategy and passenger rail study) sets out the framework for a long-term strategy for rail in the Heartland region.
- 5.5. The Williams-Shapps report set out that in London and the south east, a new strategic partnership could be established to support housing, economic growth and the environment across the highly interconnected transport network in that part of the country.
- 5.6. Working with our neighbouring STBs Transport East and Transport for South East, and potentially London, now provides an ideal opportunity to consider how GBR should be engaging with the wider south east region. The model being developed by GBR appears to be focused on areas with a single dominant metropolitan city, rather than the wider south east where economic growth opportunities and therefore connectivity are more disparately spread.
- 5.7. As a result, the Board are recommended to support the principle of EEH business unit exploring the creation of a Wider South East Partnership (WSEP) that can focus on the key themes listed above, and identify opportunities which support our local ambitions and give the traveling public a greater travel experience, ensuring rail services align with local transport plans.
- 5.8. There are a number of purposes the WSEP could fulfil that would support GBR and our own regional and local priorities such as to report annually to ORR on the performance of the wider south east rail network to inform their regulatory functions; review changing travel patterns in the wider south east and ensure emerging fare policies are consistent with current and future trends, help shape the franchising for the future, and to develop a long-term plan for integration of ticketing with local services, considering all factors that influence successful integration plans, such as information provision, timetable alignment and fares.
- 5.9. Subject to Board approval, the next steps to establish the partnership will be to work with the STBs and potentially London to identify necessary remit, governance and scope.
- 5.10. This could include convening a senior board including representation from each of the three wider south east STBs, the GLA, DfT and GBR to shape agreements for rail services that encompass the whole passenger offer on rail services in the wider south east; manage rail connectivity between London and the wider south east and to develop a single consistent integrated rail plan for the wider south east, drawing on each individual STB's rail plans.
- 5.11. If the Board agrees, EEH will develop the proposal further, before bringing a developed proposal forward to agreement by the Board in July 2023.

## **6. Our rail priorities**

- 6.1. EEH is in a good position to contribute to a rail plan for the wider south east. In November 2019, England's Economic Heartland agreed a programme of work that would identify the Heartland's strategic rail priorities. The Passenger Rail Study was taken forward by Network Rail and split into two phases. Phase One coincided with the development of the Transport Strategy by providing an evidence led assessment of the Heartland's rail network.



- 6.2. The output from this (agreed by the Strategic Transport Forum in June 2020) was the first step in developing a long-term plan for the region's railway and this was followed with completion of phase 2 of the study in July 2021.
- 6.3. In addition, a number of local partners have also developed their own rail investment priorities, such as the Oxford Rail Corridor Study.
- 6.4. Recently, EEH has continued to develop a greater understanding of the region's rail priorities. Working with consultants, we have sought to consolidate the evidence base for rail across EEH's strategies, reports and evidence base into a single integrated plan for rail.
- 6.5. The work is in its early stages, with the next step being EEH business unit liaising with individual local authority partners to test the emerging conclusions from the desk-based exercise. In the coming months, the EEH business unit will approach individual partners to consider rail priorities emerging from across the EEH suite of strategies and evidence to consider the extent to which, when consolidated, they align with the most pressing rail priorities identified at the local level.
- 6.6. The conclusions of the work will be presented to the Strategic Transport Leadership Board in July 2023.

**Helen Fallon**

**Principal Lead – Freight and Major Networks**

**24 February 2023**

#### **List of Annexes**

1. William-Shapps Plan for Rail: Consultation on Legislation – July 2022
2. Long Term Railway Investment Priorities – February 2022