



Department for Transport

Iain Stewart MP,
Chair of the Transport Select Committee,
House of Commons
London
SW1A 0AA

From the Secretary of State
The Rt Hon Mark Harper MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: mark.harper@dft.gov.uk

Web site: www.gov.uk/dft

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Dear Iain,

Rail Reform – Next Steps

I wanted to update you of the Government's plans and ambitions for rail reform, which I have set out in a speech to the rail industry.

The railway is currently not delivering the services that passengers and freight users can rely on. Taxpayers, many of whom never use the railway, are providing an unsustainable level of subsidy because travel has changed since the pandemic. Fewer commuters have led to decreased revenues, and the disruption caused by industrial action continues to drive customers away.

Britain is yearning for a modern and efficient railway, which is a critical driver of economic growth and which delivers reliable services seven days a week. I set out my plan to deliver that, through a commitment to a commercially driven single, accountable body for rail, Great British Railways (GBR).

I will progress the commitments made in my Department's White Paper in 2021, but will ensure GBR is an arm's length body with a mission to re-energise and expand the role of the private sector. I will task it to grow freight, introduce simpler passenger service contracts to attract a wider range of operators, and to realise opportunities from the rail estate. My vision is that GBR will be a credible partner for the supply chain to unlock innovation and investment and create a more dynamic retail market. It will be held to account, by ministers, to deliver better outcomes for passengers and customers.

GBR will cover the whole of Great Britain, respecting the existing roles and responsibilities of the Devolved Administrations, but working closely with the Scottish and Welsh Governments to ensure they benefit from the reforms to the wider network. These reforms aim to improve services, consistency, and coordination across Great Britain.

Now is the time to press ahead and implement. Full reform will depend on legislation, but I will not wait for that to start delivering improvements for passengers and restructuring the railways. This will include:

- Expanding the successful LNER single-leg pricing trial to other parts of the LNER network from the spring, and carefully consider the results before extending more widely. Single leg pricing does not mean increasing fares. A flexible single fare will always be half the cost of the equivalent return – giving passengers more flexibility and better value.
- Delivering New Passenger Service Contracts that balance the right performance incentives with simple, commercially driven targets.
- Announcing the winner of the GBR HQ competition before Easter.
- Creating a Strategic Freight Unit which will create better safeguards, more national co-ordination and, later this year, set a long-term freight growth target.

As I set out in my speech, I am committed to delivering a modern and affordable railway that your constituents can rely on. This plan has the support of the industry, passenger groups and business, and I believe is the right way forward.

I look forward to providing an update to members at the next meeting of the Transport Select Committee.

Yours ever,

A handwritten signature in black ink, appearing to read 'Mark Harper', with a stylized, cursive script.

The Rt Hon Mark Harper MP

SECRETARY OF STATE FOR TRANSPORT