

# News story: Strategic vision for rail

- the next phase for rail with a new way of operating train and track – bringing them closer together
- a railway fit for the 21st century and the huge volumes of passengers it now carries
- government to explore opportunities to increase railway capacity to drive economic and housing growth
- modernising the railway by bringing forward digital technologies to dramatically improve services for passengers

Transport Secretary Chris Grayling today (29 November 2017) set out a new vision for our railways, including plans to end the operational divide between track and train and an evolution of the franchising system.

The proposals – contained in the government's [Strategic vision for rail](#) – also include commitments to expand the railway network to boost housing and economic growth, and deliver major passenger benefits – including rolling out improved compensation schemes for passengers.

The sweeping proposals aimed at creating joined up teams running track and train will make the railway more reliable for passengers and ensure that it works as one to deliver for its customers.

The reforms build on the Secretary of State's [speech to Policy Exchange](#) in December 2016 and the recommendations of the [McNulty](#) and [Shaw](#) reports.

Building on Network Rail's recent devolution of infrastructure management to route-based businesses, the plans include complementary changes to the [franchising system](#) to ensure that the railway is prepared to manage the challenges of the future, while maintaining the railway infrastructure in public ownership.

[Transport Secretary, Chris Grayling, explains why we have launched the Strategic vision for rail](#)

Transport Secretary Chris Grayling said:

The last few years have seen massive growth on Britain's railways. This industry has reversed decades of decline under British Rail, delivered new investment and new trains, and doubled the number of passengers.

But now we need to build on that success by building a new model for the 2020s and beyond, one more able to deal with the huge rise in passenger numbers and the challenges of an increasingly congested network.

Rail passengers deserve a more reliable, more efficient service –

and I will deliver it by ending the one-size-fits-all approach of franchising and bringing closer together the best of the public and private sector.

Changes to the franchising system include:

- the first of the new generation of long-term regional partnerships on the East Coast Mainline, which will be introduced from 2020 – the East Coast Partnership between the public sector and a private partner will be operated by a single management, under a single brand and overseen by a single leader
- rolling out joint teams running day to day operations across the [South Eastern network](#) with plans to introduce a new Alliance Director, responsible for a joint team operating the trains and tracks
- introducing a joint team to run the East Midlands franchise following next year's franchise competition
- introducing smaller train companies, ensuring that every line, station and passenger is central to each train operator's strategy – this includes splitting up the Thameslink, Southern and Great Northern franchise in 2021, and consulting on a new West of England franchise

### [Three ways the rail strategy will affect you](#)

The [Strategic vision for rail](#) also commits to explore opportunities to restore capacity lost under the Beeching and British Rail cuts of the 1960s and 1970s by identifying new schemes that unlock new housing or economic growth and offer good value for money.

The government is already planning to reopen the railway line from Oxford to Cambridge and our new development programme will identify new connections and lines that were closed to passengers by British Rail, as part of finding and funding future rail schemes which offer good value.

At the heart of the new strategy is a commitment to improve passenger experience across the network and take advantage of new technology to improve services. This includes major changes that will extend passenger rights – including compensation for passengers when trains are more than 15 minutes late. We are also supporting the introduction of a Rail Ombudsman to ensure all passengers are treated fairly.

The vision also pledges to introduce digital rail – new technologies that have the potential to reduce crowding and improve train punctuality for passengers – across more of the country. This includes funding to develop schemes on the Transpennine Route, on the South East Route and East London Line, and on the Moorgate Branch. It also reinforces the important role for freight on the rail network to support the British economy and environment.

## **More detail on franchising changes**

## East Coast Partnership

The East Coast Partnership will be responsible for both intercity trains and track operations. It will be set up over the next 2 years as a partnership between the public and private sectors, with responsibility for the lines between London, Yorkshire, North East and Scotland.

The private partner will have a leading role in defining future plans for route infrastructure.

The government and the Office of Rail and Road will continue to ensure that robust protections for freight and other passenger operators are maintained.

Further details about the new East Coast Partnership will be set out in the coming months. The government is currently in discussions with the existing operator of the East Coast franchise, Stagecoach-Virgin, to ensure the needs of passengers and taxpayers are being met in the short term whilst laying the foundations to bring forward the reforms in full under a long-term competitively procured contract.

## South Eastern and East Midland

The government is today publishing the [invitation to tender for the new franchise on the South Eastern network](#) between London and the Kent coast, which will be headed by a new Alliance director, with a joint team operating the trains and the tracks on a day to day basis.

We will publish an invitation for tender in 2018 for the franchise on the Midland Mainline between London and Sheffield, which will also be operated by a joint team.

## Great Western franchise consultation

A [consultation has been launched on the future of the Great Western franchise](#), including a proposal to create a new West of England franchise that would provide long-distance services between London, Wiltshire, Somerset, Devon and Cornwall (including the Sleeper) together with regional and local services across the south-west.

To provide a period of stability before the franchise is next competed, the department will be asking FirstGroup, the current operator, for a proposal to continue operating the franchise until 2022.

## More detail on expanding the network

The new development programme will identify opportunities to restore capacity lost to passengers under British Rail, as part of finding and funding future rail schemes which offer good value.

The government has already created [one team to drive forward design, development and fund raising of East West Rail](#) and work is due to start on the next phase of the route in 2018.

Other proposals that are in discussion as part of the new development programme include suburban lines around Bristol, a freight route that runs through Central Birmingham, the line from Okehampton to Exeter and from Blyth to Ashington in County Durham. Proposals will need to demonstrate a strong business case where they are seeking government funding.

## **More detail on the Shaw and McNulty reports**

### **McNulty**

In 2011 Sir Roy McNulty produced a [report](#) which identified that a greater alignment of the industry and uniting track and train was a key issue for the railway. One form of reunification he proposed was alliances between Network Rail and train operating companies, which could align teams to form a single operating unit that can work together on a day to day operational basis as well as planning work on the network.

McNulty said that there “needs to be better alignment of organisations and their incentives, particularly between Network Rail and train operating companies”.

### **Shaw**

In 2016 Nicola Shaw produced a [report into the structure of Network Rail](#). She recommended that it should be a much more devolved structure. Placing maintenance and upgrades in the hands of local teams, who know how to best improve performance and efficiency.

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## **[Statement to Parliament: Strategic vision for rail, 29 November 2017](#)**

Announcing a new strategic vision for rail, a consultation on the next Great Western franchise, and an invitation to tender for the South Eastern franchise.

I am today (29 November 2017) publishing [Connecting people: a strategic vision for rail](#), which describes our vision for the railways, and the actions we are taking to make it a reality. We are bringing the organisations that run the tracks and trains closer together to deliver better services for passengers. We are pressing ahead with Network Rail devolution to a series of route based businesses. We are investing in upgrades to the network to deliver faster journey times, more capacity, and unlock growth. We are also improving the customer experience, including smart ticketing.

I will make copies of the strategic vision available in the libraries of both

Houses.

I am also today announcing a [consultation on the future of the Great Western franchise](#), and issuing the [invitation to tender](#) for the next South Eastern franchise.

These documents are now available on GOV.UK.

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## [News story: The future of the Great Western franchise](#)

- Great Western rail franchise could be split up to ensure best possible experience for passengers
- option put forward in new consultation on future priorities for the franchise

The Great Western rail franchise could be split up to maintain the strongest possible focus on passengers under proposals unveiled today (29 November 2017).

The plans would create a new West of England rail franchise to provide long-distance services between London, Wiltshire, Somerset, Devon and Cornwall together with local and regional services across the south-west.

The proposals were released today in a [consultation asking passengers how they want the Great Western rail service to look in future](#).

Billions of pounds are being spent to upgrade services for passengers on Great Western, which carries 100 million passengers a year and stretches from London to Penzance and from Portsmouth to Worcester.

Improvements include brand-new electric and bi-mode trains to provide more seats and more comfortable journeys, while timetable changes will mean faster and more frequent trips on many routes by 2019.

The Government has decided to extend the franchise for the current operator Great Western Railway (GWR) until March 2020 to make sure passengers get the best possible service while these upgrades are carried out.

And the Department for Transport will also seek to agree terms for them to continue operating until 2022, which will allow the improved services to be in fully before running a competition for a new long-term franchise.

Rail Minister Paul Maynard said:

We are investing in the biggest modernisation of the railways for over a century. Working with GWR, we are bringing the very latest in rail technology to some of the world's oldest lines, putting passengers first so that they benefit from a transformational programme of upgrades as quickly as possible.

The benefits of these improvements will be felt right across the franchise area. But as the franchise continues to grow into the 2020s, we want to ensure every line, station and passenger remains central to the train operator's strategy. This consultation asks passengers how they want their railway to look into the 2020s and beyond and how it will best deliver for them.

The [consultation opened today and will run for 12 weeks, closing on 21 February 2018](#).

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## [News story: Better journeys for South Eastern rail passengers](#)

- plans unveiled to boost capacity with space for at least an extra 40,000 passengers per day
- improved, longer, more comfortable trains and fast wifi connectivity by 2022
- region will become the first in the country to have a new joint team running day to day operations for track and train to cut delays and improve performance
- next operator required to remove first-class accommodation on all services within 18 months of taking over the franchise to increase space for all commuters

Thousands of rail passengers will benefit from more space, longer trains and more reliable journeys on the South Eastern franchise under new plans announced today (29 November 2017) by Rail Minister Paul Maynard.

The [competition for the next company to run the franchise](#) starts today as the Department for Transport set out a host of improvements potential operators should provide on the network between London and the Kent coast.

Under innovative new plans, the network will be the first in the country where a single director is responsible for a joint team – made up from the train operator and Network Rail – that operates the trains and the tracks on a day to day basis and is accountable for the performance of the network.

Bidders will need to show how they can deliver extra services and more space for passengers on services across the region, as well as providing greater

connectivity, smarter ticketing systems and improved compensation.

The next operator must:

- provide longer trains and upgrade or replace older trains, creating space for at least an extra 40,000 passengers
- introduce fast wifi on all services, making journeys more productive and enjoyable for passengers
- bring in improved compensation with a simple, easy to claim system that will provide a refund after 15 minutes
- introduce new smart ticketing systems, including a pilot for pay-as-you-go
- improve customer service, with staff better able to respond quickly to passenger's needs
- deliver significantly enhanced cooperation between Network Rail and operator through a new structure designed to increase the reliability of the railway and put the passenger first in all decision making

Rail Minister Paul Maynard said:

We are investing in the biggest railway modernisation for over a century. Today marks a major step forward in giving passengers better journeys across the south-east and beyond.

We've listened carefully to passengers and have introduced innovative new plans that see smoother, more comfortable journeys for passengers, with new, longer trains and more space.

South Eastern will be also – for the first time – be run by a joint team from the operator and Network Rail under a single director – responsible for day-to day performance and accountable to passengers.

South Eastern services carry 640,000 passenger journeys a day, and will soon need to integrate seamlessly with future Thameslink and Crossrail services to transform the way people travel across London and the south-east.

The next operator must also meet tough targets for improved wifi to increase the speed of data connection and coverage on trains.

And when passengers are delayed, travellers must be able to claim compensation quickly and easily when their journey is delayed by more than 15 minutes under an improved Delay Repay scheme.

More than 10,000 responses were received for the [department's consultation on the future of South Eastern](#). The department has listened closely to passengers and South Eastern trains will still travel to the same London stations as at present including Victoria, Charing Cross and Cannon Street.

There will be some limited changes to services to deliver significant benefits for all suburban passengers including fewer delays and a regular

'turn up and go' timetable.

The next train operator and Network Rail must also work closely together to make these transformative changes happen. Bidders must put forward plans for integrated joint teams between themselves and Network Rail to bring track and train closer together, cutting delays and improving operations.

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## Speech: Secretary of State for International Trade Speech at the GREAT Event in Sydney

Good Evening.

It is a pleasure to be here this evening at the GREAT event, alongside our friends in the Australian British Chamber of Commerce.

Every time I arrive in Australia, I am struck again by how much it feels like home.

This may sound strange to those of you who have experienced both countries. After all, how could the land of golden beaches, 40 degree heat in November, and seven foot tall marsupials ever feel like home to a Scotsman with a constituency in Somerset that looks across the Bristol Channel to Wales?

So I am, obviously not, talking not about the physical similarity of our two nations, but the far deeper connections of culture, language, values and, of course, commerce.

These connections have grown from deep historical roots. Many Australians boast British surnames, and many more have British ancestry somewhere within their family tree, perhaps within living memory.

The windows of my Departmental office in Whitehall overlook the Cenotaph, the foremost war memorial in the United Kingdom.

Every 25th of April, ANZAC Day, I can watch as soldiers from Australia and New Zealand gather to pay their respects to their forebears who fell fighting alongside their British comrades and cousins.

They gave their lives defending the freedom of a land that may have been many thousands of miles from home, but a freedom nonetheless precious and cherished – a global commodity worth defending wherever it is threatened. Such is how unbreakable bonds are forged.

In the years since those conflicts Australia has forged its own proud national identity, distinct from the United Kingdom. But the deep personal



connections that bind our two nations have remained, indelible through the passage of time, and oblivious to distance.

Today, an estimated 125,000 Australians call Britain home. In turn, over 1.2 million British citizens are currently resident here – more than 5% of the whole Australian population.

It is safe to say that few countries share such a deep, profound, and lasting connection as Australia and the United Kingdom.

It is a partnership that I believe will become more vibrant, more effective, and more important in the future.

Following last year's referendum result, there were many in the media, both in the UK and internationally, who condemned our democratic decision as the ultimate act of insularity.

Some of them still do, unable to come to terms with the expressed will of the British people.

They confidently predicted that the UK would be left a diminished figure on the world stage; alone, friendless and isolated, with a broken economy and shattered prospects.

How wrong they have been.

They not only misunderstood the fundamental motivations behind the 'Leave' vote, but also the intrinsic strengths of the UK economy.

We are about to enter our 6th year of growth – far behind Australia's record 26 years, but impressive none the less, steadily recovering from the effects of the financial crash.

Our financial deficit has been cut by two-thirds. We have record employment levels and have just seen our exports increase by over 13% in the last year. This year will see our national debt fall as a proportion of GDP.

The year since the Referendum has seen the highest levels of inward investment of any year in British history.

We not only have a business-friendly regulatory environment, but a trusted legal system, the world's leading financial sector, a highly skilled workforce turned out by world-class universities and cutting-edge research institutions.

Like you, we speak English, and we are in the right time zone to trade with Asia in the morning and America in the afternoon.

We are members of the G7 and the G20.

Alongside Australia, we are part of Five Eyes, the world's most advanced and integrated intelligence alliance.

We have the world's third-largest defence budget and a permanent seat on the UN Security Council.

Need I go on?

Does any of this sound to you like an isolated country?

This is not Brexit, but the emergence of Global Britain.

Our decision to leave the European Union will change none of our underlying strengths. But we will have the opportunity to use them to build new, more open horizons.

We also share something else in common. We are both members of the Commonwealth of Nations – an organisation of cooperation and friendship whose members stretch across the globe, covering 2.3 billion people and 30% of the world's population, all of them ready to use the ties of the past to meet the challenges of the future.

The Commonwealth, though, is different to other multinational organisations. The bonds of history, friendship and family have produced an organisation that revels in its social and cultural ties, as much as its political and economic ones.

For example, I cannot mention the Commonwealth without reflecting on one of those cultural ties – our sporting tradition.

The GREAT Campaign is working to shine a light on the UK-Australia sporting relationship – a robust, passionate but friendly rivalry – mostly!

The GREAT Campaign not only celebrates our long shared history, but also promotes all the trade opportunities that it has generated, from tourism to sports science to stadium infrastructure.

With the Ashes well under way, and the Women's series finishing in a diplomatically convenient draw, there is no better time to celebrate our sporting connections.

And I'm very much looking forward to Australia and England fighting it out for the Rugby League World Cup this coming week in Melbourne.

You have been greeted this evening by another sport, as one of the Clipper practice yachts sails in front of this wonderful venue. We're delighted that Clipper Ventures is also supporting the training of veterans in preparation for sailing to be incorporated in the Invictus Games Sydney 2018.

GREAT Britain has a team entry in the Clipper Round the World Yacht Race, and will be in Sydney next month as part of its global race circuit.

And next year's Commonwealth Games, held on the Gold Coast, are an opportunity to further reinforce these strong and enduring bonds between our nations.

After Britain leaves the European Union, we will be able to strengthen these friendships even further, looking forward to our shared opportunities.

Foremost among our Commonwealth friends is Australia. For many, not least in the business and agricultural sectors, Britain's accession to the EEC in 1973 marked something of a hard break, as barriers to trade were established where none had previously existed.

How did Australia react to this change? Not by retreating, but by forging a new trading role for itself, connecting to new markets in Asia and North America, and casting itself as the economic link between East and West.

And all with a courage and optimism that some people in the UK would do well to understand and emulate.

We have much to learn from your approach. I am here in Sydney because Britain wants to forge a new relationship with Australia, and use our historical legacy to build a partnership for the 21st Century.

We announce today that, as part of that commitment, HMS Sutherland will be visiting Australia in the New Year as part of her Asia Pacific deployment. It is a physical symbol of our strategic partnership in security.

Commercially, we are also starting from a position of great strength.

The Australian British Chamber of Commerce have played a notable role in this success. For over a century, they have identified and supported opportunities for bilateral trade between Australia and the United Kingdom.

In that time, they have seen a vast number of economic shifts, not only in our bilateral relationship, but globally. Globalisation and new technology have diminished the barriers of distance and time. A journey from London to Perth, which took 48 days in 1887, will from next year take just 17 hours, as non-stop flights begin operating between the two cities.

Today, Australia is a larger export market for UK companies than India or Canada.

This global interconnectedness has hailed a wave of investment in each other's economies, disproportionately important to one another given the respective size of our markets.

The UK is the second-largest investor in Australia, and in turn the second-largest destination for Australian investment, after the United States in both cases.

There is a strong mobilisation of institutional investment funds into major projects in each other's countries. In one notable example, the Australian Super pension fund has invested £1 billion into the Kings Cross development project in London, one of the most significant regenerations in Europe.

The area has been transformed, and not only comprises housing and businesses, but also Google's new UK Headquarters, and the Crick Institute for Biomedical

Research.

This means that the savings of ordinary Australians are creating jobs, housing and growth in the United Kingdom, an indicator of our shared economic destiny.

Similarly, the UK-owned Liberty House Group recently acquired the Arrium Steelworks in Whyalla, bringing it back from the brink of collapse and saving over 5,500 Australian jobs in the process.

Our common story is one of open, successful mutual investment, with companies like BP, Macquarie Bank, and Westfield becoming household names in each other's countries.

And yet, despite such obvious success stories, there remains a vast amount of untapped potential between Australia and the United Kingdom.

If we are to strengthen our relationship, and build a prosperous future, then we must expand those industries that will be the foundations of future growth.

The UK's world-leading digital, infrastructure, and financial services industries will be the partners for growth, driving future economic integration and helping to realise many of Australia's most ambitious projects, from Smart Cities to the Melbourne Metro.

The digital sector, though it may present a logistical challenge for trade legislators, is one of the most exciting areas of growth between our two countries.

The United Kingdom is globally recognised for the strength of its technology sector.

As the technology Capital of Europe, we are a hub of research and innovation. Since 2011, the UK tech sector has attracted more investment than Germany, France and the Netherlands put together.

Currently, the UK provides around 10% of Australia's technology imports, yet more and more UK tech companies are looking to expand into the Australian market, or tap into your own pool of expertise.

My Department is already supporting BT with the launch of their first Cybersecurity R&D facility outside the UK, here in Sydney.

And early next year, Innovate UK will lead a Smart Cities trade delegation to Australia, followed up by a DIT mega-tech mission in 2018.

This, of course, is only one industry. But when you combine its potential with that of other industries, such as the £60 billion Australian Infrastructure Pipeline, or the MOU signed last year to facilitate a comprehensive Financial Technology bridge, then you can begin to see the range and scale of the opportunities we share.

Success, of course, will only come when we are willing to boldly meet the challenges of the future.

Services, for example, represent over 50% of the value of UK exports to Australia, and must be a priority for liberalisation.

We must work together to see the revitalisation of ambitious projects such as the Trade in Services Agreement, currently becalmed in Geneva.

If Britain and Australia are to work together to champion free and open world trade, then we must lead by example, removing barriers and facilitating bilateral and multilateral trade.

Britain's ambitions, once we leave the EU, for a comprehensive Free Trade Agreement with Australia are well known.

We will have the opportunity to design an agreement that can be a global blueprint for the future, encompassing cutting-edge industries, and showcasing the benefits of unimpeded bilateral trade to the wider world.

Following last year's referendum, the Prime Minister created my Department for International Trade to make Britain a global defender of commercial freedoms, and to work with old friends and new allies across the world to realise our post-Brexit economic potential.

I am proud that Australia was the first country in the world with which we established a trade working group, laying the ground work for that future FTA.

Such an agreement can, of course, only come into effect once we have left the EU.

We want an open, liberal, and comprehensive trade agreement with the EU, in the mutual interest and for the prosperity of our people. We need an economic Brexit designed for the people of Europe, not a political Brexit designed for the Bureaucrats.

I am confident that such an agreement can be reached.

Throughout the process, my Department and the whole of the British Government will work to ensure maximum continuity and stability for companies operating in the UK, ensuring that trade and investment continues unhindered.

Yet I am here in Sydney because the UK's economic future lies beyond the borders of Europe, with countries like Australia who should be, and will be, our natural trading partners.

Last year's referendum result was not a vote for insularity, but for ambition – an acknowledgement by the British people that our destiny lay not within Europe, but with the wider world.

The Government was elected in June this year on an unashamedly free-trade mandate, and my Department for International Trade is delivering on that

promise.

This not only means Trade Working Groups and FTA planning with countries like Australia, but implementing clear manifesto promises, such as the creation of a global network of HM Trade Commissioners.

The nine HM Trade Commissioners will each oversee an area of the world, providing regional expertise and greater responsibility, and accountability, for boosting Britain's overseas trading relationships.

Since DIT's creation in July 2016, I and my ministerial team have conducted almost 130 overseas visits, to markets across the globe.

What has struck me most firmly is the sheer anticipation that is felt in many quarters for Britain's re-emergence as an unambiguously free-trading nation – fully committed to a global, rules-based system.

Commercial freedoms cannot be taken for granted.

Today, the global trading system that has brought wealth and prosperity to our advanced economies is under threat, as a slowdown in international trade is compounded by a rising tide of protectionist practices.

As the WTO has highlighted, the nations of the G20 are some of the worst culprits, silting up the global system with an abundance of non-tariff barriers.

If the benefits of free trade are to spread to a new generation, and bring prosperity to the poorest regions of the world, then the UK and Australia must be unafraid to defend, and extend, trading freedoms.

I spoke earlier about how the UK has much to learn from Australia, and from our Commonwealth cousins. For the first time in more than four decades, the UK will soon have a fully independent trade policy.

DIT is recruiting the right individuals, and already boasts a vast pool of talent, yet in Australia we have a friend and ally that has successfully negotiated FTAs from the US to Singapore.

As we look to the future, I hope to see our two nations forming a strong and united front in defence of free trade. Whether it is in Buenos Aires, at the WTO's Ministerial Conference, in Davos at the World Economic Forum, or at the G20 summit, the UK and Australia must work together to uphold and defend our hard-won commercial freedoms.

For all the long history that our two countries share, it is how we meet the challenges of the future that will define our friendship.

We have the means, we have the values, and we have the expertise – all we need is the will, and we can secure a brighter, more prosperous future for Britain, Australia, and the world.

Thank you.