Policy paper - https://www.gov.uk/government/publications/railways-bill/railways-bill-holding-great-british-railways-to-account

Railways Bill factsheet: holding Great British Railways to account

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Great British Railways (GBR) is being created as the directing mind of the reformed railway, accountable to its customers, taxpayers and to the Transport Secretary, who is GBR's sole shareholder and is democratically accountable for the railways.

GBR will put an end to the blame culture and competing interests that drive dysfunction in the railways today. It will have the independence and expertise to run the railways effectively – taking charge of the infrastructure (track, stations and depots), the train services, the timetable and the critical decisions about who can access the track and what they should pay for it. GBR will be responsible for running a railway that works – and we must ensure that it is incentivised to succeed and that there are clear paths for corrective action to be taken should it be needed.

How will the bill set the direction for GBR?

Functions and duties

The Railways Bill sets out a clear purpose and decision-making framework for GBR through its statutory functions (what GBR is expected to do) and its statutory duties (what we expect it to consider).

The statutory functions set out what activities GBR is expected to undertake as the directing mind for the railways. These functions ensure it can:

- manage its infrastructure (such as track, stations and depots) and take decisions on who can access the track
- maintain, improve and add to its infrastructure, including doing work to respond to floods or other issues
- deliver passenger train services, including acquiring trains, setting fares and selling tickets
- manage and run the back of house functions for ticket retailers, including, for example provision of railcards
- undertake research, development and innovation
- provide advice and set standards, for example, maintenance standards for the track or similar

The duties set out what GBR must consider when carrying out its functions. They act as decision-making criteria for GBR to use when it takes day-to-day operational decisions. It will be for GBR to independently weigh up these duties against each other in a considered and rational way.

The duties are:

- promoting the interests and needs of passengers and disabled passengers
- promoting the interests of rail freight
- promoting high standards of performance, including reliability, punctuality and the avoidance of overcrowding
- ensuring the provision of information so that other operators on the railway (including devolved operators, freight operators and others) can plan and invest in their business
- the need to run the railway in the public interest, including considering social, economic and environmental factors
- the need to make efficient use of taxpayer funds

Taken together, these functions and its general duties are the critical areas that the government wants GBR to deliver and consider – in other words, its purpose.

To ensure consistency across the rail system, these general duties will apply equally to the Transport Secretary, Scottish and Welsh ministers and the Office for Rail and Road (ORR). This will counter the competing interests and priorities that cause issues on today's railway. More information on the full list of duties for all bodies can be found in A railway fit for Britain's future: DfT's consultation response.

Integrated business plan

The bill requires GBR to develop an integrated business plan ('the business plan') which will set out how GBR expects to use the money it has been given (for example, over a 5-year period) – including what activities it will undertake and what outcomes it will seek to achieve. GBR must ensure the business plan takes into account:

- the Long-Term Rail Strategy (LTRS)
- the Transport Secretary's objectives as set out in the statement of objectives (SO), which she will issue as part of each funding settlement
- any guidance and directions that the Transport Secretary has issued
- the money they have available

For more detail, see the fact sheets on the Long-Term Rail Strategy and funding in the new system that have been published alongside this one.

When developing its business plan, GBR must consult the ORR and the passenger watchdog. This will ensure that GBR has the context required to plan effectively.

The ORR will then provide advice to the Transport Secretary on whether the business plan achieves the Transport Secretary's objectives in an efficient way, and whether the funds available match the ambition and activities. Once satisfied, the Transport Secretary approves the plan and the 5-year funding settlement is published.

A 5-year business plan enables GBR to be strategic in how it plans the allocation of its resources in the best way. However, like any business, external changes in circumstances, such as inflation or the actions of customers, can impact how GBR runs. GBR will therefore update the business plan annually to reflect any changes and will publish the updates alongside a self-assessment of its performance against commitments.

How will GBR be held to account for its delivery?

The GBR Board

GBR will need robust leadership to ensure it can act as the directing mind for the rail industry and deliver its business plan effectively. GBR's senior leaders and workforce will be held accountable for their performance first and foremost by its Board, with the Chair required to report on progress against the business plan to the Transport Secretary.

The Transport Secretary and the Department for Transport

On a day-to-day basis, the Department for Transport (DfT) will have a dedicated team to ensure a constructive relationship between GBR and the department. A framework agreement will be established describing the relationship between DfT and GBR. This framework agreement will include:

- the role of DfT (as funder, shareholder and client)
- the role of the GBR Chair, Board and accounting officer
- key financial responsibilities
- requirements on business planning, financial reporting and management information

The framework agreement will set out routes for addressing any areas of concern that arise during business plan delivery, including how GBR and the Transport Secretary could address these in a constructive and transparent way. The Transport

Secretary can also draw on the independent expertise of the ORR to take a deeper look into a specific issue and provide independent advice on the matter.

The Office for Rail and Road

In the new system, the ORR will be able to scrutinise performance across the full scope of the business plan but will do so in an advisory, rather than enforcing, capacity. ORR will monitor and scrutinise GBR's performance in a proportionate way supported by guidance from the Secretary of State for Transport.
This includes GBR's self-assessments and the ORR will engage directly with GBR to share its findings, highlight areas of concern and review GBR's action to address them.

Where issues cannot be resolved through constructive working between parties, or where ORR has independently escalated an area of concern to the Transport Secretary, further intervention may be needed to fully resolve the problem. In these instances, the bill provides the Transport Secretary with several possible levers, including:

- The ability to issue guidance to GBR to help clarify expectations, or to support strategic focus on a specific issue. Guidance is intended to promote a whole systems approach and to provide clarity to GBR to support both delivery and the exercising of its statutory rail functions.
- The ability to issue a legally binding direction to GBR. Directions will be used proportionately and with justification, and only where other levers prove insufficient or are not appropriate. This will promote transparency, accountability, and will ensure that every day autonomy is preserved for GBR.

The Transport Secretary will be required to publish any issued directions or guidance, as well as any subsequent amendments or revocations.

The ORR will continue to enforce GBR's activities against its licence.

What role will the GBR licence play in the new system?

In the reformed system, GBR will act as the manager of the mainline rail network, as well as operating passenger train services. GBR will therefore require a railway licence that reflects its combined responsibilities. This licence will be issued by the Transport Secretary; GBR will be independently monitored and enforced against its licence by the ORR.

The licence will be more streamlined and targeted in comparison to the current Network Rail network licence. Subject to full consultation, the licence is expected to:

- set the industry obligations, processes and schemes GBR needs to follow, such as making sure it has insurance to cover any harm caused to third parties
- establish transparent information requirements to ensure timely, accessible publication of data and enable robust independent scrutiny by the ORR
- contain minimum consumer standards which GBR must meet, including relating to accessible travel policies, complaint handling, information for passengers and delay compensation – these consumer standards will be developed, published and managed by the passenger watchdog
- ensure GBR has due regard for long-term asset stewardship

The ORR will be responsible for monitoring GBR's compliance with its licence. It will do this in a transparent and proportionate way, in line with good regulatory practice. If GBR is not complying with its licence and dialogue or early intervention has not been effective, the ORR may use its statutory enforcement powers to secure compliance.

ORR's approach to using its enforcement powers includes the following escalation steps:

- escalating issues to the GBR board
- requiring GBR to create and publish improvement plans
- issuing an enforcement order, which is a legal instruction that would require GBR to take action to meet its responsibilities

The passenger watchdog will set the minimum consumer standards and have the responsibility for monitoring compliance with them. If required, the passenger watchdog can recommend enforcement action to the ORR.

The intention is for the licence to provide stability to GBR and the wider industry through well-understood and consistent standards. It is therefore important that GBR's licence is an enduring document. A review of its content will be carried out approximately every 5 years by the Transport Secretary, at an appropriate point in the funding cycle, to ensure it remains fit for purpose.

Accountability framework infographic

This diagram explains the relationships that GBR will have with other key sector bodies. A more detailed version can also be found in A railway fit for Britain's

future: DfT's consultation response.

