

House of Commons Transport Committee Inquiry:

Scrutiny of the draft Rail Reform Bill

Evidence from Transport Focus

1. Introduction

1.1 Transport Focus is the independent consumer watchdog representing the interests of rail users throughout Great Britain; bus, coach and tram users across England, outside London; and users of the Strategic Road Network in England. Working with transport providers and Governments across England, Scotland and Wales – and in partnership with our colleagues at London TravelWatch – we ensure that the users voice is heard.

2. The Integrated Rail Body

2.1 Transport Focus believes that the Rail Bill would provide the necessary legislation to create an Integrated Rail Body (IRB) with franchising powers as envisioned in the Plan for Rail. The legislation gives the Secretary of State the power to create the IRB. It also transfers franchising and strategic functions that the IRB is to undertake to this company.

2.2 As part of its evidence to the Williams Rail Review, Transport Focus identified several core criteria/characteristics that any new railway structure should deliver¹. These included:

- Consistently delivering the core product: a reliable, affordable, punctual, frequent service on which you can get a seat.
- Putting the customer first: aligning industry structures and incentives so that they deliver the outcomes and behaviours that passengers want to see.
- Designing metrics and monitoring systems that make sense to passengers and drive behaviours that passengers want to see.

¹ Transport Focus submitted five reports to the review:

- [What do passengers want?](#)
- [What do passengers think about the structure of the railway?](#)
- [Barriers to travel: How to make rail more attractive to infrequent and non-users](#)
- [Trust in train operators: an exploration of issues influencing passenger trust in rail](#)
- [Passenger representation](#)

- Accountability and transparency: a sense of someone being in control / a guiding mind who can be held accountable, and who 'owns' the customer relationship.
- Engaging customers: giving passengers a voice in the decision-making process.

2.3 The legislation creates a body that could meet these aims. The IRB would be a single organisation with powers to control and co-ordinate infrastructure and service delivery. It would have powers enabling it to align industry incentives and get all parts pulling in the same direction, enabling a more efficient and reliable railway. It would also be able to own the customer relationship, taking responsibility for all aspects of delivery from journey planning to complaints; and it would be able to create a culture of engagement. From Transport Focus's perspective the key will be to ensure the customer is at the heart of the organisation, and its decisions.

2.4 It is the Government's intention that Network Rail Infrastructure Limited (NRIL), the Network Rail company that currently carries out the infrastructure management function, will be designated as the IRB. We understand that this is a pragmatic solution that avoids the need for a complex administrative procedure whereby all Network Rail employees, contracts and assets are transferred into a new entity. However, it will be important that the IRB acts as a new body, with a new approach and brand, rather than being an extension of Network Rail.

2.5 It is also important careful consideration is given to how the single guiding mind concept will work with national devolution. Scottish and Welsh ministers would retain the powers and duties they currently have, including for setting passenger services, while the IRB would have responsibility for most of the infrastructure. Achieving a single vision would require close partnership working between all parties.

2.6 The independence of the IRB will depend on the degree of separation between government(s) and GBR. It is clearly right that government(s) set the strategic direction and priorities for rail (rail is a public service and is heavily dependent on taxpayers' money) but getting the balance right between setting strategy and micro-managing operations will be important if the guiding mind element is to be delivered effectively.

2.7 The Secretary of State has the power to issue directions and guidance to the IRB and to issue its Network Licence. These give the Secretary of State the ability to set the strategic direction and priorities for the IRB. For example, we note that

legislation requires the new licence for IRB to include new conditions in relation to freight, accessibility, the environment and social and economic benefit. However, if the IRB is to act as an effective guiding mind it must have a degree of operational independence. Getting the right balance in the Directions and Guidance and the Network Licence will be important. Much will depend on the wording of these two key framework documents. We welcome the ongoing legislative requirement to consult on the Network Licence. We note the statement in the consultation response that the “The Secretary of State may choose to consult when issuing them, depending on the nature of the topic”. We also note, and welcome, the requirement that the directions and guidance must be published. This will provide a degree of accountability and transparency to the process.

2.8 Transparency and accountability must also feature in IRB’s business planning activities. From a passenger perspective it will be important that the business plan puts customers at its heart. This requires a good understanding of passengers’ aspirations. There is real value, therefore, in engaging passengers and passenger stakeholders in the development of the business plan; and in there being an opportunity to comment on draft plans as part of the process. This could mirror existing arrangements through which Network Rail engages stakeholders, including Transport Focus, during the Periodic Review/Control Period process. Transport Focus research constantly demonstrates the value of involving passengers and the resulting benefits that accrue to the industry. Research on engineering work on, for example, the Brighton Main Line upgrade² and Derby resignalling³ shows that giving passengers timely, accurate information can improve satisfaction levels with the way that planned disruption was managed. Other good examples surround the design of new rolling stock. Transport Focus worked with Merseytravel to gather passenger input throughout the entire design process⁴. The result is a train that better meets the needs of those who will use it.

3. Other Provisions

3.1 The Plan for Rail set out an enhanced role for Transport Focus. We believe the core duties set out in the Rail Bill for Transport Focus are consistent with the four main roles and aspirations set out in the Plan for Rail:

² [Brighton Main Line Improvement Project – the passenger perspective](#). Transport Focus. September 2019

³ [Derby resignalling works](#). Transport Focus. March 2019

⁴ [New trains for the Merseyrail Network – What passengers want](#). Transport Focus. February 2021

- Passenger advocacy
- Strategy development
- Monitoring
- Passenger watchdog

3.2 The Bill does not change the general duties of Transport Focus. We continue to have a duty to investigate:

- representations from a user or potential user of passenger rail services
- a matter referred to us by the Secretary of State.

We also retain the right to investigate any matter that appears to Transport Focus to be one which it ought to investigate. We believe that the draft legislation maintains Transport Focus's independence and gives sufficient freedom to investigate those issues we believe need investigating.

3.3 The full extent to which Transport Focus can fulfil the roles and aspirations in the Plan for Rail White Paper will be dependent on resources. We note the willingness of DfT in the response to the public consultation to consider providing additional funding, especially in the areas concerning accessibility and regional stakeholder presence.

3.4 The Rail Bill does, however, change the wording in the legislation on how Transport Focus can raise issues and how it would escalate any unresolved issues. We believe that some of these proposed changes to legislation provide greater consistency and clarity. In particular:

- The ability to raise issues with "such persons as [we] think appropriate for the purpose of achieving a satisfactory resolution of the matter" simplifies and makes clear our right to raise issues/concerns with other bodies.
- Similarly, the explicit right to send reports to the Independent Rail Body and Scottish Ministers (as well as the Secretary of State and Welsh Ministers) makes for a more consistent process.

3.5 While Transport Focus has the right to raise issues with such bodies it thinks appropriate, there is no requirement on them to reply or to do so within a particular timeframe. We believe there could be benefits from an additional clause in the legislation setting out such an expectation, with timescales in line with those which Departments and other public bodies are typically required to respond. The additional clause could otherwise be similar to existing clauses in the legislation setting out Transport Focus's powers and duties on bus services. Clause 112G of The Passengers' Council (Non-Railway Functions) Order 2010 states that if Transport Focus makes representations to a person:

- (a) the person must have regard to those representations; and

- (b) the person must, within a reasonable time, send a written statement describing any actions that the person has taken or intends to take in response to the representations.

Transport Focus
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