

Seventh annual Rail Industry Forum

Thank you for inviting me here today. 'Unprecedented' has been the go-to word to describe much of the past 20 months. It's been a period of disruption, devastation and change not seen in many of our lifetimes.

And as Rail Minister, I've seen first hand how one of our great national industries has dug deep. Government has helped. We have provided £14 billion in financial support so that operators could focus on getting key workers, as well as essential goods and supplies, where they needed to go.

Yet, despite restrictions being lifted, passengers have not returned in the same numbers as before.

At the end of Q1, passenger levels stood at around 40% of 2019 levels with numbers now hovering around 60%. With revenues also down by an estimated £12 billion, our business model has become out of date overnight.

[Taxpayers have already propped up the economy to the tune of around £350 billion](#) over the past 20 months.

So delivering an efficient self-sustaining railway – where we reduce costs and raise revenues – has never been more pressing. That means striking a fair balance between the contribution of passengers and the unprecedented taxpayer support.

It also means pulling together as an industry to attract and retain new customers. This is no longer merely desirable, it's essential – indeed it's existential. The future of the industry depends on how we respond to this challenge.

Reforming government

Now, such is the scale of the challenge that the [Williams-Shapps Plan for Rail](#) couldn't have come at a better time.

For years it's been clear that our rail operating model was unsustainable with:

- delays across 50% of services in the North
- the disastrous 2018 timetable change
- multiple franchise failures
- a sector increasingly propped up by the public purse

The pandemic has accelerated the need for change. And I am proud to be part of a reforming government, one that is unafraid to make bold decisions when needed.

The plan for rail will start by getting the basics right of punctual, reliable and comfortable services. But it will also secure a sustainable

long-term future for the industry:

- encouraging customer-focused innovation
- delivering meaningful workforce reform
- helping to create a net zero railway
- and ensuring better co-ordination and efficiency for rail freight

As you know, we are bringing track and train, as well as revenue and cost, under a single guiding mind, [Great British Railways](#).

Based outside London and working with local partners, it will ensure skilled jobs, investment and economic benefits are focused beyond the capital.

And while Great British Railways (GBR) won't be fully operational until 2024, we're already delivering changes.

We've sold 100,000 of our recently launched flexible season tickets, giving passengers the freedom and choice to travel in their preferred way.

We're making journeys simpler, thanks to £360 million of funding to roll out contactless payments to 900 stations and make digital ticketing available at every National Rail station.

The passenger experience is improving, too, with the first nationwide accessibility audit underway.

We've already reviewed 200 stations and counting, helping to ensure everyone can access all parts of our rail network. And we're finding ways to better use data, following the £5 million funding commitment for the [Rail Data Marketplace](#) in the summer.

I believe, when it comes to data, an 'open by default approach' is best. Because only then can innovators and developers use rail data not only to deliver a more efficient network, but enhance the passenger experience too.

Future milestones

Now this is all fantastic progress in such a short space of time. And it's thanks to a lot of hard work by people in this room and my team in the department.

But today, I also want to give you sight of what's coming up.

Firstly, the competition to determine the headquarters of Great British Railways will open [in a matter of weeks]. We want applications from towns and cities with a rich railway heritage with clear plans on how they will energise the local private sector, customers and sector workforce, while also maximising value to the taxpayer.

This week, we have also asked the Rail Delivery Group to start developing a best in class one-stop shop for rail tickets, so passengers will no longer have a confusing menu of options, but instead be able to purchase tickets via one Great British Railways website and app, as well as through third-party

retailers who will continue to play an important role in expanding the market.

And finally, because we want to enhance the role the sector plays across the wider economy, GBR will soon kick off rail's 30 year strategic plan by launching a public call for evidence.

I want this strategic plan to be co-created by the best minds in the industry and beyond. It will be a rail map for the future, ensuring the industry can deliver on our long-term national priorities of levelling up, economic recovery and net zero by 2050. I hope you'll all get involved.

Role of the private sector

A revolution, however, cannot be delivered alone – so let me turn to the role of the private sector.

These reforms aren't intended to clip your wings. After all, it was private sector competition that brought us the Mallard and the Flying Scotsman, iconic marketing campaigns, and a doubling of passenger numbers since the 1990s.

By engaging with commercial partners, we will preserve that entrepreneurial spirit and unlock more opportunities for innovation.

Yet, in some areas we must change. The franchising model, for example, has had its day.

We're making good progress, with 6 operators already moving to National Rail Contracts – a stepping stone to the future commercial model. And I'm pleased to say we've already started engagement – both with existing operators and new market entrants – for new [Passenger Service Contracts](#). These will focus operators on providing high-quality service for passengers as well as running services on time and more efficiently.

Improving our infrastructure

Now, if delivering reform is getting the blood flowing, then improving our infrastructure is fixing the skeleton.

And this government is investing record amounts to improve speed, capacity and reliability across the network.

Indeed, according to one travel correspondent, we're the 'most pro-rail government' in a lifetime.

We're reconnecting towns and villages that suffered under the Beeching axe. Just last month, [communities along the Dartmoor Line between Okehampton and Exeter were able to board a local service for the first time in 50 years](#).

However, it wasn't just any reopening, It was done under the principles of rail SPEED, bringing operators, local government and the supply chain

together to deliver ahead of time and under budget.

Our electrification programme has completed 800 miles of track in 4 years. And our recent £96 billion [Integrated Rail Plan for the Midlands and the North](#) is the largest single investment since the railways were built.

So before I finish, and given the coverage to date, I think it's important I address some of the concerns around the Integrated Rail Plan (IRP).

It delivers the benefits of high-speed rail and improved east west links more quickly to more places, benefitting more people. Travel times between some of our biggest cities, such as Manchester, Leeds and Nottingham, will be slashed thanks to both HS2 and upgrades to the Transpennine Main Line. And towns such as Doncaster, Leicester and Kettering, which previous plans had largely ignored, will now benefit from improved services.

It's also a giant leap towards a greener railway, with 75% of the country's network set to be electrified. Yet, it was obvious that the IRP was not universally celebrated, with critics claiming it was too different from previously discussed plans.

Yet for me the benefits are clear. Millions of people across the Midlands and North, in big cities and smaller towns, who for decades have settled for substandard transport links will now benefit more quickly from faster trains, increased network capacity and electrified services.

Previous plans would have taken twice as long, cost taxpayers twice as much, and ignored the very towns and communities that we have promised to level up. For me the choice was crystal clear.

Conclusion

I started by talking about an unprecedented time for the railways, and it is. But it's also a rare opportunity for truly transformational change.

Instead of paying lip service to the long-standing problems of infrastructure and governance, this government is delivering record investment and sector reform.

We're making the necessary changes to bring about a rail renaissance while preventing a rail retreat, something that would be devastating to our economy and environment.

That's why we need the continued support, expertise and engagement of industry, indeed, those of you in this room, to help turn this unprecedented time for our railways into a golden opportunity to safeguard its future.