

Statement to Parliament: Rail update, 29 November 2017

When Britain's railways were privatised in the mid-1990s, it was against a background of what many regarded as terminal decline. The radical Beeching cuts of the 1960s had been followed by further line closures under British Rail, and passenger numbers had been steadily falling since the Second World War.

Yet privatisation sparked a remarkable turnaround in the railway's fortunes. Over a million and a half more trains are timetabled each year than 20 years ago. Passenger demand has more than doubled. And other countries are now adopting Great Britain's rail model in their own markets.

To support this growth – and reverse decades of underinvestment in the infrastructure – we have embarked on the biggest rail modernisation programme since Victorian times. In addition to government funding, billions of pounds of investment from the private sector is also helping to renew and expand train fleets, upgrade stations and transform services across the country.

And franchises are making an increasing contribution to the public purse. So the rail renaissance we are seeing in Great Britain today is the direct result of a successful partnership between public and private sectors.

This partnership of public and private has delivered real benefits for passengers for more than 20 years. But the success of privatisation has created its own challenges. As the number of services has increased, our network has become more and more congested, making delivering the punctual, reliable services that passengers expect more challenging. On much of the network our railway is operating on the edge of what it can cope with. It carries more passengers today than since its heyday of the 1920s, on a network a fraction of the size.

And when things go wrong, the impact can be widespread and quick, causing significant frustration for the travelling public.

That is why last year I announced plans to start bringing back together the operation of track and train on our railways.

This is a process of evolution and not revolution.

And I said that the exact approach may differ from area to area. But the outcome must be the same – a railway that is predominantly run by a joint local team of people with an absolute commitment to the smooth running of the timetable – whether planning essential repairs, responding to incidents on the line, or communicating with passengers.

Today (29 November 2017) I am publishing more details about our plans, and the steps we will take to realise them. This publication, called '[Connecting people: a strategic vision for rail](#)', explains how we will create a new

generation of regional rail operations with a relentless focus on the passengers, economies and communities they serve. It represents the biggest change to the delivery of rail services since privatisation.

Although we have already achieved significant structural improvements – with joined-up working between operators and Network Rail, and Network Rail's own transformation into a series of regional route businesses – the document explains our plans to go much further.

Where it will deliver real benefits for passengers, many future rail franchises will be run by a joint team, made up of staff from Network Rail and the train company, and headed by a new Alliance director. Put simply, placing one person in charge. This will make the railway more reliable for passengers by devolving power to local routes and ensuring that one team is responsible for running the trains and the infrastructure they use.

Today I am also issuing the [invitation to tender for the next South Eastern franchise](#). This will deliver longer trains, providing space for at least 40,000 additional passengers in the morning rush-hour. And a simpler high-frequency 'turn up and go' timetable on suburban routes will boost capacity and provide a better service to passengers. Day-to-day track and train operations on the South Eastern network will be run by a joint team led by a new Alliance Director. And on the East Midland Mainline we will also introduce a joint team approach – bringing more benefits to passengers.

Hon members will know the East Coast Mainline has had its challenges in recent times. I intend to take a different approach, from 2020 the East Coast Partnership will run the intercity trains and track operations on this route. This partnership between the public and private sector will operate under one management and a single brand, overseen by a single leader. It will also take a leading role in planning the future route infrastructure.

Bringing the perspective of train operators into decisions on rail infrastructure will help ensure passenger needs are better represented in the process.

While we run a competition to appoint the East Coast Partnership, we are in discussions with the existing East Coast franchise operator to ensure the needs of passengers and taxpayers are being met in the short term while laying the foundations for the reforms I have just outlined.

I want the passenger to be central to train operators' strategies. On some parts of the network that will mean we will introduce smaller train companies.

I am today launching a [consultation on the Great Western franchise](#), to seek views on how it can best meet the needs of passengers and communities in the 2020s and beyond. We want to establish whether it should be retained in its current size or split into smaller parts, to best deliver for customers.

We will also begin the process of splitting up the Thameslink, Southern and Great Northern franchise in 2021. When the 2 franchises were put together, it

was intended this would help the implementation of the Thameslink upgrade programme, which is now near completion.

Despite the improvements in the railway since privatisation, we are still some way from achieving the modern, high performance, low cost and customer-focused industry we all want to see.

That is why we must continue to reform and invest in the railway, and maximise the contribution that both public and private sectors make to improving services.

Today's proposals will do precisely that. They will take time to deliver, and it won't always be easy, but we have now set a clear path for the future.

Getting to grips with industry structure will go hand-in-hand with investment in the infrastructure. We need new capacity to cope with growing demand – and new links to support economic growth and housing development.

The Great North Rail Project is transforming journeys across the North. Faster, more comfortable journeys. New direct services. Room for tens of thousands more passengers.

And I intend to invest around £3 billion in upgrading the Transpennine route. This will deliver faster journey times, and improved capacity between the great cities of Leeds, York and Manchester.

In the south, flagship projects such as Crossrail and Thameslink are providing the capacity to underpin economic growth.

But our investment in HS2 will bring north and south closer together, and bring benefits for people across the country. A new railway, for a new era for rail. It is a bold and ambitious project. But if it weren't for ambition and faith in the power of rail to transform the country, we would have no railways at all.

Our vision rejects the mentality of decline that characterised the railway in the second half of the twentieth century. To complement record levels of private investment, we recently announced government funding of up to £34.7 billion for the railway in the years 2019 to 2024. It is part of an [expected spend of around £47.9 billion](#). This will support an overhaul of the network's ageing assets, and other vital work and improvements. Passengers value reliability more than anything – and we will deliver it.

We also want to deliver new connections. We are establishing the East West Rail company to restore the rail link between Oxford and Cambridge – lost to passengers in 1967 – and provide a major boost to the region. And we will look at other opportunities to restore capacity lost under Beeching and British Rail cuts of the 1960s and 1970s, where they unlock development and growth, and offer value for money.

Large projects and industry reform take time – but passengers want to see faster improvements in their day-to-day experience travelling on the railway. We do too, and we're doing something about it.

We are introducing smart ticketing across almost all of the network by the end of 2018. We're improving arrangements for compensation and dispute resolution when things go wrong, including supporting the establishment of a new passenger ombudsman.

We are working with industry to extend the benefits of discounted rail travel, to ensure those aged 16 to 30 can access appropriate concessions. We're investing in new digital technologies and better mobile connectivity. And we're committed to improving the accessibility of the network, and delivering a modern customer experience, open to all.

Privatisation brought a revolution to our railways. Investment, growth, and a new lease of life for a key public service. Now is the time for evolution to build on that success. Joining up track and train. Expanding the network. Modernising the customer experience. Opening the railway for new innovation.

We have a vision of a revitalised railway used to its full potential by a partnership between the public and private sectors, supporting people, communities and the economy. And we are taking decisive action to make that vision a reality.

I am making copies of the strategic vision available in the Libraries of both Houses. And the Great Western and South Eastern documents are now on the website of the Department for Transport.

I commend this statement to the House.