

## Greater Manchester Combined Authority

Date: Friday 28<sup>th</sup> March 2025

Subject: GMCA Rail Reform Consultation - A Railway Fit for Britain's Future

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport and Caroline Simpson, Group Chief Executive

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### Purpose of Report

To provide an update outlining the GMCA approach to responding to the Department for Transport's (DfT) Rail Reform Consultation: A Railway Fit for Britain's Future.

### Recommendations:

GMCA is requested to:

1. Note the content of the consultation and how it relates to Greater Manchester's ambitions for rail;
2. Endorse the outline GMCA response to the consultation, and the proposed approach for developing the response further; and
3. Delegate authority to the Group Chief Executive to finalise and submit a response to the consultation, in consultation with the GM Mayor.

### Contact Officers

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## **Equalities Impact, Carbon and Sustainability Assessment:**

Not applicable at this stage. A detailed EQIA, Carbon and Sustainability assessment will be undertaken as part of the Rail Reform business case.

## **Risk Management**

Risks will be considered as detailed proposals and plans are further developed and considered.

## **Legal Considerations**

There are no specific legal considerations arising directly from this report.

## **Financial Consequences – Revenue**

GM's emerging Rail Reform proposition does not, at this stage, result in any material revenue (income and / or expenditure) implications. Current and subsequent year financial consequences are, at this stage, limited to development costs which will be managed within existing, and future year, budgets. Any subsequent revenue consequences will be detailed in future reports to GMCA

## **Financial Consequences – Capital**

Not Applicable at this stage. Any subsequent capital consequences, beyond those already approved by GMCA in January 2025 in relation to Rail Integration will be detailed in future reports to GMCA.

**Number of attachments to the report:** Appendix A: Consultation questions

## **Comments/recommendations from Overview & Scrutiny Committee**

None.

## **Background Papers**

Rail Integration and Reform Programme: Emerging Rail Reform Policy Position and Next Steps report to GMCA, 27<sup>th</sup> September 2024.

GM Rail Reform and Devolution – The Vision and Delivery Programme for Rail in Greater Manchester report to GMCA, 31<sup>st</sup> January 2025

Transport Infrastructure Pipeline report to GMCA, 31<sup>st</sup> January 2025.

## **Tracking/ Process**

Does this report relate to a major strategic decision, as set out in the GMCA Constitution ?

No

## **Exemption from call in**

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No.

## **Bee Network Committee**

This report will be considered by the Bee Network Committee on Thursday 27th March 2025. Any feedback from the Committee will be reported to GMCA verbally.

## **Overview and Scrutiny Committee**

Further reports on the proposals for GM Rail Reform and Devolution will be presented to GMCA Overview and Scrutiny later in 2025.

# 1. Introduction

- 1.1. The Department for Transport (DfT) released, on the 18<sup>th</sup> February, a consultation document *A Railway Fit for Britain's Future*, outlining proposed legislative reforms to address the inefficiencies and fragmentation that exists today within the UK railway system. The 8-week consultation sets out the framework for the forthcoming Railway's Bill, which aims to establish Great British Railways (GBR) as the single accountable body responsible for infrastructure and service delivery. The reforms will focus on improving passenger experiences, enhancing financial sustainability, and streamlining governance.
- 1.2. The consultation is seeking responses to twenty questions (see Appendix A), specifically on the contents of the chapters contained in the consultation document. Responses are to be issued to the DfT by the 15<sup>th</sup> April 2025. Following the consultation, it is expected that the Rail Reform Legislation will be introduced into Parliament before the Summer Recess.

# 2. Consultation Summary

- 2.1. The Railway Bill is being presented by Government as a once-in-a-generation overhaul of the fundamental rules, structures, and bodies that make up the rail industry. It will enable the establishment of Great British Railways (GBR) and grant it the authority and autonomy it needs to run the network in the public interest. GBR will be empowered as a 'directing mind' to drive better performance, increase revenue, and reduce costs in the interests of passengers, freight customers, and taxpayers.
- 2.2. Additionally, the Bill will create a new watchdog to function as an independent voice and champion for passengers and simplify some of the existing regulatory framework, especially around access and timetabling. The Bill will also recognise existing devolved authorities' responsibilities and will expand the role of Mayors by placing a statutory duty on GBR to work closely with Mayors, drawing on their experiences and expertise to manage, plan and develop the network.
- 2.3. The consultation document covers the following key areas:
  - **Chapter 1, Leadership for Britain's Railways**, outlines the establishment of GBR as a unified body overseeing passenger services and railway infrastructure, aiming for a customer-focused culture. GBR will integrate

franchised and DfT Operator services with Network Rail, simplifying the structure and eliminating inefficiencies.

- **Chapter 2, A New Voice for Passengers**, proposes creating a new passenger watchdog to ensure GBR prioritises passenger interests. The watchdog could either be a Statutory Advisor, advocating for passengers without regulatory powers, or a Statutory Advisor with Regulatory Functions, overseeing passenger standards and obligations.
- **Chapter 3, Making Best Use of the Rail Network**, outlines changes to the access framework under GBR to maximise public ownership benefits. It addresses and propose responses to systemic issues including capacity constraints and inefficiencies, network management, capacity allocation processes, and charging frameworks for financial sustainability.
- **Chapter 4, Financial Framework**, outlines proposed changes to GBR's funding approach, through a revised periodic review process, with passenger services and enhancements to be funded via Spending Reviews, with Mayors having a role in drafting the High-Level Output Specification (HLOS) for future periodic reviews. The ORR will assess GBR's plans, with the objective of ensuring long-term financial sustainability.
- **Chapter 5, Fares, Ticketing and Retailing**, outlines GBR's role in setting fares. The Secretary of State will oversee fare affordability and railcard schemes. The chapter sets out the requirement to modernise the ticketing system to ensure increased levels of affordability and accessibility, introducing streamlined solutions, and enhancing online retail options, but makes no specific mention of the roles of Mayors and Combined Authorities in setting fares and retailing tickets.
- **Chapter 6, Devolution**, details how GBR will collaborate with devolved governments and 'Mayoral Strategic Authorities'; enhancing local governance by empowering them to influence railway service operations; and establishing statutory roles for Mayoral Combined Authorities and facilitates partnerships between GBR and English Mayors. A framework for further devolution requests is provided, with detailed guidance to follow.
- **Chapter 7, Train Driver Licensing and Certification Regime**, introduces a new licensing and certification system for train drivers to ensure higher safety and competency standards. It aims to streamline training and certification processes while enhancing regulatory oversight and development.

- 2.4. Some areas of the consultation material lack detail, and it will be key, therefore, for GM to work closely with government and industry partners to ensure that the legislation delivers meaningful benefits for passengers, businesses, and communities.
- 2.5. In particular, GM will seek further clarity on the role of devolved authorities within the new structure and advocate for a model that enables genuine local influence, accountability, and integration with wider transport networks.

### **3. Emerging Response and MCA Statutory Role for GM**

- 3.1. Whilst GM will seek a 'do maximum' position from the Bill to ensure we have the necessary flexibility to deliver policy objectives which may evolve over time, our initial intended statutory role may not be to utilise all the powers that a 'do maximum' approach would provide.
- 3.2. GM's emerging asks for a Mayoral Statutory Role which will be fed into the consultation process include:
  - **A strong statutory role for Mayoral Combined Authorities is essential** to ensure local accountability, better integration with transport networks, improved passenger and wider economic outcomes, and best value from taxpayers' money. This should include:
    - **A statutory role for GM in governing, planning, developing, and specifying the GM rail network services**, for example, by specifying branding, customer experience and service requirements to align to Bee Network standards.
    - **A statutory role for GM as co-specifier (alongside its regional partners and GBR) of regional services radiating from central Manchester**, and as a statutory consultee for the specification of national rail services.
    - **A statutory obligation on GBR to adopt and progress rail components of Local Transport Plans** subject to available resources and fit with those of other regional and national stakeholders.
    - **A statutory requirement for GBR to cooperate with GM in developing and putting to best community use redundant railway land no longer required for railway operations**, at nil value to

enable delivery of affordable net zero housing as part of transport-led regeneration hubs.

- **Provision for fares and ticketing arrangements whereby GM has a formal role or can set fares within the GM area**, including its wider Travel to Work Area.

- **Financial devolution.** Whilst the details of how financial devolution could occur are to be worked up, unless MCAs are suitably funded and have genuine 'skin in the game' it will be difficult for MCAs to have a meaningful statutory role and agency over service provision.
- **A contractual or similar commercial relationship between GM and the railway industry is needed** so that the industry has formal commitments to the City Region and can be held to account for how well it is delivering.
- **The ability of GM to invest in and fund and deliver enhancements to the GM rail network and its stations.** This should include the ability to deliver or procure contractors, working in partnership with GBR.
- **A better funding and commercial arrangement for GM to integrate railway stations** into the wider Bee Network.

3.3. To shape an ambitious statutory role for GM in the rail network, with accompanying devolution of funding and decision making, GM will be requesting a role in co-designing the legislative framework and the mechanics necessary to facilitate the delivery of these arrangements – mirroring the approach taken with GM working with government in the development of the Bus Services Act and the Bus Services Bill.

## 4. Next Steps

- 4.1. The proposed consultation approach will see TfGM and GMCA collaborate with a range of stakeholders ahead of submitting its response, including active engagement with government, the rail industry, Local Authority leaders, members and officers, wider regional authorities, and advocacy groups such as the Urban Transport Group and the business community. Our aim is to ensure that GM's response is well-informed, reflective of our collective vision for rail and articulates the priorities of GM and its partners.
- 4.2. TfGM will develop a response to the DfT consultation, on behalf of the GMCA, responding to the questions in each chapter.

- 4.3. Over the course of the consultation TfGM and GMCA officers will directly engage with Local Authorities to seek feedback and to support their own consultation responses if they wish to submit individual responses to the consultation .
- 4.4. TfGM officers will engage directly with DfT and Shadow GBR (sGBR) officials, to co-design the legislative framework and the wider governance, management, and financial mechanisms necessary to facilitate the delivery of the role of Mayoral Combined Authorities.
- 4.5. Working alongside GMCA and the broader GM family, parliamentarians will be engaged to build understanding, support, and advocacy for our position as the legislation moves through parliamentary process.



# **Appendix A: Consultation questions**

## **Chapter 1: Leadership for Britain's Railways**

Question 1 - Do you agree that GBR should be empowered to deliver through reformed incentives and a simplified and streamlined regulatory framework?

Question 2 - Do you agree that the Secretary of State should be responsible for issuing and modifying a simplified GBR licence enforced by the ORR, and that the ORR's duties with respect to GBR should be streamlined to reflect the new sector model?

Question 3 - Do you agree that the Secretary of State should be responsible for setting a long-term strategy for GBR to align with government priorities?

## **Chapter 2: A New Voice for Passengers**

Question 4 - What are your views on the proposed functions of the Passenger Watchdog?

Question 5 - Which of the approaches would best enable the establishment of the new Passenger Watchdog?

Question 6 - Which of the options to establish the Alternative Dispute Resolution function as part of the passenger watchdog would deliver the best outcome for passengers in your view?

## **Chapter 3: Making Best Use of the Rail Network**

Question 7 - Does the proposed new access framework enable GBR to be an effective directing mind that can ensure best use of network capacity?

Question 8 - What - if any- key access rules and requirements for GBR should be updated and included in legislation?

Question 9 - Does the proposed role of the ORR acting as an appeals body to ensure fairness and non-discrimination provide sufficient reassurances to operators such as freight and open access wishing to access the GBR-managed network?

Question 10 - Do you foresee any unintended consequences of the ORR retaining its existing powers with regard to other infrastructure managers which might affect the smooth passage of trains between the GBR and non-GBR network?

Question 11 - The government intends to include in primary legislation a power to enable amendments to the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 to ensure consistency between GBR's processes and those used by other infrastructure managers. Do you agree with this approach?

## **Chapter 4 Financial Framework**

Question 12 - Do you agree with the proposed legislative approach regarding a 5-year funding settlement for Great British Railways?

## **Chapter 5: Fares, Ticketing, and Retailing**

Question 13 - Do you agree with the legislative approach set out above to retain the Secretary of State's role in securing the overall affordability of fares and continuing to safeguard certain railcard discount schemes?

Question 14 - What, if any, safeguards are needed to ensure a thriving and competitive rail retail market while also ensuring GBR can deliver a high-quality offer to its customers?

## **Chapter 6: Devolution**

Question 15 - The government intends that GBR's statutory duty in relation to devolved leaders should strike a balance between enhancing their role whilst also ensuring that GBR has the appropriate flexibility to direct the national network. Do you agree with this approach?

Question 16 - Do you agree with the proposed approach in Scotland on enabling further collaboration between track and train while preserving the devolved settlements?

Question 17 - Do you agree with the proposed approach in Wales on enabling further collaboration between track and train while preserving the devolved settlements?

Question 18 - Do you agree with the government's approach of making targeted amendments to existing legislation to clarify the role of devolved leaders in relation to GBR?

## **Chapter 7: Train Driver Licensing and Certification Regime**

Question 19 - The government intends to create a new delegated power that would enable the Secretary of State to update, amend or revoke provisions in TDLCR and related assimilated law in Great Britain, subject to public consultation. Do you agree with this approach?

## **General - Transition**

Question 20 - Please provide evidence on anticipated transitional or ongoing costs or benefits for you or your business resulting from these proposals. For example, please provide evidence on the scale of transitional costs associated with familiarising with the new proposals and structure, changes to administrative burden resulting from these proposals, or any other direct impacts associated with the proposed changes?