
Report to: Transport Scrutiny Committee

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Subject: Rail Update

Director: Liz Hunter, Interim Director Policy and Development

Author: James Nutter, Lead Policy Manager - Rail

1. Purpose of this report

- 1.1 To provide an update on latest national and regional rail restructuring, and to prompt a discussion on the role of the Combined Authority.

2. Information

Great British Railways: The Williams-Shapps Plan for Rail

- 2.1 The Williams-Shapps Plan for Rail was published by the Government as a White Paper on 20 May 2021.
- 2.2 The Williams Rail Review was commissioned by Government in September 2018 in response to widespread timetable disruption and a failing commercial model for delivering passenger services. The review was commissioned to make recommendations for reform that prioritise passengers' and taxpayers' interests.
- 2.3 Initially due to be published in late 2019, it was delayed by the General Election, and then the impact of COVID-19. The latter has resulted in franchises ending early, accelerating a key part of the reform proposals.
- 2.4 West Yorkshire's submission to the Review in 2019 called for reform that delivered:
- **clarity of objectives** for the railway in social, economic, and environmental terms;
 - **value for money** in day-to-day operation and in delivery of new infrastructure;

- a coordinated and integrated rail system with a **'controlling mind'** with clear lines for influence and accountability;
- **devolution** to ensure that objectives reflect local priorities and conditions, with accountability to those most affected by the railway; and
- an **operationally independent of government** (but accountable) railway, with a long-term focus on investing in skills and competence.

2.5 The Review was also informed by the work and recommendations of the Blake-Jones Review, with a particular focus on the North. Sir Roger Marsh OBE was also part of an expert challenge panel that informed the review. Sir Roger held this role reflecting his professional background, his role as part of the NP11 group, and advocate for the North.

2.6 In overall terms, the White Paper proposes:

- Fundamental restructuring of the railway with a **new public sector arm's length railway body** which will subsume the responsibilities of Network Rail, most rail functions of Department for Transport (DfT), and many operator roles to secure a more joined-up approach to running the railway. It will be called '**Great British Railways**' (GBR), assume the role of 'guiding mind', and provide accountable leadership. It will comprise a heavily devolved regional structure, initially based on the five Network Rail regions.
- **Passenger services to be operated via Passenger Service Contract concessions** procured by Great British Railways. These tightly specified contracts will keep revenue risk with Great British Railways. The proposal is for Great British Railways to own the passenger relationship (ticketing, information, complaints). This will mean an end to competition between operators, provide greater clarity about who is in charge, with single sources of information and a consistent national railway brand (with potential for regional variations).
- **Reform of rail fares**, to sweep away historic complexity. This is long overdue to make the railway more user-friendly and affordable and is crucial to the recovery. This has started with national roll-out of flexible season tickets (8 in 28 days), and a promise to quickly roll out pay-as-you go ticketing in urban and commuter networks. The lessons from the TfN ticketing programme (and others) will be incorporated.
- **Commercial reform** of the railway, to make it more financially accountable and more affordable to taxpayers by removing complexity and ensuring projects are delivered efficiently and on time. Great British Railways is intended to bring the railway's finances together in one place. Budgetary control will be internally devolved to regions and locally.
- **People reform** to attract a more diverse workforce and establish better career paths in the railway.

2.7 The proposals therefore address many of the main areas set out in the West Yorkshire submission. An extract of the 62 commitments contained in the

White Paper are included at **Appendix 1**, and a link to the full document provided in **Background Documents**.

- 2.8 The proposals set out in the White Paper will take at least three years to implement and will require primary legislation. Great British Railways is expected to be formally established in 2023. Andrew Haines (current Chief Executive at Network Rail) has been tasked on making a start on early proposals to realise benefits as soon as possible. This is likely to see the combining of parts of DfT, Rail Delivery Group and Network Rail as a shadow Great British Railways entity in short order.
- 2.9 In addition to its important national and inter-regional roles, the railway is an important part of the local transport mix in West Yorkshire. This is underlined by:
- Almost 7 in 10 passengers using trains in West Yorkshire are making trips within West Yorkshire.
 - Rail use at Leeds has more than trebled in the last 20 years – before COVID-19 there were over 30 million trips at Leeds station every year.
 - We spend over £900,000 annually on rail concessionary fares in West Yorkshire, widening access to local services, funded locally via council tax. Our MCard ticketing initiative is one of the biggest joint bus and train ticketing schemes outside of London.
 - We have invested over £40 m into projects to improve West Yorkshire's rail network in the last 10 years and have an ambitious programme of over £180m of investment in the railway in the coming years. This is delivering new stations, improved passenger facilities and station accessibility, and enhancing station gateways at key centres around West Yorkshire.
 - Further growing the role of the railway will be vital to achieving our ambition to be a net zero carbon economy by 2038.
- 2.10 A central element of the White Paper proposals is for Great British Railways to have a heavily devolved structure with empowered regional management. Intended to be clearly accountable, they will take decisions over services and investment, building on the new regional approach adopted by Network Rail. The Williams Review was also informed by recommendations in the Blake-Jones Review which considered ways to make the railway in the north more accountable, and to address complexity in decision-making. The recently published Levelling Up White Paper did not confirm more details on how local partnerships with Great British Railways will work. However, the full scope of the partnerships will be limited without commensurate devolution of funding; no funding devolution proposals are included in the White Paper.

Next steps

- 2.11 The opportunity is now to shape the detail of the White Paper proposals as they are established. Officers continue to engage with DfT officials directly and with and through the Urban Transport Group (UTG) to ensure that the

local partnership structures are effective. For example it is understood that a consultation on legislation for the establishment of Great British Railways will be forthcoming soon. UTG have established a task and finish group to input to this legislation, which the Combined Authority is able to input to.

- 2.12 Meanwhile, at the West Yorkshire level we have taken a pro-active move to establish a West Yorkshire Strategic Rail Partnership. This has commenced in earnest with a meeting chaired by the Mayor, with relevant industry leaders to shape the ultimate relationship with Great British Railways. This will form the basis to establish a deeper and more influential partnership role with the railway locally across our strategy work, delivery programmes and transport services, to ensure local choices respond to local priorities and to secure wider benefits from our significant rail investment. Ultimately, this way of working paves the way for a locally integrated public transport network.
- 2.13 An initial meeting of the West Yorkshire Strategic Partnership took place in July 2021, where shared objectives and ways of working were agreed, reflecting on the findings of the analysis in the Blake-Jones Review. A second meeting took place in late 2021 where the Integrated Rail Plan was discussed, and next steps considered. A further meeting is planned for April 2022, with action taking place in the meantime to establish and agree how the Strategic Rail Partnership should be embedded as a new way of working between the railway and West Yorkshire Combined Authority.

Transport for the North

- 2.14 Transport for the North's role in rail will change fundamentally because of the reforms, and the move away from franchises. For pan-Northern issues there is a clear role for Transport for the North (TfN) where we pool our sovereignty with partners across the North, including making a strong case for investment in major projects such as TransPennine Route Upgrade and Northern Powerhouse Rail. The regional structure of Great British Railways also secures for TfN a necessary strategic role in securing co-ordination of strategy and a coherent delivery approach for the North across the two regions east and west of the Pennines.
- 2.15 The Transport for the North (TfN) Board met in Leeds on 24 November 2021 and considered rail reform. Members received an update on TfN's potential future role in the context of the formation of Great British Railways. Members supported a strategic role of TfN, and it was noted the important role the Local Enterprise Partnership partners bring to TfN, giving it a unique voice for the North.
- 2.16 Building on the above, the Rail North Committee met informally on 15 December 2021 and considered rail reform. Members offered strong support for the concept of 'double devolution' to both TfN and local areas. Further work is being done on the most appropriate geography for local devolution, with a paper on the subject being considered by the same Committee at its meeting on 9th March 2022. This paper includes a recommendation to establish a member working group to act as a sounding board for an officer

Project Board working on rail reform in the North. It will be important that West Yorkshire has appropriate representation in these groups.

Great British Railways. Whole Industry Strategic Plan

2.17 In February 2022 the West Yorkshire Combined Authority responded to the Call for Evidence being led by Great British Railways. Views were invited from within and beyond the rail sector, to inform the development of a 30-year strategy called a “Whole Industry Strategic Plan” (WISP) based around the following 5 strategic outcomes:

- Meeting customers’ needs
- Delivering financial sustainability
- Contributing to long-term economic growth
- Levelling up and connectivity
- Delivering environmental sustainability

2.18 In summary the Combined Authority asserted that a WISP should contain the following key messages

General Industry/Governance

- Railway is there to serve a wider purpose in society and not an end in its own right
- The railway must be accountable to those who use, fund and benefit from it
- Rail must be seen in the context of wider transport needs
- Trade-offs between outcome and cost must be informed
- There must be openness and honesty within the rail sector along with simplification of the industry to drive improved accountability for decision making and affordability
- Plans should not be made based on the current Covid-19 transport position – cannot assume current trends will continue

Customer

- Customers must be at the heart of the industry – simple affordable fares, good reliable service matching travel needs, full accessibility and a high-quality offer to encourage modal shift
- The rail industry must have some freedom to use their expertise to improve the passenger offer, grow the rail market and provide more financially sustainable services

Climate

- The strategy needs to prioritise the climate emergency and provide for inclusive growth for everyone across our region

- Rail freight must be encouraged, and new freight customers supported, balance between customer and freight services needs to be appropriate

Investment/Major Schemes

- There needs to be local powers/influence to ensure the that local needs are provided for
- Rail investment needs to be judged over the longer term to allow investment to provide longer term cost savings
- There must be acceptance that some investment/costs cannot be judged on a pure financial business case but on wider benefits and the government agenda of levelling up and decarbonisation.
- TRU should be delivered with full electrification and accessible stations. Details are required on disruption and timetabling planning to maximise the benefits of the programme and minimise the disbenefits to the local communities and businesses.
- Further studies will be required to look at options that deliver benefits close to the HS2 East and NPR network, CA should be involved in the governance process
- Leeds station needs the capacity required (both track and pedestrian capacity) as a major rail hub and bottleneck of the rail network, and the connectivity of Bradford needs to be transformed to realise the city's economic potential

West Yorkshire Rail Strategy

2.19 The West Yorkshire Rail Strategy is being drafted to be a showcase for the region's economic and connectivity ambitions, within the framework of the overall Connectivity Infrastructure Plan. In line with the published Rail Vision the Strategy will:

- Address critical capacity issues across the rail network and accommodate the forecast growth in the region.
- Enhance passenger experience to create a high-quality journey offer.
- Address significant disparity in the current rail service offer.
- Facilitate an integrated transport network with attractive door-to-door journeys.
- Support the decarbonisation of the rail network.

2.20 The West Yorkshire Rail Vision was written prior the publication of the IRP and the commencement of the development of the Whole Industry Strategic Plan and whilst the IRP (and to a lesser extent the WISP) must not dictate the direction the Rail Strategy should take, there should at least be some relation to what is proposed in these documents, even if it is to provide a counter-point to proposals or lack of, contained therein.

- 2.21 As a result of the publication of the IRP there is a slight delay to the development of the West Yorkshire Rail Strategy. However, it is still the intention to offer Transport Committee Members the opportunity to shape the Strategy. A workshop is now proposed to be held at the end of April. The purpose of the workshop is to provide members with a summary of the technical work undertaken to date and what this means for the Rail Strategy. Members will be asked if any key messages are missing and there will be an opportunity to help shape the Strategy.
- 2.22 A first draft of the Strategy will be circulated to Members in June, with a second workshop planned for July, where Members will be given the opportunity to comment on the draft document. It is planned to publish the Strategy shortly afterwards.

3. Tackling the Climate Emergency Implications

- 3.1 Rail is the lowest-carbon form of powered transport readily available, with the potential, through electrification and renewable generation, to be zero-carbon. The Combined Authority will need to bring influence to bear on the railway in order to provide sufficient capacity on the railway to allow decarbonisation through modal shift from car, lorry and air transport, and for future economic growth to rely on rail as part of our overall connectivity vision, will play a critical role in addressing the climate emergency

4. Inclusive Growth Implications

- 4.1 The Combined Authority's vision for future rail connectivity is inextricably linked to our goals for socially inclusive growth in the form of linking areas of deprivation to those of opportunity (such as access to jobs and education / training) and allowing the industries of the future to create sustainable and distributed wealth, providing high-quality employment. Therefore, being able to successfully influence the provision of capacity on the network to enable this vision to be realised is directly material to Inclusive Growth.

5. Equality and Diversity Implications

- 5.1 Being able to influence the railway to ensure that the rail network does not directly or indirectly discriminate against any parts of society is vital. This calls for the Combined Authority to have a role in steering and specifying how the railway evolves and improves over time in pursuit of this ambition.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes the report, consider the update on national and regional rail restructuring the role of the Combined Authority and provides any comments and feedback.

11. Background Documents

The Great British Railways White Paper can be accessed here:

<https://www.gov.uk/government/publications/great-british-railways-williams-shapps-plan-for-rail>

12. Appendices

Appendix 1 – EXTRACT OF THE WILLIAMS SHAPPS PLAN FOR RAIL