

“Let’s put aside the public versus private debate and share responsibility for getting rail back on track to growth”

July 13, 2023



In a new report, [Track to Growth: Creating a dynamic railway for passengers and the economy](#), Rail Partners sets out the significant and complex challenges currently facing the railway. Andy Bagnall, the organisation’s chief executive, explains more:

The railway is a crucial tool to drive prosperity across the country at the same time as contributing to the environmental goals of decarbonisation and better air quality – but it continues to face a complex set of problems that are preventing it from delivering what the country needs. Urgent choices face decision-makers, and what matters is what works best for customers and taxpayers. So, to rise to those challenges, we must put aside the debate of public versus private and share the responsibility for getting our railway back on the track to growth.

In our latest report, [Track to growth: Creating a dynamic railway for passengers and the economy](#), Rail Partners commissioned research seeking to learn lessons from the past here in Britain, and also looking at trends in Europe today where market liberalisation is delivering for passengers. We know our railway isn’t

currently performing as it should, but we must correctly diagnose the causes, and the positive role train companies can play in overcoming them, in order to prescribe the right solutions.

There are short-term issues we must address, such as resolving the current industrial disputes, but we must also deal with the deep-rooted structural problems facing the railway that existed even before the pandemic – a blurring of responsibilities and accountabilities between different parts of the system that led to the 2018 timetable failure, and also an increasingly out-dated fares system.

The pandemic compounded these issues by drastically altering travel patterns and, in turn, creating a huge hole in the railway's finances. A less obvious consequence of the virus is that operators were put on temporary, tightly specified management contracts which were right for the emergency, but are now hampering the ability of operators to regrow passenger numbers or respond effectively to changed customer needs as we look to recovery.

In turn, the financial pressures on the system are leading to an over focus in cost reduction rather than regrowth. If we don't act quickly to address the challenges, the result will be customers voting with their feet by choosing more polluting modes of transport and a permanently smaller railway.

We are increasingly hearing the blame for these issues placed exclusively on train companies, followed by calls for public ownership making national headlines. However, in reality, the railway is already now more centralised and micro-managed than at any point in its history, including under British Rail.

In fact, the evidence we have collated shows that the private sector played a significant role in stopping the decline of the railway at the point of privatisation. The operational deficit was closed, taxpayer subsidy reduced freeing up money for infrastructure, and ultimately, passengers flocked to the railway in record numbers. Although the franchising system in its later stages needed reform, and even more so post pandemic, harnessing train companies in the delivery of passenger services was transformative for customers and the railway from the 1990s – and it can be again in the 2020s.

Frustratingly, while rail reform in Britain has stalled, our European neighbours are forging ahead by using the power of managed competition to deliver positive outcomes. Our research reveals where competition among train companies has been harnessed effectively across the continent – both through competitive tendering of contracts and also through long distance operators directly competing between the same destinations – there are more customers, more services, newer trains, cheaper fares and reduced subsidy.

Simply changing the operator of a train contract from private to public will not reduce a single fare or make a single train more punctual. Rather the system as a whole needs overhauling – legislation is needed to create a new public sector, arms-length body to reunite track and train. That new 'guiding mind' for the railway should then give operators the freedom they need to respond to customers in a new contractual relationship fit for the future.

The evidence points to allowing decisions to be made closer to the customer in a public-private partnership as the right answer. A collective responsibility is what will get the railway back on track – delivering the best outcomes for passengers, the taxpayer, the wider economy and the environment.

It will take several years to turn the railway around so we need as much consistency in the approach from government as possible. We need politicians of all hues to follow the evidence. If reform continues to be delayed while we argue about the way forward, the challenges the railway is facing risk becoming entrenched.

By Andy Bagnall, chief executive of Rail Partners