

Transport Committee

Oral evidence: [Scrutiny of the draft Rail Reform Bill](#),
HC 584

Tuesday 21 May 2024

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[Watch the meeting](#)

Members present: Iain Stewart (Chair); Paul Howell; Karl McCartney; Grahame Morris; Gavin Newlands.

Questions 250–274

Witnesses

[II](#): Martin Tugwell, Chief Executive, Transport for the North; Maria Machancoses, Chief Executive Midlands Connect; and Andrew Summers, Chief Executive, Transport for the East.

Written evidence from witnesses:

- [Transport for the North](#)
- [Midlands Connect](#)
- [Transport East](#)

Examination of witnesses

Witnesses: Martin Tugwell, Maria Machancoses and Andrew Summers.

Q250 **Chair:** Welcome to our second panel today in our consideration of the draft Rail Reform Bill.

Before I invite the panel to introduce themselves, I should point out that we expect a Division in the House this afternoon and might have to interrupt proceedings. We hope to complete the lion's share of the discussion before we reach that point.

Could I ask you to state your name and organisation for the record, please?

Maria Machancoses: Thank you inviting me. I am Maria Machancoses. I am the chief exec of Midlands Connect, a national transport body for the midlands.

Andrew Summers: Good afternoon and thank you for inviting me. I am Andrew Summers. I am chief executive of Transport East, with its sub-national transport body for Norfolk, Suffolk, Essex, Southend and Thurrock.

Martin Tugwell: I am Martin Tugwell, chief executive of Transport for the North.

Q251 **Chair:** Welcome, all. Again, we are very grateful to you for your time this afternoon.

I ask each of you to state in turn whether you welcome the broad propositions in the draft Bill and why it is important to the regions that you represent.

Maria Machancoses: The midlands welcomes the Bill, as it stands. The ethos of the Bill, particularly the whole idea of bringing track and train and the guiding mind for the railways, is really important to the midlands.

It is already acknowledged—I hope we have set it out in our evidence—that this is just a piece of the puzzle. We need to make sure that although we understand that other steps are coming, as we set up GBR and the IRB, there is wider understanding of how the railway fits with the wider transport system and how, in the shaping of not only the contractual arrangements and franchising arrangements with the private sector and contractors, we need to look at the long-term and strategic planning of the network rather than just going into contractual arrangements for six or seven years.

We have to make sure that when we create GBR—a new guiding mind for the UK, in terms of the railways for England—there is big understanding of how that will interface with other transport infrastructure and the place-making agenda. That is where we see sub-national transport bodies



HOUSE OF COMMONS

being a useful platform for GBR to engage with, to shape the network together, rather than doing what our Welsh colleagues and the Minister clearly described. It is the difference between partners and stakeholders.

We welcome it. We know it is the beginning, and there is a lot to do yet, to make sure that it works in the future.

Andrew Summers: Transport East comprises our local constituent authorities. Our board comprises elected members from our local transport authorities and planning authorities, chaired, now, by an independent chair.

Following on from the point about integration, we have set out a transport strategy that has been endorsed by our local authorities and the Secretary of State, with clear outcomes around decarbonisation, better connectivity to support the economy, energising rural and coastal communities and unlocking our ports and airports. Those are our fundamental goals to support the economy, the environment and society.

The draft Rail Reform Bill is fundamental. As Ms Machancoses said, it is a key part of the jigsaw, but those local authority leaders do not have any formal role or voice in the rail decision process in their places. They have no say over rail investment or services. We welcome the draft Bill, but we see an opportunity for it to go a little further and to make sure that the decision-making abilities of local places are part of the wider picture. We think that that will deliver better outcomes, because those local places have first sight of what is happening in the local areas: the ability to integrate rail with planning processes and with the economic strategies that are now being developed with local transport plans.

The view of our boards, which we set out in our submission to you, is that the sub-national transport body is the best place to enable the east to get integration with rail reform. There is almost a neat, ready-made solution. All our partners are currently going through devolution deals and they have seen the sub-national transport body, Transport East, as the place in which they want to have the interface with rail reform and Great British Railways, going forward. We have already put in place some of the structures to enable that to happen, through our rail leadership group, and through working with Network Rail.

The primary focus is the ability to integrate rail reform with our wider transport strategy, to enable local decisions to be made that will support the rail industry's role in delivering outcomes in local places.

Martin Tugwell: We recently published our revised strategic transport plan, which has been through quite an extensive process. It was underpinned, as were those of my colleagues, by one of the most comprehensive evidence bases, focused around the economy, decarbonisation and reducing social exclusion. We know from that evidence base the role that the rail network has in making that transformation.



HOUSE OF COMMONS

We have set out in our evidence the nature of our relationship with the rail industry. It is slightly different from that of other English regions at present. There are clear statutory and contractual arrangements between us and the Secretary of State and the Department. As we move forward, we would want to build on those and have a similar level of relationship with an integrated rail body, whatever the nature of what is brought forward.

The focus has to be understanding the role of the rail system relative to delivering outcomes in the community. That means a shift in culture and emphasis within the rail industry, to thinking about outcomes in terms of places and people. That is where sub-national transport bodies are particularly powerful, as the place where the local political and business voices come together to set out the vision for the community.

Q252 Chair: You have previously mentioned a concern that your current statutory rights are not going to be replicated under the Bill, whether that is by design or an unintended consequence. Transport for the North is unique among the sub-national transport boards because you have a statutory basis and the others do not. There is probably a wider debate to be had about whether that is desirable, but should there be a separate relationship for Transport for the North? If not, how do you bring in the other STBs, which do not have that current statutory power?

Martin Tugwell: I will leave my colleagues to give an insight into how they see it, but you are right, Chair. Our primary powers are devolved to us by Parliament through statutory instrument. Our powers, and the way we were set up, came about through devolution of responsibility from the Department. Indeed, our constitution is very clear: we are a statutory partner of the Secretary of State. That needs to be seen alongside the Rail North agreement, which is a contractual arrangement between the north and the Department in respect of the TransPennine and Northern contracts.

We have architecture and governance within the north through mechanisms such as the Rail North committee—but supported by our own regional specifier, a team of dedicated people who work across TFN and the Department specifying, monitoring and overseeing delivery of that performance. It gives the political and business leaders in the north a really strong input, and an ability to shape and challenge. We heard from the Welsh Minister about the importance of challenging bodies and holding them to account.

I reflect on recent conversations that we have had, as a body, about the east coast main line timetable. The strength and importance of local voices feeding into it and holding the industry to account, when proposed changes may seem sensible from an operational perspective but have implications for communities and users—that level of accountability that we have is important.



HOUSE OF COMMONS

I see no reason why we should not be able to have the same relationship with the integrated rail body, but I would also make the point that, given that we are a body that exists by statutory instrument, it would still be equally important to maintain that relationship with the Secretary of State.

Q253 Chair: Maria and Andrew, will you comment on that, given that you are not on the same statutory basis? You may wish to be, but currently you are not. What challenges might there be if the Bill reflects that involvement?

Maria Machancoses: If I may, Chair, I will not go into the details of why that is not the case. The most important thing from the midlands perspective is that we acknowledge that the Department for Transport and the Government have always treated Midlands Connect as equal to all the STBs, regardless of the statutory status. That has been made clear to our board. Those conversations are kept regularly in our minds—about why we should or should not pursue the statutory basis.

A point that was made earlier is that our relationship with the Department for Transport and the Secretary of State is clear and understood. We are there to bring leadership and consensus on the ground among all the leaders in the midlands, and to advise the Government on priorities.

That is still strong, and we are very proud that we have almost broken the mould in the way we work with Network Rail on schemes of strategic importance, like the midlands rail hub. Midlands Connect is an equal partner with the Department and we are shaping the concept of the programme. We are really pleased with how we are working on that.

Statutory status obviously gives a more relevant presence in decision making, and in consultation as a statutory consultee, and so on; but we still feel, at the moment, given the region with the weight of the leadership and the consensus, in terms of directly advising the Secretary of State on priorities, that should not be underestimated by GBR. We hope that will be what we see. We would like it to be reflected and acknowledged—that STBs are a good place for GBR to engage with. In fact, one of the asks in our submission to you is that there should be a provision in the licence to acknowledge that requirement for GBR to engage with STBs, for the reasons I explained.

We will continue to have the debate about the statutory status with this Government and the next Government, because there is a lot of appetite for the Government to put the rest of the STBs on a statutory footing; but, as I said, we should in the meantime never underestimate the importance of our board, and the consensus and weight that all the leaders of the midlands represent, in terms of advice to Government—direct advice to the Secretary of State on what the midlands requires from the railways.



Q254 **Chair:** Andrew, do you concur? Are there points that you would like to add?

Andrew Summers: From our perspective, all our local transport authorities are currently looking ambitiously at devolution deals with Government, which we fully support. The one area that is not going to be covered will be strategic rail—exactly the area where they have seen that the sub-national transport body can come in to represent all of them. It fits relatively well. There are no Metro Mayors and no body like TFL in our region, so the STB is well placed. Indeed, our leaders said at our recent board meeting that they now want us to scope that role in more detail, so we are developing a strategic case for what an evolved role for Transport East would look like in the context of being a devolution partner.

As I said, rail is one of the strategic areas that is best done at scale—like a region. Our local leaders are therefore very supportive of our taking forward that more formal role with the Integrated Rail Body, through the legislation. They see it as the best vehicle to deliver the outcomes set out in our transport strategy, ensuring that rail takes place alongside the other decisions for which those local authorities are currently responsible, on buses, active travel and the road network.

Q255 **Gavin Newlands:** I often have a head to head with the Rail Minister, and because of our different views on, potentially, public versus private, he will sometimes bring up dogma. He has said he is agnostic as to private or public ownership, and just wants it to run well. So I was rather surprised to see the condition on the annual report about increasing the involvement of the private sector in the rail industry.

Maria, you said in your written submission that the requirement for the IRB to produce the report puts too much emphasis on that specific area. What other outcomes do you think the IRB should perhaps be held to account for rather than, or as well as, this? Perhaps you would expand on that.

Maria Machancoses: We were not challenging the fact that there was a particular focus on the private sector. We say there should be a bit more focus on the wider activity of GBR and how it reports progress against its activities, in engaging with regions and other modes of transport and infrastructure over the sectors. One thing that we learn in the STBs is that when you plan for infrastructure you now need to consider energy, and you need to talk about digital. That emphasis on the private sector was welcome, given that there is a huge emphasis on what the future role of the private sector will be in a GBR context; however, it should not just be limited to the private sector.

There were two things: we were very keen that sub-national transport bodies would be given the opportunity to influence and shape the annual business plan; and in terms of the reporting of the activities it should not just be put on the private sector to report its own activities within the GBR system. GBR itself should be reporting how it is engaging,



programming and planning for activities in general. That is the point we were making.

Q256 **Gavin Newlands:** Should there be perhaps an overarching report from the IRB, rather than just the private sector? Should that be part of it?

Maria Machancoses: I think ultimately it should be part. If we are talking about bringing track and train together, you cannot do it in isolation. That is the danger. If we start having different reporting by separate entities, there is a danger that we will not see an integrated way of communicating activities.

One of the big things with the private sector—indeed, you know we have a massive rail supply industry in the midlands—is the lack of clarity. With reporting activities, we also mean, “What is your business plan, not for the next year but the next five or seven?” We are mindful, at the moment, that the Bill as it stands concentrates on very short-term tools to allow for reporting. It is not allowing, or even making reference to, wider requirements to provide longer-term planning tools to GBR, or how it would work with the private sector and, indeed, bodies like sub-national transport bodies in the planning of future business plans.

Martin Tugwell: If I may, I was going to reflect on what Mr McDonald said in your previous panel. I had the benefit of visiting colleagues in Transport Scotland only last week, and the issue—building on what Maria has said—is the outcomes. What I took away from my visit to Scotland is the progress that has been made in having absolute clarity across all aspects of the industry about the common set of objectives that you are trying to achieve.

In contrast, if I look at the challenges we have had on the east coast main line, where we have not just franchised and contracted operators but freight and the private open access operators, it is increasingly clear that the criteria that, say, the ORR is using to determine whether that is the right way of using that capacity may not always be in complete alignment with what the industry would argue or what we would say as a sub-national transport body.

There are some lessons to be learned from how in Scotland you have got that alignment around a common set of objectives. You can have a debate about the structure for how you operate, but if you have that single view of what you are trying to achieve it makes it easier to judge how you make best use of what will always be a limited resource—capacity on the railway. There is perhaps an area to explore, building on what the Welsh Minister said.

Q257 **Gavin Newlands:** Would you say that that obligation as to the report on the private sector—it could be anything, but that narrow report is an example of the siloed approach that you see in not just the rail sector but transport more widely? There is not that overarching strategic approach to transport in England.



Martin Tugwell: I think it is about the focus on the outcome. In the strategic transport plan, we focused on the economic outcome we were trying to achieve. What are we trying to achieve in reducing social exclusion? There is a very clear target about how we need to increase the share of public transport from 36% or so, which is what it is now, to 51%.

That means we have a clear evidence base that we need to grow the rail market at a scale and pace to be able to deliver those economic, social and environmental benefits. We need the railway industry to work and show how it will make best use of the investment that is available—and a considerable amount of investment is being put in the railways—to deliver the outcomes.

My response to your question is: focus on the outcomes; be clear about what they mean for people and places; and require the rail industry to work with organisations like Transport for the North, Transport East and Midlands Connect to define what that means and what the rail industry's role is; and hold it to account through a monitoring and evaluation framework.

Q258 **Gavin Newlands:** Should that be on the face of the Bill?

Martin Tugwell: I think that, in terms of what the Bill is trying to achieve, it performs its function. These, for me, are issues that come into what the operating model might look like, moving forward. I think that is a subsequent discussion at this stage, to be perfectly honest.

Andrew Summers: I agree with what both the others have said, but to add a bit of flavour of what that might look like from an eastern perspective, one of the key outcomes of our transport strategy is carbon reductions. You might see that an annual report looks at such measures, which could be measurable over the course of a year, and starts to drive some of the decision making. I agree that private sector investment in the railway is very important; but, if that is one of your primary drivers, I guess what gets measured gets managed and the problem is that there might be some other very valid outcomes that are not measured and therefore not prioritised in decision making.

I shall provide a micro example from the east of England region. Clacton is a town by the coast of 50,000 people. A lot of different sorts of investment are going in there at the same time. One of our aspirations, through our evidence base, is to increase the frequency between Colchester and Clacton from one train an hour to one every half hour, but the decision-making process is very narrowly defined within a set of financial criteria. We say that if that annual report were able to take in wider criteria it could include other Government investment. There is £20 million of levelling up funding going into Clacton at the minute, which adds to the overall package of increasing rail connectivity.



HOUSE OF COMMONS

If you are able to look a bit more widely at both the private sector investment and other sector investment, some decisions may change or have different outcomes—if you have the broader set of criteria against which to measure.

Q259 Gavin Newlands: I have a yes-no question to finish. Maria said in her submission that they would prefer to see the IRB report annually on the delivery of an industry strategic plan, part of which could obviously be the role of the private sector within the rail sector. Would you, Andrew and Martin, agree with that?

Martin Tugwell: Yes.

Andrew Summers: I would.

Q260 Grahame Morris: I would like to ask about Great British Rail's promised regional structure. The Bill is a kind of enabling Bill, isn't it, compared with some Bills we have seen? It is 19 clauses and three schedules. The overall aim of better integration between track and train operators is laudable, but how will it work in practice? You have identified some of the concerns, which I share, about one aspect—the annual reports on increasing private sector involvement. I think that is a bit of a distraction. How is the relationship going to work between GBR and our regional structures, be they statutory or non-statutory? We have the midlands, the east and the north here—the three big hitters.

Chair: Other STBs are available.

Grahame Morris: Others are available, and we have no prejudice or preference.

Andrew Summers: We already have robust governance in place that can underpin this relationship. As I said earlier, we have a board with an independent chair; we have representation—elected members from all our local transport authorities; and we have representatives covering all our planning authorities as well. We have democratically elected members on our board. That board has consistently, over the last few years, provided advice to the Secretary of State on our priorities. So the systems are already in place.

We have also set up additional rail structures. I mentioned our rail leadership group, which comprises the leads of the three rail taskforces in the region, Network Rail and colleagues from the rail industry. It meets in Parliament every six months. There are systems in place there.

STBs can also be the building blocks of collaboration across England. A good example is the Wider South East Rail Partnership. You may recall that in the rail reform White Paper there is a proposal for a wider south-east partnership. Transport East, England's Economic Heartland STB and Transport for the South East STB have taken the initiative to start having the meetings of what we think that looks like. We have met twice now



and have invited colleagues from the DFT, GBR and Network Rail to make sure that we have that in place. It is working well.

One example of good collaboration between us and England's Economic Heartland is in the case for Ely. You have covered Ely in previous meetings, but it is a rail scheme that is a key priority not only for our two regions but for other places in the UK. We have worked collectively on the evidence base through our governance to make sure that it is clearly communicated to the Secretary of State.

To answer your question: that exists and is ready to go.

Q261 Grahame Morris: Can I ask about the annual business plan? We are used to control periods of five years, planning ahead and maybe, in the light of circumstances and financial settlements, seeing those modified or tweaked—but not a radical change of direction every year. I am looking for advice on what comment the Committee should make on the Rail Reform Bill. Should we be looking for a longer-term plan? I do not want to put words in your mouth.

Martin Tugwell: If I may take up the thread, there, Mr Morris, it is slightly different, as you know, in Transport for the North. Through the regional specifier, we already have the ability to feed the strategic outcomes of our strategic plan into the business planning requirements that are currently, as you say, on an annual basis.

In the north, our main operators are all owned and operated by the same company, the Operator of Last Resort. We know from conversations with OLR that they approach their planning by looking at the five and 10-year time horizon. That feels much more akin to what we should be doing and allows you to plan more efficiently and effectively.

Within the Rail North agreement that we have at the moment, we are just about to embark on a rebasing of the service specification for the Northern rail services that will look at what we are looking for over the next 10 years. That will be used as the baseline for subsequent contracts. We have examples where, because we have the benefit of working with the OLR, we can look at that five and 10-year timeframe. We know that that is the framework it is looking at. It allows you to think a little bit longer.

Going back to an earlier comment from Mr Newlands about how you move away from measuring things over 12 months, in the rail sector you are looking at a five or 10-year programme of work.

Maria Machancoses: In terms of engagement with STBs, the structures are in place. Interestingly, each region is different. Our colleagues say there are no combined authorities in the midlands. We will now have a total of three in the next year—the West Midlands Combined Authority, the East Midlands Combined County Authority, which has just been established, and one on its way in Lincolnshire. In each case, the



HOUSE OF COMMONS

devolution agenda at the city region level also has clear local devolution pursuits and ambitions. As Andrew says, we are very supportive of that.

It is important to acknowledge from a GBR perspective—and Midlands Connect, as it stands, acknowledges it—the pursuit of local devolution at the combined authority level, but that does not cover the whole midlands. A lot of the trips, and the strategic movement that we are pursuing for economic purposes, are midlands-wide. They are also east-west. We are making the point that the current strategies of Network Rail—we do not know whether GBR will do the same—are all about north-south. Therefore, we fill a gap in making sure they all talk to each other. It is cross-border as well.

We are there to provide a good testing platform for GBR to make sure that all the different regions talk to each other, and that there is a wider link to wider transport. It links to the change in the culture of the organisation, from what we have at the moment.

Chair: Order. I fear the Division Bell has gone, so I propose that we suspend for 15 minutes to allow colleagues to vote.

Sitting suspended.

On resuming—

Chair: Welcome back to today's session of the Transport Committee following our short adjournment for a Division in the House. Grahame, you were putting some questions to Maria. Can we just pick up from that point, please?

Q262 **Grahame Morris:** We were trying to establish the relationship between the new body and the regional structures, and in particular whether there are any amendments that we could suggest to the Bill to reinforce partnership working with the regions.

Maria Machancoses: It is different in each region. In a way, the requirements of the Bill need to be flexible to acknowledge that changing landscape and evolution across the country. You cannot just develop something and copy/paste it across England.

Q263 **Grahame Morris:** There are the existing structures—

Maria Machancoses: That is absolutely right. Existing structures need to be acknowledged. In the midlands, as I referred to earlier, we have a well-established combined authority in the west midlands with a body, the West Midlands Rail Executive, that has strong ambitions for local rail devolution. There is a new combined authority emerging in the east midlands and in Lincolnshire.

Midlands Connect, as a national transport body, makes sure that in addition to that city-region commuter network there are conversations about how the midlands can come together and how we link with wider



HOUSE OF COMMONS

national infrastructure in terms of roads, energy and other things like that.

The point that we are making is that STBs can be a good platform. The challenge is: are we going to create more and more forums or bodies at regional level when you have the structures established through sub-national transport bodies? It is about tapping into those structures, and hopefully that will aid that conversation around the culture change that the railway industry needs in collaborating more with wider industries and place-making activities at the local level.

Q264 **Grahame Morris:** You commented on the emphasis on north-south, whereas in many regions, including the north, our concern is that the east-west links have been neglected.

Maria Machancoses: Absolutely.

Q265 **Grahame Morris:** Martin, do you have any additional thoughts?

Martin Tugwell: Thank you very much, Mr Morris, for providing the hook. My colleagues have talked about the importance of the rail industry, however it might organise itself, working with the sub-national transport bodies, because it is interlinked.

If I go back to my example, we know that capacity in places like Manchester Piccadilly is heavily constrained. There is a balance between what you want to run within Manchester and local rail services and trans-Pennine or indeed services across.

In a similar vein, we are trying to unpack the implications of the changes to the east coast main line for Manchester and the Castlefield corridor, so you start to understand the importance of looking at these as regions that respect their geography rather than railway regions.

I understand why Network Rail focuses on historical regions, but, increasingly, if you focus on outcomes in terms of the economy, society and decarbonisation, it is a different conversation, which is where the partners that are brought by sub-national transport bodies, political and businesses, are absolutely important. It is why we talk about, in our submission, double devolution—recognising that the city regions will want to integrate their services across all modes, but the city regions recognise that you need to integrate services between the regions.

Q266 **Grahame Morris:** Examples are very helpful. Thanks. Andrew.

Andrew Summers: The same as both.

Q267 **Paul Howell:** I apologise for my late arrival. I was at a Westminster Hall debate on buses. It is a very linked subject. I apologise if some of this has already been covered.

I am conscious that Maria said that we should not cut and paste between the regions. As Martin will know, I am a north-east MP, and we have a



HOUSE OF COMMONS

new combined authority. I do not think it is a month old yet. I have two questions. You are not going to cut and paste in terms of what happens, but are there best practice and other things that the north-east mayor should be looking at? It is a huge area, with 2 million people, going from the Scottish Borders down to my constituency in Durham. Are there things that we should be looking at to make sure we get it right?

Martin Tugwell: Under the Rail North Partnership agreement—the contractual agreement between ourselves and the DFT in respect of those two contracts—we have set up what we call sub-regional business units, of which the north-east was the first, and that gives the opportunity for even stronger local input into the rail timetables in and around that part of the north.

Q268 **Paul Howell:** Can I just interrupt you? Can you define the “north-east”? Does it align with the North East Combined Authority? Does it include Yorkshire? Different people define the north-east differently, so I want to make sure I understand what you are talking about.

Martin Tugwell: It is the north-east business unit, I believe, but I will check and confirm with the Committee Clerk. I believe it reflects your geography in the north-east.

That gives an opportunity for the local authorities in that area—and now the combined authority—to have that conversation, which allows the integration more within the combined authority area.

It also then allows that to feed into that conversation that we have at a TFN level. In some of the conversations about the east coast main line, one of the issues that was of particular contention was the Newcastle-to-Manchester service, which was important for the transformation.

That is why I say double devolution—respecting and recognising the leadership at a city region level or at a combined authority level as well as recognising that you need to work at a regional level to look at that interconnectivity.

Q269 **Paul Howell:** As you rightly say, the east coast main line does not go anywhere near Manchester, but it certainly affects it.

Martin Tugwell: It does.

Q270 **Paul Howell:** The capacity problems that exist on the east coast main line in terms of trying to fit in your trans-Pennine traffic and the freight and everything else leads me to an obvious affirmation of the need for the Leamside line to be put in to increase capacity as opposed to anything else. The point I am coming to—I am waffling a bit here—is the need for the sub-transport authorities to be very cognisant of their neighbours. If I look at the north-east one, the question I would have been coming to is whether the north-east included the Tees Valley, which is two different mayors, but there is very much an integrated transport network need.



HOUSE OF COMMONS

Martin Tugwell: I would not disagree with you at all, Mr Howell, about the importance of having that relationship. That is, of course, one of the benefits of TFN. The members of the TFN board, in effect, are statutory and have a statutory role in the rail industry by being part of a statutory body.

Alongside that, Network Rail is a member of the TFN board, to have that link. We have the link with the operators through the Rail North Partnership agreement. It reinforces the importance of empowering the mayors in the combined authorities and allowing them to provide the leadership, rightly, for local transport services.

If we are going to transform the north, as it is set out in the strategic transport plan, we need that interconnectivity between those major cities and towns, which is why Northern Powerhouse Rail in full, of which the Leamside line is such an important part, is absolutely that interconnection across the north.

Q271 **Chair:** One further area that I would like to get your opinion on is that of ticketing. It was initially envisaged that GBR would have the central ticket platform, but that proposal was later withdrawn, and the argument was that the market will be able to devise its own mechanisms. We have heard evidence for and against that during the course of our inquiry. Given that within your regions many of the areas are looking at developing their own integrated ticketing multimodal products, from that perspective do you think it is helpful or unhelpful to have within GBR this central platform?

Maria Machancoses: You touch on a very current debate in the midlands. We are very lucky to have an amazing product in the west midlands, the Swift smart ticketing card, which is one of the few that are starting to link into the railways as well. In Nottingham, you have the Robin Hood card. We have two smart ticketing products in the midlands.

Midlands Connect was tasked with looking at how they could start talking to each other. You know that at the moment the Cross-City Line will go from Birmingham to Nottingham. Therefore, the last thing you want to have to have is three products. You have a Swift card to go into Birmingham by tram and bus. Then you have to get a new train ticket to go to Nottingham and then another smart ticket to use the tram to get to wherever in Nottingham.

We are doing a pilot for a new product that we call the Broker product. It is friendly for private operators, too. We are developing a massive business case for how you might want to span that across the midlands.

We have set up another forum with all the other STBs and all the local transport authorities in the midlands because we are very keen to work together in this space. We have engaged with GBR. It is very open to see how we can avoid duplication of effort in technology and investment and



HOUSE OF COMMONS

develop good commercial models that the private sector will feel comfortable about buying into.

At the moment, in the west midlands there is a fantastic Project Coral team that involves Midlands Connect with all the operators and the combined authority area to trial, progress and accelerate that concept. We are doing a pilot to link that with Nottingham. The idea is to make a business case to roll it out to the rest of the region.

Back to your question, Chair, it will absolutely be a disaster if the efforts of GBR produce a product that will be for the whole nation but cannot be integrated to those local technologies. The technology is there. We just need to make sure that we do not duplicate and we are not going in totally different directions. It is one that we would welcome the Committee to acknowledge.

Q272 **Chair:** Thank you. The argument that was put to us in favour of a GBR central platform was that, given that the infrastructure costs of establishing the platform are high and potentially exclude new entrants that might want to bring something innovative to the table, if GBR had this central platform and everyone else—a private ticket company or an MCA—wanted to come in, as long as that, from your perspective, enabled that co-operation and was not a barrier or a duplicate, you would be comfortable with it.

Maria Machancoses: Chair, that is the point that I am making. At the moment, the concept of developing what that platform means in terms of the technology and the machine that would allow all the commercial operators to talk to each other across the whole country is the concept that we are also exploring, and it is called Broker. We are saying, "Please, let's not duplicate. Let's just share the knowledge."

There are very few people in the country with that skillset anyway, so let us acknowledge that we need to work together on this. The concept is good. It is very complicated and it has to be commercially robust. We have been working on this for four years. Let us make sure that GBR does not go and do this in isolation.

Q273 **Chair:** Martin and Andrew, do you concur, or do you have a different perspective?

Martin Tugwell: I would certainly add to the comment that you made, Chair, about the fact that, if we are focusing on what the consumer is looking for, we need to be listening to the market on these sorts of things. Sometimes, there is a danger that we think we are creating the right product, when, actually, the market has already taken us in the direction that people and consumers are looking for.

We are very supportive of the Broker initiative that is being led by the west midlands. We think it is a good model on which to build, and I would like us to be able to explore it in the north.



The only other thing I would add is that we have been having this conversation with the GBR transition team. We are in a slightly different position in that we will already have extant powers as Transport for the North that allow us to support our authorities to roll out not just rail ticketing but multimodal ticketing across boundaries. It is certainly something that we have been looking at as part of the Connected Mobility approach for the north.

In essence, our role is there to support some of the smaller authorities that might want to be able to give a level of service to their residents that they would not otherwise be able to do, and, echoing the point that Maria is making, doing it in a way that is consistent and compatible across areas so that you do not have a set of bespoke arrangements that frustrate and confuse the consumer.

Andrew Summers: If you look at the east region at our southern border, some customers are able to access the TFL system, but across the rest of the region there is nothing. Our transport strategy sets out the aspiration for a multimodal ticketing system like the other STBs. One of the powers of STBs is we do not duplicate work and we build and work together. The work that Maria is doing is incredibly important and we look to understand how that could be rolled out.

The other thing to bring to the table here is that, going back to Mr Morris's question about governance structures, we already have some of the actors in place for some of the structures, such as through enhanced partnerships with buses, which are able to integrate it into the STB thinking. More broadly across the wider south-east, through the potential partnership with Transport for the South East, England's economic heartland, which is facing similar challenges, we are able to think about how we roll out integrated multimodal ticketing more widely.

We have the structures in place to start thinking about how we roll this out, and we want to build on the good work that has been done elsewhere in the country such as the midlands so that we can secure the benefits of that and, to Martin's point, we do not duplicate efforts and resource is put into one system that genuinely benefits everyone and delivers the outcomes that we want to see.

Q274 **Chair:** That concludes our questions. I would like to finish the session by giving you the opportunity to place on the record any additional points that we have not covered this afternoon or, indeed, you submitted in your written evidence. You do not have to add anything, but now is your moment if you would like to.

Maria Machancoses: We have provided in our evidence presentation the asks in the acknowledgment of STBs as useful partners—to use the word used by the Welsh Minister, “partners” not “stakeholders”—in shaping the future of the railways. We understand that, ultimately, the railways serve a national as well as a regional/local purpose. This is not about us taking over at all. This is absolutely about us being engaged in the shaping of



HOUSE OF COMMONS

that with the understanding that trips will have different purposes. We are keen to see STBs featuring strongly in any legislation going forward.

The second one is about that long-term wider integration piece of GBR. We acknowledge that this is just one part of the jigsaw, but let us not lose sight of the overall, and the railway is part of a wider transport network. It is important to us and long-term planning as well.

Andrew Summers: I have a couple of points. We have not mentioned the ORR yet today. One of the notes that we put in our submission was the relationship opportunity between STBs and the ORR. The ORR could ensure that the IRB properly consults with and seeks the advice of the STBs in its business planning and work programme. There is another linkage that could be made there.

More broadly, integration has been the key theme today. I want to reiterate the appetite of our members in the east to engage closely in partnership with rail reform, with the DFT and with the Integrated Rail Body. The spirit of devolution is strong in the east, and our local authority leaders would like to have the opportunity to be part of the decision-making process for rail going forward.

Martin Tugwell: You have our recommendations in our submission regarding the IRB in relation to TFN. We have also touched on the relationship with the ORR in our submission. I have mentioned in this session how ensuring the objectives that are used by the regulator in deciding and determining whether access should be given to private operators needs to be aligned with other objectives. I have a question in my mind at the moment as to whether they are.

I would just point you, Chair, to an observation in our submission in response to your specific question. The establishment of the IRB in its own right will not necessarily achieve the outcomes envisaged. That is because there has to be a cultural shift in the industry. It is not to say that the industry does not deliver and is unable to deliver, but it needs to understand this is part of a transport system supporting its communities and its businesses, and that is a cultural shift.

That is why the role of democratically accountable members on bodies like TFN, alongside the business community, is important. The role of the railway is absolutely central in terms of transformation. As we look to celebrating 200 years of railways at Darlington next year, we want to make sure that railways in the north are part of the transformation for the next 200 years.

Chair: Thank you very much. We have our final sessions tomorrow with Network Rail, the Minister and DFT. You can be assured that these points will be raised. For now, I thank all three of you again for your time this afternoon. Apologies for the commercial break in the middle.