

# Government urged to harness the private sector to deliver growth by rail businesses

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**Rail Partners**, the trade body representing independent passenger and freight operating companies, has published a new report setting out an immediate step government can take to accelerate growth, as well as priorities for longer term reform.

**Revitalising Rail: How private operators can accelerate recovery publication** outlines how a revived public-private partnership can attract more people and businesses to rail, increasing revenue while reducing costs – benefitting both the taxpayer and customers.

The membership of Rail Partners brings together hundreds of years of experience across multiple markets. Through their commercial acumen and innovation, prior to the pandemic they had delivered more than a doubling of passenger numbers; revenue growth at twice the rate of GDP, and overturned the £2bn annual industry operating loss.

Simultaneously, freight operators leveraged significant private investment to grow the rail freight market, removing polluting heavy goods vehicles (HGVs) off roads.

Changed realities following the pandemic mean reform remains imperative and the private sector wants to use its expertise to support government in successfully co-creating rail's future. A change in ownership does nothing to attract customers and businesses to rail.

Andy Bagnall, Chief Executive of Rail Partners, said: "The private sector has previously restored the industry's finances to good health and they can once again help meet the significant challenges the railway faces.

"The right conditions are needed for the private sector to do what it does best and grow the rail market – increasing revenue by delivering for customers, and securing all the economic and environmental benefits a vibrant railway delivers for Britain.

"Our research shows at least an additional £200m per annum could potentially flow back to Treasury if operators are given more commercial freedom in their current contracts."

Revitalising Rail highlights three crucial elements for longer term reform which will support the Government's growth agenda:

- **Getting the design of Great British Railways (GBR) right:** GBR should be given a specific duty in the new legislation to promote private sector innovation and investment. Clarity will be needed on its structure and how it will operate, leaning on the experience and knowledge of the operators.
- **Ensuring Passenger Services Contracts are fit for purpose:** The new contracts must give operators the right incentives to grow revenues back and control costs, and the right levers over timetabling, fare setting and marketing within the GBR framework so they can respond to customers' needs quickly, using the in-depth knowledge of local needs and markets.
- **Encouraging modal shift to using freight:** Trebling freight volumes could treble the benefits over the next decades. If that target is set and met – it is potentially worth over £7bn to UK plc and equates to 21 million fewer HGV movements annually, supporting the economy and the environment.

*Photo credit: Rail Partners*