



URBAN TRANSPORT GROUP

Pre-legislative scrutiny inquiry response

Scrutiny of the draft Rail Reform Bill

Transport Select Committee

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1. About the Urban Transport Group

- 1.1. The Urban Transport Group (UTG) is the UK's network of transport authorities. UTG represents the seven largest city region strategic transport bodies in England, which, between them, serve over twenty million people in Greater Manchester (Transport for Greater Manchester), London (Transport for London), the Liverpool City Region (Merseytravel), Tyne and Wear (Nexus), South Yorkshire (South Yorkshire Mayoral Combined Authority), West Midlands (Transport for West Midlands) and West Yorkshire (West Yorkshire Combined Authority).
- 1.2. Our wider associate membership includes Cambridgeshire and Peterborough Combined Authority, Nottingham City Council, Strathclyde Partnership for Transport, Tees Valley Combined Authority, West of England Combined Authority, Translink (Northern Ireland) and Transport for Wales.
- 1.3. We are a thought leader in urban and local transport policy, bringing together stakeholders across the transport sector to advocate for policies that deliver affordable, trusted, green transport networks that enrich and connect people and places.

2. Summary of response

- 2.1. We support the ambition to simplify the management of the rail network and allow for longer-term and integrated planning. Whilst we appreciate that the draft Bill seeks brief, concise and technical legislative reforms, it is crucial that any new structure reflects the original intention of the Williams' Review to give greater control for local people and places, enshrining devolutionary principles at its core.
- 2.2. City region Transport Authorities already play an important part in the railway and ensuring it joins up with wider local transport networks. The IRB needs to recognise the role of city region Transport Authorities and establish a clear and statutory role, which fully utilises their expertise and ensures rail forms part of an integrated sustainable transport offer for passengers.



3. Response

Question 1

If enacted, would the draft Bill provide the necessary legislative foundations for an integrated rail body with franchising powers (Great British Railways), as envisioned in the Plan for Rail?

- 3.1. In principle, the draft Bill provides the necessary foundations for the Integrated Rail Body (IRB), however, we have concerns over the lack of recognition, statutory role and partnership arrangements with City Region Transport Authorities, Sub-national transport bodies and regional rail bodies in delivering the positive outcomes envisioned in the Plan for Rail. Whilst we recognise there is no one-size-fits-all solution, all forthcoming legislation on the future of rail ought to keep the principle of devolution at its core. We note the government's view that legislation is not required for such partnerships to operate. However, we believe that the IRB as set out in the draft Bill, ought to have obligations placed in legislation to enshrine the role of its regional partners to ensure local influence and accountability. We set these out in more detail in the response to following questions.

Question 2

Will the integrated rail body (IRB), as proposed in the draft Bill, achieve the Government's aim of a 'guiding mind', providing: (i) better accountability, (ii) more reliable services, (iii) greater efficiency, and (iv) coordinated growth, across both passenger and freight sectors?

- 3.2. As laid out in the draft legislation, the IRB could be enabled to act as a 'guiding mind', however, we believe that in order for it to fully achieve its goals, there must be explicit acknowledgement of how such body will interact and collaborate with City Region Transport Authorities, sub-national transport bodies and regional rail bodies. Broadly, any action to reform the railways must pay due regard to devolutionary principles and the need to ensure that a unified rail network also delivers integration with the rest of the local transport network, especially in city regions.
- 3.3. Rail reform legislation must set out a clear and statutory role for City Region Transport Authorities so that their expertise and knowledge of local communities and transport networks can be fully utilised in managing, planning and developing the rail network.
- 3.4. City Region Transport Authorities already play a vital role in the management and funding of the current rail network. Some of our members have taken full responsibility for their urban rail networks, whilst others have ambitions to do so. City Region Transport Authorities have consistently made significant investments in the railways over a long period. This includes authorities that are not yet undertaking franchising, with the West of England, for example, securing capital investment for the delivery of new stations as part of the MetroWest programme. Pre-COVID, a third of rail journeys were made on services with at least some



devolved control.¹ Progress on devolution and regional partnerships for rail has also taken place through the Trailblazer and Level 4 Devolution deals.

- 3.5. Devolution of responsibilities for rail has largely led to more investment, higher levels of passenger satisfaction and more reliable services. It has also helped join up rail with wider public transport networks as well as with broader plans for housing, economic development and decarbonisation².

Question 3

Would the provisions of the draft Bill establish an IRB with the independence and accountability to achieve its aims? If not, what amendments would be needed?

- 3.6. Whilst at a national level, the draft legislation could establish independence and accountability, we would urge amendments to be considered that would define the collaborative role of sub-national transport bodies, regional rail bodies and City Region Transport Authorities. Such provisions would ensure that the IRB also fosters accountability on a local and regional level through clearly defined and accountable partnerships. With increasing number of transport authorities taking on responsibilities for their urban rail networks, any new rail reform legislation must respect, safeguard and enhance their local and regional role.³
- 3.7. City Region Transport Authorities are likely to want to take up options around the upper end of responsibilities, enabling them to fully integrate rail into wider public transport services to ensure a seamless passenger experience. They also have the capability and capacity to take on a more significant role as well as a track record of investment.
- 3.8. At the very minimum, transport authorities should be consulted on the service levels, station staffing and facilities, service quality standards, arrangements for integration with other modes and fares to be included in these concessions. This could also include the ability to trigger performance reviews if quality standards fall below agreed level.⁴
- 3.9. Under any arrangements, transport authorities will want to be involved in the concession agreements for longer distance services in their areas and on timetabling proposals generally. These services are important for local economies and the strategies for these services need to support the local economic, environmental and other strategies developed by city regions and local authorities. Rail collaborations, like the Grand Rail Collaboration in the West Midlands, will allow joint service development between the local transport authority, IRB and all train operators. In some cases, transport authorities may wish to consolidate their role on rail within a wider regional grouping (as has been the case in the North of England via Transport for the North).
- 3.10. Similar considerations must be made in terms of management and control of rail assets. Liverpool City Region, Transport for Wales and Greater Manchester, for example, have either already or are planning to take over ownership of rail infrastructure – stations, tracks

¹ 2017, UTG [Rail Devolution Works](#)

² 2020, UTG [Action Stations: How devolution is transforming rail stations for the better](#)

³ 2018, UTG [Rail Cities UK: Our vision for their future](#)

⁴ 2021, UTG [Making rail reform work for people and places in the city regions](#)



and signalling – from what is now Network Rail and would be IRB. Arrangements for leasehold for the infrastructure should also be explored. For example, this would allow Transport Authorities to take over the leasehold of local stations from private operators so that they can invest in their future whilst longer term asset management and protection responsibilities remains with the IRB.

Question 4

Are the arrangements set out for the granting and amendment of the IRB’s licence and the inclusion of specific conditions within that licence appropriate?

- 3.11. Further options should be explored for established with City Region Transport Authorities, sub-national transport bodies and regional rail bodies as statutory consultees to the License.

Question 5

What will be the effect of the requirement on the IRB to prepare an annual report setting out what it has done to increase private sector involvement in the running of railway services?

- 3.12. We welcome arrangements which would enhance the transparency and support increased levels of funding into railways services. We would urge this obligation to be extended to cover all work with third parties more generally to increase investment.
- 3.13. More broadly, we believe IRB should at least have a general “Duty of Best Value”. Local authorities meet such duties already, and are required to “consider overall value, including economic, environmental and social value, when reviewing service provision. As a concept, social value is about seeking to maximise the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.”⁵

Question 6

What arrangements should be put in place for scrutiny of the IRB’s business plan?

- 3.14. it is crucial that all appropriate business planning arrangements and decision-making process include City Region Transport Authorities, sub-national transport bodies and regional rail bodies, respecting the principles and progress of devolution. The role of these bodies in the scrutiny and governance process must be clearly set out in advance of the IRB becoming operational.
- 3.15. We would also like to see any business planning and scrutiny arrangements to recognise how full integration of the wider public transport offer will be supported and the vital role of local transport authorities in facilitating this. In this way we can ensure a rail network that is

⁵ 2011, [Best Value Statutory Guidance](#)



fully integrated with wider plans for local areas, provides seamless connections with other modes and truly serves the needs of the public.⁶

- 3.16. The core functions should also include a requirement to contribute to meeting the policy objectives set out by UK and devolved governments and those of local and sub-national authorities, as set out in Local Plans, Local Transport Plans, and strategies of Sub-National Transport Bodies. The railways have an important role to play in meeting local and national objectives on decarbonisation, levelling up and other policies and the IRB's core functions should include being required to assist these, for example through its long term plan.

Question 7

Are there further elements of the Government's aims for the IRB that should be given a statutory footing?

- 3.17. The role of City Region Transport Authorities, sub-national transport bodies and regional rail bodies and their partnerships with the new IRB should be given a statutory footing. Such statutory footing existed in legislation for Passenger Transport Executives (PTEs) from 1968 until 2005. The Draft Bill also seeks to amend several parts of the Railways Act 2005 which apply to PTEs to account for the new IRB. Section 14 of the Railways Act 2005 removed previous provisions in the 1968 Transport Act and 1993 Railways Act on the duty of PTEs to enter into agreements to secure the provision of railway services.
- 3.18. This provision was latterly enacted through PTEs becoming co-signatories to franchise agreements, something which has given some of our members greater local influence. We would urge the Committee to consider recommending that the requirement for PTEs and Mayoral Combined Authorities (MCAs) to be a party to franchise agreements is once again given a statutory footing under rail reform legislation. This would ensure that devolutionary principles are respected and furthered as partnership with the IRB develop.

Question 8

Are the interests of passengers and freight users sufficiently promoted by the provisions of the draft Bill?

- 3.19. As set out in responses to previous questions, we believe the clear recognition and statutory footing for collaboration between the IRB and regional rail bodies and City Region Transport Authorities would more directly support the delivery of services that communities need. With their local vantage point, knowledge of their communities and ability to join the dots between wider local transport networks, local plans, policy objectives and funding sources, devolved authorities are well placed to identify and maximise opportunities and synergies that centralised rail decision making would otherwise miss.

⁶ 2020, UTG [Action Stations: How devolution is transforming rail stations for the better](#)



Question 9

Does the draft Bill make effective provision for the role of the Office of Rail and Road?

- 3.20. The Office of Rail and Road (ORR) ought to be enabled to provide effective and transparent oversight of the IRB, with appropriate capacity and checks and balances in place to protect ORR's independence. We want to see ORR empowered to scrutinise IRB's costs and the way these are developed and require a transparent approach.
- 3.21. The IRB will also need to be transparent about the criteria it will use to inform its decisions on access, and any associated framework, so that all parties can engage fully with the process. Overall, as set out in our response to the Williams-Shapps Plan for Rail ⁷, we remain of the view that decisions on network access should be made fully independently of funders using transparent and quantifiable criteria, so that these decisions are made on a rational and unbiased basis.

Question 10

What assessment should be made of the draft Bill's provision that the Scottish and Welsh governments may arrange for the IRB to exercise their devolved franchising powers?

- 3.22. It is right to give such flexibility, although making for such provision would in effect undermine the principle of devolution and is therefore unlikely to be used in practice. In similar effect, existing provisions for devolved rail authorities in England must be retained, in particular the section 24 provision of the Railways Act 1993, to allow passenger services to be exempted from the franchising regime.
- 3.23. Further consideration ought to be given to how rail reform could encourage and enhance devolved transport bodies working together to deliver better outcomes across multiple devolved areas, be that across England's City Regions or UK's nations.

Question 11

What will be the effect of the implementation in UK law of the Luxembourg Rail Protocol? Is the range of powers granted to the Secretary of State in clause 15 necessary to achieve the aims of the Protocol?

- 3.24. We believe that the legislation should avoid any limiting of options on the provision of rolling stock. The guiding mind role of IRB and any partners will be best served where there is maximum flexibility on the provision and financing of rolling-stock. The key objective should be to ensure rolling stock strategy and procurement can be properly integrated with strategies and investment across services and the network. The Liverpool City Region

⁷ 2022, UTG [Response to the consultation on legislation to implement rail transformation](#)



Combined Authority has shown the benefits of such an approach in its procurement of new trains for the Merseyrail network.⁸

Question 12

Are the delegated powers envisaged by the draft Bill necessary and sufficient to meet its aims?

- 3.25. They will be sufficient if our comments made above are recognised and incorporated, particularly in relation to ensuring greater local accountability, recognition and enhancement of devolutionary principles and support for collaboration between the IRB and regional rail bodies and City Region Transport Authorities.

Question 13

What lessons should be learned from previous legislative changes to the institutional architecture of the rail sector?

- 3.26. Despite good intentions for greater local control, the overall framework for rail reform remained highly centralised, with no clear routes set out for communities, and those representing them, to influence the management and future of services, stations and infrastructure. Local transport authorities were given no statutory or formal status or role in the new structure for the railways, which we consider to be a very significant omission.
- 3.27. There has also been a failure to fully recognise the important roles local authorities already play on parts of the railway. Furthermore, insufficient attention was given to the importance of integrating rail with the rest of the local transport network and the vital role of local transport authorities in facilitating this.
- 3.28. In our response to the Plan for Rail⁹, we urged the Government to give city region transport authorities a clear and statutory role in the new railway framework to ensure that their expertise can be fully utilised, further devolution of services and infrastructure can be agreed where appropriate, and rail can become part of wider integrated public transport networks.

Question 14

Are there further provisions within the draft Bill that the Committee should focus its scrutiny on?

- 3.29. As set out throughout this response, we would urge the Committee to consider the role of regional rail bodies and City Region Transport Authorities in the full spirit of devolution and recognising the role our members play in creating truly integrated transport networks that serve their communities. Given the success of rail devolution, it is vital that devolved

⁸ 2020, UTG [Action Stations: How devolution is transforming rail stations for the better](#)

⁹ 2022, UTG [Response to the consultation on legislation to implement rail transformation](#)



authorities have a seat at the table when decisions are being taken about how any plan for rail reform will be implemented in practice.

- 3.30. UTG would be happy to further support the committee, including by providing further detail on the points raised above or providing oral evidence in further stages of the pre-legislative scrutiny inquiry.