

Statement to Parliament: Rail Review

Mr. Speaker,

I would like to update the House on the government's Rail Review, which we will use to build on the successes of our busy railway, to deliver a network that is fit for the future and better serves passengers.

I will also update the House on the current performance of Northern and GTR.

For a generation before the 1993 Railways Act, British Rail was in seemingly terminal decline. Passenger numbers were falling. Stations were closing. Short term decisions were being made at the expense of the traveling public. The Railways Act brought investment, new services and better reliability.

A quarter of a century later, the situation is very different. Our UK rail network is at capacity in commuter areas, with many of the most intensively used lines in Europe. On many routes, it simply isn't possible to squeeze more trains onto the network.

As we now know, the railways were not in terminal decline after all – they had simply been starved of investment. Privatisation has reversed the decades of decline and heralded the fastest expansion of our railways since they were built by the Victorians. It has also delivered billions of pounds of investment and radically improved safety. Our railways are now among the safest in the world.

But this welcome expansion has brought new, acute challenges. On major commuter routes across the country, trains are packed each morning. Network Rail, which represents a third (38%) of the industry (based on spend), is nationalised. It is also responsible for over half (54%) of the daily disruption.

But no matter whether it is a failure of the track, a fault with a train, or a customer incident, it is because there is little resilience or margin for error in the system that, when things go wrong, the knock-on effect can last for hours.

This problem is compounded because the railway is run by multiple players without clear lines of accountability.

When I took over as Transport Secretary in 2016 I said that change was needed. I started to bring together the operation of the tracks and trains, which had been split up in the 1990s, to be controlled by single operational teams. This is helping overcome the problems caused by fragmentation, and creating a railway that is more responsive to passenger needs.

I also said that change needed to be evolutionary and not revolutionary, to avoid destabilising the industry. So we have started to shape alliances between the teams running trains and track to create a more joined-up and customer-focused structure.

But the difficulties with the introduction of the new timetable over the summer and the problems we are experiencing with many major investment projects has convinced me that evolution is no longer enough. The collapse of Virgin Trains East Coast has also highlighted the need for radical change.

Simply, we need this change to ensure that the investment going into the railways, from both the government and the private sector, results in better services for passengers and delivers the improved reliability, better trains, extra seats and more frequent services we all want to see.

Last month, my department [announced a root-and-branch review of the rail industry](#).

Keith Williams, deputy chairman of John Lewis and Partners and former chief executive of British Airways, is leading this work and I expect him to make ambitious recommendations for reform to ensure our rail network produces even greater benefits for passengers and continues to support a stronger, fairer economy. Keith Williams's expertise in driving customer service excellence and workforce engagement will be incredibly valuable as we reform the rail industry to become more passenger-focused.

Keith will be assisted by an independent expert challenge panel from across the country, with expertise in rail, business and customer service.

The panel will ensure the review thinks boldly and creatively, challenging received wisdom, to ensure its recommendations can deliver the stability and improvements that rail passengers deserve. They will be supported by a dedicated secretariat and will now begin engaging with the industry, passengers, regional and business representatives and others across the country, drawing on their expertise, insights and experiences to inform the review.

It will consider all parts of the rail industry, from the current franchising system and industry structures, to accountability and value for money for passengers and taxpayers. It will consider further devolution and the needs of rail freight operators, and will take into account the final report of Professor Stephen Glaister into the May 2018 network disruption, due at the end of the year, which I will turn to shortly.

When we establish what we think is the right approach to mend our railways, it must be properly tested and scrutinised independently.

I have today (11 October 2018) [published the Rail Review's terms of reference](#), and have placed copies in the libraries of both Houses, together with the names of the Rail Review's independent panel.

The review will build a rigorous and comprehensive evidence base, and it will make recommendations regarding the most appropriate organisational and commercial framework for the sector that delivers our vision for a world-class railway.

The private sector has an important part to play in shaping the future of the industry, but it is important that the review considers the right balance of

public and private sector involvement.

Mr Speaker, some have called for the return to a national, state-run monopoly, and for us to go back to the days of British Rail. There is an expectation that taking on hundreds of millions of pounds of debt onto the government books will magically resolve every problem.

This fails to recognise that many of the problems that customers faced this year were down to the nationalised part of the railways.

It also creates the sense that a government-controlled rebrand would somehow make every train work on time. Those who make this argument fail to tell passengers that the much-needed investment that is taking place today would be at risk, and that taxpayers' money would be diverted from public services to subsidise losses.

The review will look at how the railway is organised to deliver for passengers. It will look forensically at the different options, and then make recommendations on what will best deliver results in different areas of the country.

The review will conclude with a White Paper in autumn 2019, which will set out its findings, and explain how we will deliver reform. We expect reform to begin from 2020, so passengers will see benefits before the next election.

I have commuted by train for most of my career; over 35 years. I still do. I am proud to be in a government that is supporting a major programme of investment in rail, from Thameslink to the Transpennine upgrade, with new trains in the north, south, east and west.

But I can't stand by while the current industry struggles to deliver the improvements that this investment should be generating. So it's time for change.

The review will not prevent us taking every opportunity in the short term to improve passenger experiences. That is the government's focus, and that is why we are committed to an investment of £48 billion in the railways over the next 5 years.

Mr Speaker, [Professor Stephen Glaister's interim report](#) has provided us with an accurate account of the series of mistakes and complex issues across the rail industry that led to the unacceptable disruption that passengers experienced earlier this year.

We know that in the north, delays to infrastructure upgrades, beyond the control of Northern Rail, were a major factor in the resulting disruption. Richard George, the former head of transport at the London 2012 Olympic Games, is now working with the industry and Transport for the North to look at any underlying performance issues.

In the 4 weeks ending 15 September, over 85% of services met their punctuality targets; the highest level delivered for Northern Rail's passengers since the timetable introduction in May. Northern is now running

99% of the planned May timetable, and we are working with Transport for the North and the industry to plan further uplifts in services, while prioritising reliability.

In the coming months, passengers across the north will begin to benefit from the [brand new trains that were unveiled last week](#). There will be over 2,000 extra services a week, all the Northern and TransPennine Express trains will be brand new or refurbished, and all the Pacers will be gone.

Mr Speaker,

I now want to turn to GTR which has new leadership and where the reliability of its services have significantly improved; since the introduction of the interim timetable in July, 85% of trains arrived at their station on time.

In addition to this, in the last week, the first of the new Class 717 trains that will run on its Great Northern routes begun testing.

GTR is now operating 94% of the weekday services it planned to run from 20 May, including all services during the busiest peak hours. By December 10 it plans to introduce all planned off-peak services. There is, however, more work to do to improve services at weekends.

Since the disruption in May there has been intense scrutiny from the government and its independent regulator, the Office for Road and Rail, on what went wrong and why.

GTR must take its fair share of the responsibility – its performance was below what we expect from our rail operators.

Officials in my department are taking action to finalise how we will hold GTR account for the disruption and the Rail Minister will keep the House updated.

Mr Speaker, our action demonstrates that when passengers experienced severe disruption, this government took action.

To help passengers plan ahead.

To reduce delays.

To reduce cancellations.

To properly compensate disrupted fare-payers.

The Rail Review that I have announced will continue this approach, ensuring the rail industry is always focused on the passenger first and that record investment delivers the services that passengers want and deserve.