

## Research Briefing

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# Rail FAQs



## Summary

- 1 Railway ownership, accountability and funding
- 2 Rail fares, tickets, compensation and complaints
- 3 Passenger services
- 4 Stations, trains and infrastructure
- 5 Major rail infrastructure projects
- 6 Rail, climate change and the environment

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# Summary

This paper answers questions on:

## **Railway ownership, accountability and funding**

Ownership of railways; devolution; funding; the Williams-Shapps Plan for Rail

## **Rail fares, tickets, compensation and complaints**

Season ticket increases; flexible season tickets; compensation for delays; complaints

## **Passenger services**

Publicly-run train services; train timetables; reliability; Government penalties for poor performance

## **Stations, trains and infrastructure**

Funding for rail infrastructure; reopening of old railways lines; strategic rail freight interchanges

## **Major rail infrastructure projects**

HS2; Northern Powerhouse Rail

## **Rail, climate change and the environment**

Rail's environmental impact; railway electrification

## **Further reading**

Further information on related topics can be found in the Commons Library briefings on:

- [Northern Powerhouse Rail](#)
- [The future of rail](#)
- [High Speed Rail 2 – an overview](#)
- [High-Speed Rail \(Crewe to Manchester\) Bill](#),
- [Access to transport for disabled people](#)

Rail FAQs

and the [Rail topical page](#) of the Commons Library website.

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# 1 Railway ownership, accountability and funding

## 1.1 Who runs the railway in Great Britain?

The answer to this question is complicated. The railway is run by a mix of public and private bodies, each with different functions. One of the chief goals of the Williams-Shapps Plan for Rail, the Government's white paper on rail reform, is to simplify the roles and responsibilities for rail, so it is easier to know who is accountable.<sup>1</sup>

### Passenger services

Most passenger services in England are run by privately-owned train operating companies (TOCs), many of which are part-owned by state railway companies from other European countries.<sup>2</sup> TOCs typically operate under contracts let by the Department for Transport (DfT), except in London and Merseyside where responsibility for letting passenger services has been devolved.<sup>3</sup> Under these contracts, the costs of running the railway are now borne by the Government, who also receives the revenue from fares.<sup>4</sup> In return, operators are paid a fee, part of which depends on their performance.<sup>5</sup> Some TOCs operate under a different arrangement known as open access, whereby they secure slots on network from the Office of Rail and Road, the industry's regulator.<sup>6</sup>

Scottish and Welsh ministers also have responsibility for letting passenger service contracts (see Question 1.2).

The DfT's public register of passenger service contracts contains a list of the contracts for each operator.<sup>7</sup>

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<sup>1</sup> DfT, [Great British Railways: The Williams-Shapps Plan for Rail](#), 20 May 2021

<sup>2</sup> Full Fact, [Who owns Britain's trains, energy and postal service?](#), January 2018

<sup>3</sup> The Department for Transport provides a register of the passenger service contracts See [DfT, Public register of passenger service contracts](#)

<sup>4</sup> Before the Covid-19 pandemic, the cost and revenue risk for running passenger services was borne by the operators, as part of their franchise agreements.

<sup>5</sup> DfT, [Details of process for determining performance scores under EMAs and ERMAs](#), last updated February 2022

<sup>6</sup> Office of Rail and Road, [On the right track: Open access explained](#), 12 June 2019<sup>2019</sup>

<sup>7</sup> [DfT, Public register of passenger service contracts](#) [accessed on 19.12.2021]

## Stations, tracks and trains

Today, most of the infrastructure on the railway (e.g. tracks, stations, signalling etc) is owned, maintained and operated by **Network Rail**, a publicly-owned company (with some limited exceptions).<sup>8</sup>

Network Rail lease most stations to train operators, but run the main passenger terminals, including all the major stations in London.<sup>9</sup>

Trains (also referred to as rolling stock) are owned by private rolling stock leasing companies (ROSCOs) and leased to the TOCs, although franchising authorities (namely the DfT, Scottish and Welsh governments) have had a significant say on the trains TOCs lease, via the contracts they let.<sup>10</sup>

## Freight

There are also freight services which are run by several private companies. These are known as freight operating companies (FOCs).<sup>11</sup> Freight services are also provided via open access, rather than through contracts let by the DfT or the devolved administrations.

See the current industry structure depicted in the diagram under Question 1.4.

## 1.2

## What powers do the devolved administrations have over rail?

Devolved administrations in Scotland, Wales and Northern Ireland have different responsibilities for the railway in their respective countries.

### Scotland

In Scotland, Schedule 5, Part II, Head E of the Scotland Act 1998, as amended, prescribes those areas reserved to the UK Parliament; everything else is devolved.<sup>12</sup> The 1998 Act was substantially amended in 2012 and 2016. In general, the provision and regulation of railway services is a reserved matter except for those that both begin and end in Scotland, which are devolved.

The Scottish Government is responsible for:

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<sup>8</sup> [Network Rail website](#) [accessed on 19.12.2021]

<sup>9</sup> [Network Rail website](#) [accessed on 19.12.2021]

<sup>10</sup> [ORR, Rolling Stock Companies](#) [accessed on 19.12.2021]

<sup>11</sup> [Rail Freight Group \(RFG\), Operations](#)

<sup>12</sup> [Schedule 5, Part II, Head E](#) of the Scotland Act 1998



- letting and managing the Scotrail and Caledonian Sleeper services
- setting regulated rail fares
- determining Network Rail's priorities and funding for projects in Scotland.<sup>13</sup>

Transport Scotland was established as an executive agency of the then Scottish Executive in January 2005. It is the national transport agency for Scotland and has a directorate dedicated to delivering rail services and projects.<sup>14</sup> On 1 April 2022, ScotRail Trains Limited took over responsibility for running ScotRail services from Abellio, a private sector operator.<sup>15</sup> ScotRail Trains Limited is owned by Scottish Rail Holdings Limited, a non-departmental public body under the control of Scottish Ministers.<sup>16</sup>

## Wales

In Wales, the original devolution settlement under the Government of Wales Act 1998 did not equip the National Assembly for Wales with primary law-making powers, and most transport policy remained under Westminster control.<sup>17</sup> In 2014, the Silk Commission recommended that the National Assembly should move to a reserved powers model like Scotland.<sup>18</sup> This was then enacted by the Wales Act 2017.<sup>19</sup>

Schedule 7A, Part II, Head E prescribes those areas reserved to the UK Parliament, including some road and rail transport, and almost all aviation, maritime and transport security matters.<sup>20</sup> The main devolved areas are in local and public transport and the Wales & Borders rail franchise. Infrastructure planning and the funding of Network Rail in Wales remains reserved, unlike in Scotland where this aspect is devolved.

Transport for Wales (TfW) was established in 2015 as a wholly-Welsh Government owned company. Transport for Wales has taken responsibility for the Wales and Borders franchise since October 2018, as part of the Welsh Ministers (Transfer of Functions) (Railways) Order 2018.<sup>21</sup> TfW awarded the franchise to a new private operator in October 2018. In response to the Covid 19 pandemic, the franchise was initially replaced with emergency contracts, similar to those used in England. However, in October 2020, the Welsh Government announced that the franchise would be taken into public

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<sup>13</sup> Transport Scotland, [Scotland's Railway](#) [accessed on 17 August 2022]

<sup>14</sup> Transport Scotland, [Our directorates](#) [accessed on 17 August 2022]

<sup>15</sup> Transport Scotland, [ScotRail Franchise](#) [accessed on 25 April 2022]

<sup>16</sup> ScotRail, [About ScotRail](#) [accessed on 25 April 2022]

<sup>17</sup> [Government of Wales Act 1998](#)

<sup>18</sup> Commission on Devolution in Wales, [Empowerment and Responsibility: Legislative Powers to Strengthen Wales](#), March 2014

<sup>19</sup> [Wales Act 2017](#)

<sup>20</sup> [Government of Wales Act 2006](#)

<sup>21</sup> [The Welsh Ministers \(Transfer of Functions\) \(Railways\) Order, SI 631](#)

ownership from February 2021, with all rail services transferred over to a publicly owned company, called Transport for Wales Rail Ltd, a subsidiary of Transport for Wales.<sup>22</sup>

## Northern Ireland

Railways in Northern Ireland are completely devolved, governed by separate legislation and managed in a different way. The services and infrastructure are operated by a number of companies, all owned by the state-owned body Translink.<sup>23</sup>

## 1.3 How is the railway in Great Britain funded?

The rail industry's income comes from government subsidy, rail fares and other sources (e.g. rental income from Network Rail's property), including private investment.

The extent of government support for the railway has fluctuated over time. Despite a sharp fall immediately after privatisation in the early 1990s, public subsidy rose sharply from the turn of the millennium until the 2008 recession.<sup>24</sup> By 2005/06, taxpayers were paying a higher proportion than fare payers. Before the pandemic, consecutive governments had tried to shift the burden of funding the railways from the taxpayer to the passenger.<sup>25</sup> This has contributed to increases in the price of fares (see Question 2.1). In 2019-20, net government support for rail amounted to just under £7.2 billion.<sup>26</sup> The increase in total government support between 2009-10 and 2019-20 is largely attributed to the allocation of long-term funding for HS2, Crossrail and other rail enhancements.<sup>27</sup>

Public subsidy for the railway, especially subsidies for train operators, increased significantly following the Covid-19 pandemic to make up for the loss of income from fares. Passenger journeys plummeted to historically low levels in response to Government restrictions and official advice to work from home and avoid public transport. In 2020-21, there were just under 400 million passenger journeys on Great Britain's railway compared to over 1.7 billion before the pandemic.<sup>28</sup> In 2020-2021, public subsidy for the day-to-day running of the railway increased to almost £17 billion, an increase of over £10 billion.<sup>29</sup> Most of the increase (£9 billion) was a direct result of emergency contracts introduced during the Covid-19 pandemic, which transferred the

<sup>22</sup> Welsh Government, [Welsh Government to take rail franchise under public control](#), 22 October 2020

<sup>23</sup> Translink, [Legal information](#) [accessed on 17 August 2022]

<sup>24</sup> ORR, [Rail finance 2018-19](#), November 2019, see page 2, Figure 1.1

<sup>25</sup> DfT, [Delivering a Sustainable Railway](#), Cm 7176, July 2007; DfT, [Reforming our Railways: Putting the Customer First](#), Cm 8313, March 2012

<sup>26</sup> ORR, [Rail finance 2018-19](#), November 2019, see page 2, Figure 1.1

<sup>27</sup> ORR, [Rail finance 2018-19](#), November 2019, see page 2, Figure 1.1

<sup>28</sup> ORR, [Rail Industry Finance 2020-21](#), November 2021

<sup>29</sup> ORR, [Rail Industry Finance 2020-21](#), November 2021, Para 2.11

cost and revenue risk of running passenger services from franchised train operators (see Question 1.1) to the Government.<sup>30</sup>

## 1.4

### What is the William-Shapps Plan for Rail?

[The Williams-Shapps Plan for Rail](#), the Government's White Paper on rail reform, was published in May 2021.<sup>31</sup> The plan followed a comprehensive review (the Williams Review) of the railway in Great Britain led by Keith Williams, the former chief executive of British Airways. This review began in September 2018.<sup>32</sup> The publication of the White Paper was delayed to ensure its conclusions and recommendations remained appropriate given the impact of the Covid-19 pandemic on the railway.<sup>33</sup>

In a statement to Parliament, the Transport Secretary, Rt Hon. Grant Shapps MP, described the plan as “the biggest shake up in three decades, bringing the railway together under a single national leadership, with one overwhelming aim: to deliver for passengers.”<sup>34</sup> The Plan proposed to:

- to create a new public body, Great British Railways (“GBR”) as a single “guiding mind” to own the infrastructure, receive fare revenue, run and plan the network and set most fares and timetables.
- to replace the franchise system with new passenger service contracts, similar to the contracts operated on Transport for London's Overground and bus network.
- reform, and upgrades to, the fares system, with an emphasis on standardisation and simplicity, together with the introduction of new and innovative products such as flexible season tickets.
- the formation of a new 30-year strategy for rail be created to “provide clear, long-term plans for transforming the railways to strengthen collaboration, unlock efficiencies and incentivise innovation.”
- the establishment of a national brand and identity (an updated version of the classic ‘double arrow’ logo) to emphasise that the railways are one connected network, with national and regional sub-identities. The plan also sets out who will be responsible for decisions about local train services and rail infrastructure.<sup>35</sup>

<sup>30</sup> ORR, [Rail Industry Finance 2020-21](#), November 2021

<sup>31</sup> DfT, [Great British Railways: The Williams-Shapps Plan for Rail](#), 20 May 2021

<sup>32</sup> DfT press notice, “[Government announces 'root and branch' review of rail](#)”, 20 September 2018

<sup>33</sup> DfT, [Williams-Shapps Plan for Rail](#), 15 May 2021, p19

<sup>34</sup> HC Deb 20 May 2021 [c888](#)

<sup>35</sup> DfT, [Great British Railways: The Williams-Shapps Plan for Rail](#), 20 May 2021

In May 2022, the Government, in the Queen’s Speech, announced its plans to bring forward a Transport Bill, which will include the legislative changes needed to implement the Williams-Shapps Plan for Rail.<sup>36</sup> In June 2022, the Government began to consult on its proposed legislative changes. This consultation ran until 4 August 2022. The consultation focused specifically on the legislative changes required to deliver the Government’s rail reforms; some aspects of the Williams-Shapps Plan for Rail were not included in the consultation because they do not require primary legislation.<sup>37</sup> The Government is currently analysing the feedback it received.<sup>38</sup>

More information on the Williams-Shapps Plan for Rail can be found in the Commons Library briefing on [The future of rail](#).<sup>39</sup>

See the current and future industry structure, as envisaged by the Williams-Shapps plan, depicted in the diagrams below.

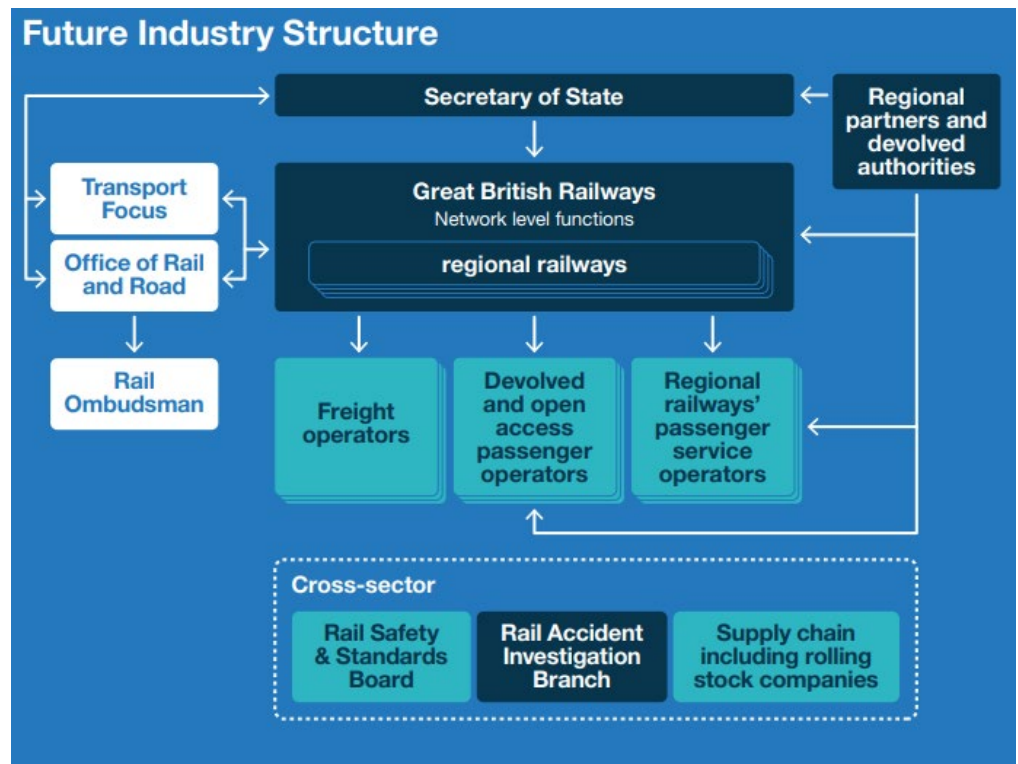
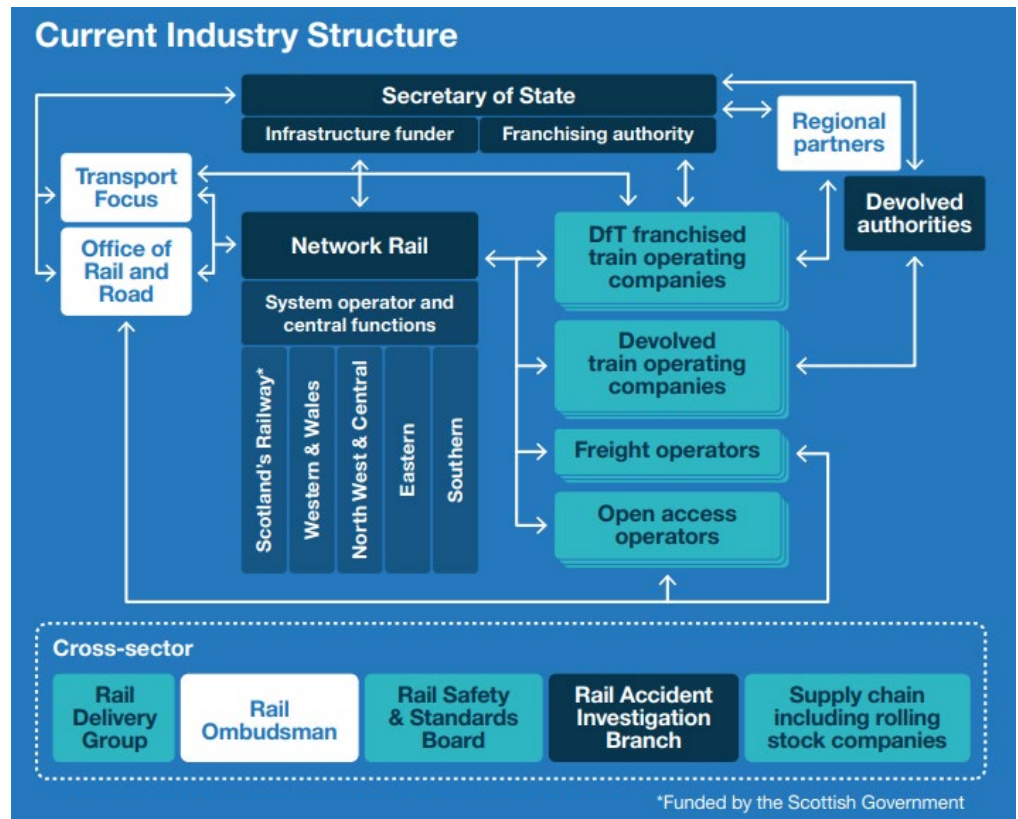
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<sup>36</sup> Prime Minister’s Office, [Queen’s Speech 2022: background briefing notes](#), May 2022

<sup>37</sup> Department for Transport, [The Williams-Shapps Plan for Rail A Consultation on Legislation to Implement Rail Transformation](#), CP660, June 2022, page 11

<sup>38</sup> DfT, [Williams-Shapps Plan for Rail: legislative changes to implement rail reform](#), accessed on 9 August 2022

<sup>39</sup> Commons Library Briefing CBP-8961 [The future of rail](#)



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<sup>40</sup> DfT, [Great British Railways: The Williams-Shapps Plan for Rail](#), 20 May 2021, Page 50-51

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## 2 Rail fares, tickets, compensation and complaints

### 2.1 Why does the cost of my season ticket keep going up?

In Great Britain, season tickets, as well as other ‘regulated’ fares, usually go up in price each January in line with an inflation-linked cap imposed by the UK, Scottish and Welsh Governments. There are long-standing concerns amongst passengers about rail fares and the rate at which they increase.

There are essentially two sorts of fares:

- **Regulated fares** (about 45% of fares, largely made up of London commuter fares and season tickets), whose annual increase is capped – by the Secretary of State in England, Welsh Ministers in Wales and Scottish Ministers in Scotland – and linked to the previous year’s July Retail Price Index (RPI) figure as a measure of inflation.
- **Unregulated fares** (all other fares, including first class and advance purchase), which are set entirely at the discretion of the train operators.<sup>41</sup>

#### How much did fares go up in 2022?

Regulated fares, including season tickets, rose by 3.8% in 2022, the highest increase since 2013.<sup>42</sup> In contrast, the ORR’s statistics on rail fares show that unregulated, standard class fares rose by 4.8% compared to March 2021, while unregulated first class fares increased by just over 11% over the same period.<sup>43</sup>

In July 2022, the Retail Price Index (RPI) rose to over 12%.<sup>44</sup> However, the Government has said that fares in 2023 will not rise by as much as this and that the increase, which usually occurs every January based on the previous July’s RPI, will be delayed until March 2023. This delay from January to March also happened in 2022, to allow passengers more time to buy cheaper flexible

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<sup>41</sup> Department for Transport, [Rail fares and ticketing review](#), March 2012

<sup>42</sup> Office of Rail and Road, [Rail Fares Index 2022](#), 28 June 2022

<sup>43</sup> Office of Rail and Road, [Rail Fares Index 2022](#), 28 June 2022

<sup>44</sup> ONS [Consumer price inflation, UK: July 2022](#), 17 August 2022

and season tickets at the older, lower rate.<sup>45</sup> However, the Government has not yet decided how much fares will increase next year.<sup>46</sup>

## Why is the price of season tickets capped?

The reason for regulating fares is that rail operators are not subject to the same degree of competition as other commercial sectors, such as airlines. The DfT explain that regulating fares “protects passengers from possible market abuse” and ensures fares “remain affordable”, especially for those “who do not have a realistic alternative.”<sup>47</sup> The commuter market, especially around London and other cities, has been the main market where regulating fares has been deemed necessary because these passengers have had fewer practical alternatives to commuting by train.<sup>48</sup> However, since the Covid-19 pandemic more people divide their time between working at home and travelling to the office (e.g. hybrid working).<sup>49</sup>

## Retail Price Index or Consumer Price Index

The RPI is longest running measure of inflation and is used for certain types of cost increases, including rail fares. However, it is no longer classified as a national statistic as the way it’s calculated does not meet international standards.<sup>50</sup> In 2018, the then Secretary of State for Transport, Chris Grayling MP, committed to link rail fares to the CPI instead.<sup>51</sup> However, the Government argued that the industry’s costs, such as staffing costs, must change in parallel, if this change is going to be financially sustainable.<sup>52</sup> Baroness Vere, the Government’s transport minister in the Lords, told the House in March 2022 that the Government continues keep its “policy under review, with a long-term goal of replacing Retail Price Index (RPI), as it is phased out of use.” However, she added that:

any change will need to overcome specific barriers to ensure it is delivered sustainably and will require balancing against the potential impacts on passengers, taxpayers and the railway.<sup>53</sup>

For further information see the Commons Insight [How much could rail fares increase by in 2023, and why?](#)<sup>54</sup>

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<sup>45</sup> DfT News story [Rail fares capped to prevent high increases for passengers](#) 17 December 2021

<sup>46</sup> [The bad news: rail fares are going to rise. The good news: it won't be in double figures](#), The Times, 14 August 2022

<sup>47</sup> DfT, [Rail fares and ticketing review: initial consultation](#), March 2012

<sup>48</sup> House of Commons Library, [Rail fares, ticketing and prospects for reform](#), CBP 8552, 24 April 2019

<sup>49</sup> Office for National Statistics, [Is hybrid working here to stay?](#), May 2022

<sup>50</sup> House of Commons Library, [Inflation: key economic indicators](#), SN2792, August 2022

<sup>51</sup> Campaign for Better Transport, [Chancellor urged to help rail passengers with cost-of-living-crisis as inflation hits 11.8%](#), 21 July 2022

<sup>52</sup> PQ [220168](#) [Public transport: Fares] answered on 19 February 2019

<sup>53</sup> PQ [HL7223](#) [Railways: Fares] answered on 30 March 2022

<sup>54</sup> Commons Library Insight [How much could rail fares increase by in 2023, and why?](#) 17 August 2022

## 2.2

## How many journeys can I make on a flexible season ticket?

Flexible season tickets allow passengers to travel on any 8 days within a 28-day period.<sup>55</sup> The Government launched the new tickets in June 2021, describing them as the “first step in the reform of the railways.”<sup>56</sup> By January 2022, the Government reported that over 100,000 flexible season tickets had been sold.<sup>57</sup>

Passengers can use these 8 days however they wish. For example, they do not need to select the days in advance or travel on the same days each week. However, passengers cannot roll any unused days into the next month. If passengers use all their 8 days up, they do not have to wait until their current ticket expires before purchasing another one.<sup>58</sup>

Flexible season tickets offer savings compared to the cost of 8 separate daily tickets (specifically Anytime Day Tickets). However, the extent of the savings varies between routes. Which?, the consumer champion, found that flexible tickets on some routes have much greater discounts than on others, while on some routes annual season tickets were still cheaper.<sup>59</sup> Transport Focus, a statutory consumer watchdog, explain that these tickets are not for suitable for everyone. For example, it could be cheaper for those who travel less than twice a week or during off-peak times, to purchase a separate ticket each day.<sup>60</sup>

In November 2021, Transport Focus published a survey of rail commuters who can work from home. It found that despite high levels of awareness, only 1 in ten planned to use flexible season tickets as their main choice of ticket for travelling to work over the next year. A quarter expected to use the ticket occasionally, whereas half of those who responded did not expect to use flexible tickets at all.<sup>61</sup> The Government plan to conduct a 12-month review of flexible season tickets, which will report in 2022.<sup>62</sup> Mark Smith, an expert in fares and the founder of Seat61.com, an international train travel website, has argued that the tickets “have added to, rather than reduced, the ticket complexity faced by commuters.”<sup>63</sup>

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<sup>55</sup> DfT, Flexible season tickets on sale, saving hundreds of pounds for rail passengers, 21 June 2021

<sup>56</sup> DfT, Flexible season tickets on sale, saving hundreds of pounds for rail passengers, 21 June 2021

<sup>57</sup> PQ [105638](#) [Railways: Season tickets] answered on 21 January 2022.

<sup>58</sup> Transport Focus, [Flexible season tickets explained](#) [accessed on 24 August 2022].

<sup>59</sup> Which, [Flexible train tickets on sale now: how much could you save?](#), 22 June 2021

<sup>60</sup> Transport Focus, [Flexible season tickets explained](#) [accessed on 24 August 2022].

<sup>61</sup> Transport Focus, [Flexi season ticket survey](#), November 2021

<sup>62</sup> PQ [HL3609](#) [on Railways: Season tickets] answered on 8 November.

<sup>63</sup> [Have flexi-season train tickets made any difference for commuters?](#), The Independent, 29 September 2021



## 2.3

## What compensation am I entitled to when my train is delayed or cancelled?

There are industry processes which allow passengers to claim compensation when a train is delayed or cancelled. The compensation you are entitled to when your train is delayed or cancelled will depend on:

- the train operator(s) you are travelling with, as different companies have different compensation schemes.
- the type of ticket you have. Compensation is based on the amount you paid for the journey, so it can be different depending on if you are using a single or a season ticket.
- the length of the delay. Different companies have a different threshold covering the length of the delay when they will pay compensation. These thresholds are set out in the company's Passenger Charter, available on their website.<sup>64</sup>

There are different compensation schemes which operators subscribe to. The **Passengers' Charter** scheme was the original compensation scheme and was based on the arrangements set out under Conditions 32 and 33 of the [National Rail Conditions of Travel](#).<sup>65</sup> This scheme, in effect, represents the minimum industry standard.<sup>66</sup> Many operators go beyond these requirements. Most operators are part of Delay Repay, a nationwide scheme that allows passengers to claim compensation if their journey is delayed or cancelled.<sup>67</sup> Under the scheme, passengers are entitled to 50% of the price of their ticket if their train is between 30 minutes and 1 hour late and 100% of the price for journeys delayed by more than an hour.<sup>68</sup> Some operators are part of Delay Repay 15, whereby passengers are entitled to 25% of the price of their ticket if their train is delayed between 15 minutes to 29 minutes late.<sup>69</sup>

Passenger can only recover up to the price of their ticket. In exceptional circumstances, a train company may consider claims for other losses at their discretion.<sup>70</sup>

Rail passengers also have statutory rights under the [Consumer Rights Act 2015](#).<sup>71</sup> For example, under 2015 Act passengers may be entitled to

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<sup>64</sup> National Rail Enquiries, [Compensation for Delays](#) [accessed on 25 August 2022]

<sup>65</sup> National Rail, [National Rail Conditions of Travel](#), last updated February 2022

<sup>66</sup> PQ1044 [Railways: Compensation] answered on 13 January 2020

<sup>67</sup> Southern, [Delays and compensation](#) [accessed on 25 August 2022]

<sup>68</sup> Citizens Advice, [Getting a refund for a cancelled or delayed train](#) [accessed on 25 August 2022]

<sup>69</sup> Citizens Advice, [Getting a refund for a cancelled or delayed train](#) [accessed on 25 August 2022]

<sup>70</sup> National Rail, [National Rail Conditions of Travel](#), last updated February 2022

<sup>71</sup> [Consumer Rights Act 2015](#)

compensation where a service has not been provided with reasonable skill and care and within reasonable time.

## 2.4 How can I complain about my train service?

Rail passenger rights and responsibilities when travelling by rail in Great Britain are set out in the [National Rail Conditions of Travel](#) (NRCT) and the individual Passengers' Charters of the train companies that run rail services. These conditions include relevant provisions of the Consumer Rights Act 2015.<sup>72</sup> The NRCT were most recently updated in February 2022.<sup>73</sup>

There are two stages to making a complaint about a rail service:

1. to complain direct to the train operator; then
2. if their response is unsatisfactory, to contact the Rail Ombudsman.

Raising a complaint directly with a train operator is the quickest and easiest option to resolve a complaint. Contact with the operator must be made prior to submitting a formal complaint to the Ombudsman. It is important to keep a record of your complaint, including all correspondence.

If you are not satisfied with the response received from the operator, you can contact the [Rail Ombudsman](#).<sup>74</sup> The Rail Ombudsman was set up in November 2018 to investigate and rule on unresolved customer complaints.<sup>75</sup> It has the power to issue decisions, including on compensation, that are binding on the industry.

For a complaint to be dealt with by the Ombudsman, it must meet certain criteria, specifically:

- The complaint must be with a participating service provider;
- You must be over 16 years old or have a representative who is;
- 40 working days have passed since you first complained to the service provider or you must have received a 'deadlock' letter; and
- Your complaint to the service provider must have been raised within the last 12 months.<sup>76</sup>

The ombudsman will review the complaint and decide if it is something they can investigate, or if it needs to be dealt with by another organisation, such

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<sup>72</sup> [Consumer Rights Act 2015](#)

<sup>73</sup> RDG [National Rail Conditions of Travel](#) 6 February 2022

<sup>74</sup> The Rail Ombudsman, [Welcome to the Rail Ombudsman](#) [accessed on 25 August 2022]

<sup>75</sup> The Rail Ombudsman, [Our History](#) [accessed on 25 August 2022]

<sup>76</sup> The Rail Ombudsman, [Can we help with your complaint?](#) [accessed on 25 August 2022]

as Transport Focus (Great Britain excluding London) or London TravelWatch (for London), the consumer watchdogs for the rail industry.<sup>77</sup>

If the complaint is progressed by the ombudsman, they will contact the service provider to request a formal response to the complaint. This should be provided within two weeks.<sup>78</sup> Following an investigation, the ombudsman will then seek to reach an agreement between the service provider and the complainant. If an agreement is not reached, the ombudsman will come to a decision.<sup>79</sup> Its decision is final and binding on the service provider after 20 working days. If you are happy with the Ombudsman's decision you have 20 working days to accept; if you are unhappy there is no further appeal and legal action remains the only remaining option.<sup>80</sup>

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<sup>77</sup> The Rail Ombudsman, [Can we help with your complaint?](#) [accessed on 25 August 2022]

<sup>78</sup> The Rail Ombudsman, [How does the process work?](#) [accessed on 25 August 2022]

<sup>79</sup> The Rail Ombudsman, [How does the process work?](#) [accessed on 25 August 2022]

<sup>80</sup> The Rail Ombudsman, [How does the process work?](#) [accessed on 25 August 2022]

## 3 Passenger services

### 3.1 How are passenger services run?

As mentioned in Question 1.1, most passenger services in England are run by privately-owned train operating companies under contracts let by the DfT.<sup>81</sup>

The DfT is currently transitioning operators from emergency contracts, known as Emergency Recovery Management Agreements (ERMAs), introduced during Covid-19 to longer-term arrangements, known as National Rail Contracts, which are designed to act as a stepping-stone to the new contractual mode announced in the Williams-Shapps Plan for Rail. ERMAs have been in place since September 2020. More information on these contracts is set out in the Library's briefing paper on [The Future of Rail](#).<sup>82</sup> Under these contracts, the costs of running the railway are borne by the Government, who also receives the revenue from fares.<sup>83</sup> In return, operators are paid a fee, part of which depends on their performance.<sup>84</sup>

This has not always been the case. Before the Covid-19 pandemic, most passenger services were provided under a different commercial model, known as franchising. Franchising involved a franchising authority (such as the DfT, Welsh Government and Scottish Government) setting out a specification for what it wanted the franchisee to do over a set period (e.g. the level of service, upgrades, performance etc.). Companies then bid for the right to operate a franchise to that specification and the franchising authority picked whichever company it thought would deliver the best overall package and the best value for money. Under franchising, the cost and revenue risk of running rail services was taken on by the private sector. The amount of profit, or loss, a franchised operator made depended on the difference between their income and expenditure and the amount it paid to or received from the Government in the form of premium payments or subsidy.<sup>85</sup>

The Scottish and Welsh governments are also responsible for letting contracts for ScotRail, Caledonian Sleeper and the Wales and Borders services respectively.

<sup>81</sup> The Department for Transport provides a register of the passenger service contracts. See [DfT, Public register of passenger service contracts](#)

<sup>82</sup> Commons Library Briefing CBP-8961 [The future of rail](#)

<sup>83</sup> Before the Covid-19 pandemic, the cost and revenue risk for running passenger services was borne by the operators, as part of their franchise agreements.

<sup>84</sup> DfT, [Details of process for determining performance scores under EMAs and ERMAs](#), last updated February 2022

<sup>85</sup> National Audit Office, [A financial overview of the rail system in England](#), HC1373 April 2021

## 3.2 Which train services are run by the public sector?

Most trains services in Great Britain are run by private companies under contracts let by the Department for Transport. Public sector organisations are prohibited from bidding to run rail services under the Railways Act 1993.<sup>86</sup>

There are, however, some rail services which are run by companies owned by the UK, Scottish and Welsh governments (see Question 1.2). Due to the failure of some rail operators, services on some parts of the network in England are provided by the DfT OLR Holdings Limited, the Government's Operator of Last Resort (OLR). This includes LNER, Northern and Southeastern services.<sup>87</sup> The Secretary of State, [under Section 30 of the Railways Act 1993](#), has a duty to secure the provision of passenger services when a contract with a private operator is terminated and is not immediately replaced.<sup>88</sup> The OLR ensures this duty is fulfilled.<sup>89</sup> The Scottish Government and Welsh Government are responsible for letting passenger services contracts. In both cases, these governments have taken the decision to appoint a public sector operator, using the powers they have to appoint an Operator of Last Resort (see Question 1.2 for more information).<sup>90</sup>

## 3.3 How are train timetables set?

Train operating companies decide on the timetable they wish to run locally. These are based on train service requirements set out in their contracts. Network Rail bring these different local timetables together into a single national timetable, which covers passenger and freight services. The timetable is updated twice a year in May and December.<sup>91</sup>

The process for updating the timetable is planned 16 months in advance of changes being made. To start with Network Rail set out the engineering works they plan to deliver over the respective timetable period. Train operators then inform Network Rail of any major changes they wish to make to their timetables. This usually happens around 14 months before the timetables are changed.<sup>92</sup> At 10 months, operators formally submit bids for their new timetable. Network Rail use these bids to check for possible conflicts between

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<sup>86</sup> [Railways Act 1993](#)

<sup>87</sup> GOV.UK, [DOHL:About us](#) [accessed on 17 August 2022]

<sup>88</sup> [Section 30 of the Railways Act 1993](#)

<sup>89</sup> GOV.UK, [DOHL:About us](#) [accessed on 17 August 2022]

<sup>90</sup> This has been done by using the powers they have to appoint an Operator of Last Resort. The Railways Act 1993 prohibits public sector operators from bidding to run rail services.

<sup>91</sup> Network Rail, [How rail timetabling works?](#), November 2017

<sup>92</sup> Network Rail, [How rail timetabling works?](#), November 2017

operators and to make sure trains can be run safely.<sup>93</sup> A national base timetable is provided six months before the changes take effect to allow operators time to plan (e.g. changes to staff rotas etc). Operators can bid for readjustments (e.g. to reflect special events) before the new timetable is published 3 months in advance.<sup>94</sup>

Network Rail have also set out the milestone dates for the timetable changes in December 2022 and May 2023.<sup>95</sup>

## 3.4 How reliable is my local train service?

The Office of Rail and Road (ORR) publish statistics on the punctuality of train services, including statistics for each operator.<sup>96</sup>

Since April 2019, the standard industry measure for punctuality is the **Train Punctuality at Station Stops (TPSS)**, which records the punctuality of services at each intermediate stop. The definition of ‘on time’ used for this measure is the percentage of recorded station stops where the train arrived less than one minute later than its advertised time.

Prior to this, punctuality was measured by the time trains arrived at their final destination, known as the **Public Performance Measure (PPM)**.<sup>97</sup> The **TPSS** records a higher proportion of trains as arriving late. For example, the ORR’s latest quarterly statistics showed that nationally almost 90% of trains arrived at their final destination on time (PPM) between the beginning of January and the end of March 2022, whereas just over 72% of trains arrived at intermediate stations on time (TPSS).<sup>98</sup> The Transport Committee in 2016 criticised the use of the PPM arguing that the measure did not “reflect the real passenger experience” and produced “perverse incentives”, such as an incentive to miss intermediate stops to ensure trains reached their final destination on time.<sup>99</sup>

<sup>93</sup> Network Rail, [How rail timetabling works?](#), November 2017

<sup>94</sup> Network Rail, [How rail timetabling works?](#), November 2017

<sup>95</sup> Network Rail, [Capacity Planning Production Schedule Calendar of Milestone Dates](#), July 2021

<sup>96</sup> ORR, [Passenger rail performance](#) [accessed on 25 August 2022]

<sup>97</sup> ORR, [Passenger Rail Performance: Quality and Methodology Report](#), 16 September 2021

<sup>98</sup> ORR, [Passenger rail performance: 1 January 2022 to 31 March 2022](#), May 2022

<sup>99</sup> House of Commons Transport Committee, [Improving passenger rail experience](#), HC 64, October 2016, para 107

## 3.5

## What can the Government do when train operators are performing poorly?

There are a few steps the Government can take when train operators are performing poorly.

### Performance payments

Under their contracts with the DfT, train operators receive a management fee, part of which depends on their performance. Specifically, the fee an operator can earn depends on their:

- operational performance
- customer experience
- financial performance; and
- how well they collaborate with other bodies in the industry (e.g. Network Rail and other operators)<sup>100</sup>

### Performance-related breaches of the contract

Where a train company breaches its legal performance requirements, there are a number of **sanctions** available to the Government ranging from a remedial plan to a penalty to termination of the contract.

Ongoing performance issues can constitute a default on contract. Operators can also be in default of their contract if they fail to comply with remedial agreements and orders, including any penalty or condition placed on the operator. A similar process has continued to be used in various iterations of rail contracts, from franchise agreements through to the new National Rail Contracts.

### Remedial actions

The Secretary of State can request an action plan from the operator, including at a route-specific level, to bring about required improvements in performance. Specifically, the Secretary of State can, in response to a contravention of the contract, issue the operator with a **Remedial Planning Notice**, which requires the operator to submit a **Remedial Plan** within a set period describing how they plan to bring about the necessary improvement(s).<sup>101</sup> Following this, the Secretary of State may enter a

<sup>100</sup> As an example see the National Rail Contract for Southwestern's services. DfT, [Details of process for determining performance scores under EMAs and ERMAs](#), last updated February 2022

<sup>101</sup> As an example see the National Rail Contract for Southwestern's services. DfT, [Details of process for determining performance scores under EMAs and ERMAs](#), last updated February 2022

**Remedial Agreement** with the operator.<sup>102</sup> The Secretary of State, in response to a contravention, may “commence or increase the level and/or frequency monitoring (whether by inspection, audit or otherwise) of the Operator’s performance” until the operator has demonstrated it is capable of meeting its obligations under the contract.<sup>103</sup>

### Penalties

[Section 57A of the Railways Act 1993](#) sets out the powers the Franchising Authority (e.g. the Secretary of State) has to issue penalties, including the limits of these penalties.<sup>104</sup>

### Termination

The Secretary of State can issue the operator with a Termination Notice in response to specific events (Termination Events) or “unremedied or continuing” defaults on the contract.<sup>105</sup>

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<sup>102</sup> As an example see the National Rail Contract for Southwestern’s services. DfT, [Details of process for determining performance scores under EMAs and ERMAs](#), last updated February 2022

<sup>103</sup> As an example see the National Rail Contract for Southwestern’s services. DfT, [First MTR South Western Trains Limited 2021 rail contract](#), October 2021

<sup>104</sup> [Section 57A of the Railways Act 1993](#)

<sup>105</sup> As an example see the National Rail Contract for Southwestern’s services. DfT, [First MTR South Western Trains Limited 2021 rail contract](#), October 2021



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## 4 Stations, trains and infrastructure

### 4.1 How is rail infrastructure funded?

#### Control periods

Network Rail receives five-year funding settlements, known as control periods, which fund some, but not all, of its operational activities. In particular, the five-year funding settlement sets the funding Network Rail needs to operate (e.g. expenditure on signallers and operation managers) and maintain the railway (e.g. this includes work to repair and replace the existing infrastructure). These are categorised as operations, support, maintenance, and renewals activities (or OSMR activities). Rail enhancements are funded through a different process.

The industry is currently in Control Period 6 (CP6), which covers the period 2019 to 2024. Network Rail was allocated £48 billion for the current control period.<sup>106</sup>

#### Periodic review process

The level of funding, and the outputs Network Rail need to deliver, is set through an industry-wide [Periodic Review process](#).<sup>107</sup> The process for the next control period (CP7) began in 2021.<sup>108</sup> As part of the process:

- Network Rail provides an initial view of the funding it thinks it needs over the five-year period.
- the Secretary of State and Scottish ministers then publish a High-Level Output Specification (HLOS), specifying what they would like Network Rail to deliver, and a Statement of Funds Available (SoFA), giving an indication of the amount of funding available over the next five years.
- The ORR then scrutinises Network Rail's plans and consults on a draft determination, which is then published.
- Network Rail then publishes its delivery plan for the next control period before implementation begins.

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<sup>106</sup> National Audit Office, [A financial overview of the rail system in England](#), HC1373 April 2021

<sup>107</sup> ORR, [Periodic review 2023 \(PR23\)](#) [accessed on 17 August 2022]

<sup>108</sup> ORR, [Open letter to launch the periodic review 2023](#), June 2021

The ORR has also produced a more detailed indicative timeline of the Periodic Review 2023 process.<sup>109</sup>

## Rail Network Enhancement Pipeline

Since 2017, enhancements (e.g. electrification and new signalling) have been part of a separate process called the [Rail Network Enhancements Pipeline \(RNEP\)](#).<sup>110</sup>

The pipeline applies to all rail enhancements in England and Wales, which are in receipt of central government funding. However, there are a small number of schemes in the RNEP that could be privately financed.

The RNEP consists of a five-stage process from the initiation of a project through to its completion. In 2018, the Government's response to the then Transport Select Committee's report on Rail Infrastructure Investment explained that the pipeline is designed to "avoid the problems of the past, where funding was committed before schemes were fully developed."<sup>111</sup> The Government added that through this process projects only move the "next stage when we have an appropriate understanding of how much it will cost, how long it will take, and the benefits it will deliver."<sup>112</sup>

The first update of projects within this pipeline was published in October 2019.<sup>113</sup> This update set out the enhancements Network Rail would deliver during CP6. In response to the TSC's recommendation, the Government said it is:

committed to transparent policy making and intend to make clear public statements as we take investment decisions on enhancements at each stage of the pipeline. This means that there will be a clear picture of the schemes that are progressing and the benefits that Government is seeking.<sup>114</sup>

The rail industry, however, has criticised the Government for failing to provide more regular updates of the pipeline. The Rail Industry Association, which represents suppliers to the rail industry, tracks the time since the last update.<sup>115</sup> The Secretary of State and transport ministers on several occasions over the last two years have said the Department intends to publish an update of the pipeline shortly.<sup>116</sup>

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<sup>109</sup> ORR, [Periodic review 2023 \(PR23\)](#) [accessed on 17 August 2022]

<sup>110</sup> Department for Transport, [Rail network enhancement pipeline: a new approach for rail enhancements](#), March 2018

<sup>111</sup> House of Commons Transport Committee, [Rail infrastructure investment: Government and Office of Rail and Road Responses to the Committee's Fourth Report](#), HC1557, September 2018

<sup>112</sup> House of Commons Transport Committee, [Rail infrastructure investment: Government and Office of Rail and Road Responses to the Committee's Fourth Report](#), HC1557, September 2018

<sup>113</sup> Department for Transport, [Rail network enhancement pipeline: autumn 2019 update](#), October 2019

<sup>114</sup> House of Commons Transport Committee, [Rail infrastructure investment: Government and Office of Rail and Road Responses to the Committee's Fourth Report](#), HC1557, September 2018

<sup>115</sup> Rail Industry Association, [Be SURE: Show Us the Rail Enhancements](#) [accessed on 18 August 2022]

<sup>116</sup> [RNEP - 1,000 days milestone passed since last update](#), Politics House, 17 July 2022

Baroness Vere, the Government’s transport minister in the Lords, confirmed that the Government’s “forthcoming Rail Network Enhancement Pipeline update” has been “delayed to take account of the way the pandemic changed the way our railways are used.” She added that the Government needs to “ensure that the projects that we take forward reflect this changed shape of rail demand whilst remaining affordable.”<sup>117</sup>

Network Rail publish delivery plans which set out the status of the different enhancements they are delivering.<sup>118</sup>

## 4.2 What progress has the Government made on reopening old railway lines and stations?

Great Britain’s rail network is roughly half the size of the country’s network 100 years ago.<sup>119</sup> The pace of line closures, which started after the First World War, accelerated following a report in 1963 by Dr Richard Beeching, the then Chairman of the British Railways Board, entitled [The Reshaping of British Railways](#).<sup>120</sup> This report earmarked 2,363 stations and 5,000 miles of track for closure. Following Dr Beeching’s report, the length of the county’s rail network fell by a third in 10 years.<sup>121</sup>

In January 2020, the Government pledged £500million for the Restoring Your Railway Programme.<sup>122</sup> This funding is designed to deliver the Government’s manifesto pledge to restore railway lines and stations closed during the Beeching cuts of the 1960s.<sup>123</sup>

As part of the Restoring Your Railway Programme, the DfT invited MPs, local councils and community groups in England and Wales to submit proposals to reinstate old services and restore closed stations. The fund is split to three categories:

- The Ideas Fund. This including funding to support local communities to explore the options for restoring old lines and stations.

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<sup>117</sup> [PQ HL1914](#) [Railways: Finance] answered on 27 July 2022.

<sup>118</sup> Network Rail, [Enhancements Delivery Plan: England and Wales](#), August 2022; Network Rail, [Enhancements Delivery Plan: Scotland](#), September 2020.

<sup>119</sup> Department for Transport, [Rail Usage, Infrastructure and Performance Statistics: Table RAI0101](#), 16 December 2021.

<sup>120</sup> British Railways Board, [The Reshaping of British Railways](#), March 1963

<sup>121</sup> House of Lords Library, [Reversing the Beeching Closures: Full Steam Ahead?](#), February 2020

<sup>122</sup> DfT, [Government pledges £500 million to bring back historic rail lines, improving connectivity for communities across the country](#), 28 January 2020

<sup>123</sup> The Conservative Party, [Get Brexit Done, Unleash Britain’s Potential: Conservative and Unionist Party Manifesto 2019](#), November 2019

- Advanced proposals. This funding is designed to support the reinstatement of old lines and stations which were already considered for restoration.
- New Stations Fund. This is designed to support proposals for new stations, including the restoration of old sites.

GOV.UK provides a list of the [bids received](#) and those which have been [successful](#).<sup>124</sup>

The Government is supporting 45 projects in England and Wales as part of the programme. In June 2022, the Government announced funding to progress 9 projects which had already received support as part of the early-stage process.<sup>125</sup> Services on the Dartmoor line between Okehampton and Exeter reopened in November 2021, following support for the programme.<sup>126</sup>

The costs of reopening railway lines depend on the scope of the project and various local factors, such as the value of the land and the condition of the existing infrastructure.<sup>127</sup> According to the Campaign for Better Transport (CBT), it is difficult to develop accurate estimates of the likely costs before detailed preparatory work is completed.<sup>128</sup> However, based on schemes that had either been completed or had recently reached an advanced stage of development, the CBT calculated a cost of between £9 million and £16.7 million per mile to reopen railway lines.<sup>129</sup>

Further information on the Beeching closures and the UK Government's plans to restore old lines and stations is outlined in the House of Lords Library briefing, [Reversing the Beeching Closures: Full Steam Ahead?](#)<sup>130</sup>

## 4.3

## What are strategic rail freight interchanges?

These are large warehouse and distribution facilities that connect the rail and trunk road network. The DfT's Rail Freight Strategy in 2016 described a strategic rail freight interchanges as:

a large multi-purpose rail freight interchange and distribution centre linked into both the rail and trunk road system. It has rail-connected warehousing

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<sup>124</sup> DfT, [Restoring Your Railway Fund: bids received](#), last updated on 27 October 2021; DfT, [Restoring your railway: successful bids](#), last updated on 27 October 2021

<sup>125</sup> [HL Deb 20 June 2022 WS117](#)

<sup>126</sup> Network Rail, [Dartmoor Line](#) [accessed on 18 August 2022]

<sup>127</sup> The Campaign for Better Transport, [The case for expanding the rail network](#), January 2019

<sup>128</sup> The Campaign for Better Transport, [The case for expanding the rail network](#), January 2019

<sup>129</sup> The Campaign for Better Transport, [The case for expanding the rail network](#), January 2019, page 13

<sup>130</sup> House of Lords Library, [Reversing the Beeching Closures: Full Steam Ahead?](#), February 2020

and container handling facilities and may also include manufacturing and processing activities.<sup>131</sup>

These facilities are designed to allow more goods and materials to be transported by rail. Specifically, these facilities enable the long-haul transport of goods and materials to be made by rail, leaving the secondary part of the journey to be provided by another mode (e.g. vans or lorries).<sup>132</sup> The Coalition Government in 2014 published its [National Policy Statement on National Networks](#) (NPS), which stated that a network of strategic rail freight interchanges (SRFI), is required to serve “regional, sub-regional and cross-regional markets.”<sup>133</sup> The Government continues to support a network of strategic rail freight interchanges. Rail Minister, Wendy Morton MP, told the House in June 2022 that:

SRFIs are key to enabling the efficient transportation of goods around the country and reducing cost to customers. Such infrastructure also broadens the reach of the rail freight industry, allowing it to tap into new regions and markets, facilitating growth and importantly allowing the industry to be more competitive when compared to road haulage.<sup>134</sup>

On the location of SRFIs, the NPS outlined the importance of ensuring they are situated in a suitable location for the market, or markets, they will serve, which is likely to be major urban areas, or groups of towns and cities, and key supply chain routes.<sup>135</sup> These facilities should also have good access to the road and rail network.<sup>136</sup> Because of these requirements the NPS suggested that such facilities may be located in the countryside.<sup>137</sup> However, because these facilities may run up to 24 hours a day, the NPS suggested that locating them near residential or “environmentally sensitive areas” may not be suitable.<sup>138</sup> Though the NPS covers the locations of these facilities, the Rail Minister, explained that:

The NN-NPS does not specify where SRFIs should be located. Applications are considered on a case by case basis and the onus is therefore on private sector developers to bring forward proposals if they are deemed to be operationally and commercially viable.<sup>139</sup>

In a [written ministerial statement](#) to Parliament on 22 July 2021, the then Secretary of State for Transport (Rt Hon Grant Shapps) announced that the Government plans to review the NPS, in light its net-zero commitments and plans to decarbonise transport. The review of the NPS is due to complete no later than spring 2023.

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<sup>131</sup> DfT, [Rail Freight Strategy](#), September 2016

<sup>132</sup> DfT, [National Policy Statement on National Networks](#), December 2014

<sup>133</sup> DfT, [National Policy Statement on National Networks](#), December 2014, para 2.54

<sup>134</sup> PQ [13778](#) [Railways: Freight] answered on 7 June 2022

<sup>135</sup> DfT, [National Policy Statement on National Networks](#), December 2014, para 4.84

<sup>136</sup> DfT, [National Policy Statement on National Networks](#), December 2014, para 4.84

<sup>137</sup> DfT, [National Policy Statement on National Networks](#), December 2014, para 4.84

<sup>138</sup> DfT, [National Policy Statement on National Networks](#), December 2014, para 4.86

<sup>139</sup> PQ [13778](#) [Railways: Freight] answered on 7 June 2022

## 5 Major rail infrastructure projects

### 5.1 How much is HS2 going to cost and when it will be finished?

#### How much will HS2 cost?

This is not possible to answer at the moment because the Government still needs to finalise the design for part of the route from Birmingham to the East Midlands, known as the eastern leg of Phase 2b. The HS2 Minister's [latest six-monthly progress report to Parliament](#) sets out the estimated costs for the other phases:

- Phase One from London to Birmingham is currently estimated to cost between £35-45bn (in 2019 prices)
- Phase 2a is estimated to cost between £5-7bn (in 2019 prices).
- The western leg of Phase 2b from Crewe to Manchester is estimated to cost between £15bn to £22bn (in 2019 prices).<sup>140</sup>

In 2013, HS2 was estimated to cost £37.5bn (in 2009 prices).<sup>141</sup> The forecast costs have grown since, which has led some to question whether HS2 provides value for money. In 2020, the cost estimates for completing all three phases of HS2 network increased to £72bn to £98bn (in 2019 prices).<sup>142</sup> However, these cost estimates included the previously planned route to Leeds.

#### When will HS2 be finished?

HS2 is being delivered in phases, which are due to finish at different times. HS2 was due to begin operations in 2026 and be completed in 2033. These timescales have shifted significantly. Currently, different sections of the line are scheduled for completion as follows:

<sup>140</sup> Department for Transport and HS2 Ltd, [HS2 6-monthly report to Parliament: March 2022](#), 16 March 2022

<sup>141</sup> HS2 Ltd, [Economic Case](#), Oct 2013

<sup>142</sup> NAO, [Progress in implementing National Audit Office recommendations: High Speed Two](#), HC 292, June 2021

- Construction of Phase One, from Birmingham to London, is underway. Services from Old Oak Common (one of the new HS2 stations in London) are due to begin from 2029 to 2033, with services from Euston station expected later.<sup>143</sup>
- Phase 2a (from Birmingham to Crewe) is due to finish between 2030 and 2034.<sup>144</sup>
- The western leg from Crewe to Manchester is scheduled for completion between 2035 and 2041.<sup>145</sup> The hybrid bill, the High Speed Rail (Crewe to Manchester) Bill, is currently at Committee Stage in the House of Commons. This bill, if approved, will provide the powers needed for the construction of this leg. More information on the progress of this Bill is set out in the Library's briefing paper on the [High Speed Rail \(Crewe to Manchester\) Bill](#).<sup>146</sup>
- The eastern leg from Birmingham to the East Midlands is currently scheduled to open in 2040.<sup>147</sup>

More information on HS2 can be found in the Library's briefing paper [High Speed Rail 2 - an overview](#).<sup>148</sup>

## 5.2 Is Northern Powerhouse Rail going ahead?

Yes. In November 2021, the Government decided to proceed with a core Northern Powerhouse Rail network between Liverpool and York, as part of its Integrated Rail Plan for the North and the Midlands.<sup>149</sup>

Specifically, the Government plans to:

- build new high-speed lines between Warrington, Manchester and Yorkshire
- upgrade existing rail lines, and some stations, on the remainder of the route<sup>150</sup>

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<sup>143</sup> Department for Transport and HS2 Ltd, [HS2 6-monthly report to Parliament: March 2022](#), 16 March 2022

<sup>144</sup> Department for Transport and HS2 Ltd, [HS2 6-monthly report to Parliament: March 2022](#), 16 March 2022

<sup>145</sup> Department for Transport and HS2 Ltd, [HS2 6-monthly report to Parliament: March 2022](#), 16 March 2022

<sup>146</sup> House of Commons Library, [High Speed Rail \(Crewe to Manchester\) Bill](#), CBP 9541, August 2022

<sup>147</sup> DfT, [Integrated Rail Plan for the North and Midlands: Technical Annex](#), January 2022, p24

<sup>148</sup> House of Commons Library, [High Speed Rail 2 – an overview](#), CBP 9313, June 2022

<sup>149</sup> Department for Transport, [Integrated Rail Plan for the North and Midlands](#), November 2021

<sup>150</sup> Department for Transport, [Integrated Rail Plan for the North and Midlands](#), November 2021, page 100

Northern Powerhouse Rail is still at an early stage, which means the costs of the scheme are subject to a lot of uncertainty. The Government's current estimate is that the project will cost £17.2 billion in 2019 prices.<sup>151</sup> The NPR network is being delivered in phases. The Government's Integrated Rail Plan, in November 2021, suggested that most of the work on NPR, including the new high-speed lines, is expected to be delivered in the 2030s and 2040s.<sup>152</sup>

For more information see the Library's briefing paper on [Northern Powerhouse Rail](#).<sup>153</sup>

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<sup>151</sup> DfT, [Integrated Rail Plan for the North and Midlands](#), November 2021, p31

<sup>152</sup> The Government has committed to deliver a net zero rail network by 2050 and remove all diesel-only freight and passenger trains from the network by 2040. Department for Transport, [Integrated Rail Plan for the North and Midlands](#), November 2021, page 134<sup>153</sup> House of Commons Library, [Northern Powerhouse Rail](#), CBP 9588, August 2022

<sup>153</sup> House of Commons Library, [Northern Powerhouse Rail](#), CBP 9588, August 2022



## 6 Rail, climate change and the environment

### 6.1 How 'green' is the railway?

Transport is the largest emitting sector of the UK economy and one which has been difficult to decarbonise. Whilst there has been a slight decrease in transport emissions since 1990, reductions in other sectors, most notably the energy, business and residential sectors, has meant the share of UK emissions from transport rose from 18% in 1990 to 27% in 2019.<sup>154</sup>

In 2019, most of the UK greenhouse gas emissions from the transport sector (over 55%) came from cars.<sup>155</sup> Rail, in comparison, accounted for only 1.4 per cent of UK greenhouse gas emissions from transport.<sup>156</sup> As such, part of the Government's plan for decarbonising transport is to encourage more people to travel by rail rather than flying or driving. This is referred to as modal shift.<sup>157</sup>

Though rail is a relatively low carbon mode of transport, most trains run on diesel (see Question 6.2). In February 2018, the then rail Minister, Jo Johnson MP, set a target to remove all diesel-only trains from the network by 2040.<sup>158</sup> The Government has also committed to delivering a net zero rail network by 2050.<sup>159</sup> In 2020, Network Rail recommended that the best way to decarbonise the railway is to electrify more of the country's railway lines (see Question 6.2).<sup>160</sup>

There have been disagreements about the 'green' credentials of major rail projects, such as HS2. While such projects are intended to encourage more people to travel by train than other, more polluting modes, they also contribute greenhouse gas emissions, particularly during their construction. They can also negatively affect the environment in other ways. For example, the route for HS2 will pass through areas of ancient woodland, thereby

<sup>154</sup> DfBEIS, [2019 UK Greenhouse Gas Emissions](#), Final Figures, 2 February 2021.

<sup>155</sup> Department for Transport, [Decarbonising transport: a better, greener Britain](#), July 2021, page 15

<sup>156</sup> Department for Transport, [Decarbonising transport: a better, greener Britain](#), July 2021, page 15

<sup>157</sup> Department for Transport, [Decarbonising transport: a better, greener Britain](#), July 2021

<sup>158</sup> DfT and BEIS, [Let's raise our ambitions for a cleaner, greener railway](#), 12 February 2018

<sup>159</sup> Department for Transport, [Decarbonising transport: a better, greener Britain](#), July 2021, page 9

<sup>160</sup> Network Rail, [Traction Decarbonisation Network Strategy: Interim Programme Business Case](#), July 2020

causing disruption to natural habitats. For more information see the Library's briefing paper [High Speed Rail 2 - an overview](#).<sup>161</sup>

## 6.2 How much of the railway in Great Britain is electrified?

Trains can be powered in different ways. In Great Britain, the majority of trains on Great Britain's rail network, 62%, are powered by diesel.<sup>162</sup> However, electric trains are more powerful and better for the environment.<sup>163</sup> Electric trains are powered by electricity from overhead lines or third rails.<sup>164</sup> In 2020-21, some 38% of the mainline railway network in Great Britain was electrified, as shown by Office of Rail and Road (ORR) figures.<sup>165</sup> Other alternatives, such as battery and hydrogen trains, are still "in their relative infancy", according to the Transport Committee.<sup>166</sup>

In February 2018, the then rail Minister, Jo Johnson MP, set a target to remove all diesel-only trains from the network by 2040.<sup>167</sup> Reports from the rail industry and the Transport Select Committee have suggested that a rolling long-term programme of electrification is the most efficient way for the Government to remove diesel-only trains from the network and to decarbonise the railway (see Question 6.1).<sup>168</sup>

In September 2020, Network Rail published its [Traction Decarbonisation Network Strategy](#) (TDNS).<sup>169</sup> As part of this strategy, Network Rail assessed which power source (e.g. electrification, battery or hydrogen) should replace diesel trains on the 15,400 single track kilometres (STK) of unelectrified track in Great Britain.<sup>170</sup> Network Rail recommended that electrification was the most suitable option for the vast majority of the network. To decarbonise the railway by 2050, Network Rail recommended that 13,000 of the 15,400 single kilometres of unelectrified track (88%) should be electrified, with hydrogen and battery trains deployed on 7% (1300 STK) and 5% (800 STK) of the

<sup>161</sup> House of Commons Library, [High Speed Rail 2 – an overview](#), CBP 9313, June 2022

<sup>162</sup> House of Commons Transport Committee, [Trains fit for the future](#), March 2021 HC 876

<sup>163</sup> Rail Industry Association, [Why Rail Electrification?](#), April 2021

<sup>164</sup> Rail Industry Association, [Why Rail Electrification?](#), April 2021, page 21

<sup>165</sup> Office of Rail and Road, [Rail infrastructure and assets: 2020-21](#), October 2021

<sup>166</sup> House of Commons Transport Committee, [Trains fit for the future](#), March 2021 HC 876, para 2

<sup>167</sup> DfT and BEIS, [Let's raise our ambitions for a cleaner, greener railway](#), 12 February 2018

<sup>168</sup> House of Commons Transport Committee, [Trains fit for the future](#), March 2021 HC 876; Network Rail, [Traction Decarbonisation Network Strategy](#), September 2020; Rail Industry Decarbonisation Taskforce, [Final report to the Minister for Rail](#), July 2019

<sup>169</sup> Network Rail, [Traction Decarbonisation Network Strategy: Interim Programme Business Case](#), July 2020

<sup>170</sup> Network Rail, [Traction Decarbonisation Network Strategy: Interim Programme Business Case](#), July 2020

network respectively. According to Network Rail, there were 300 STKs “where a technology choice has not yet been made.”<sup>171</sup>

In its transport decarbonisation plan, in July 2021, the Government promised to deliver an ambitious, sustainable, and cost-effective programme of electrification.<sup>172</sup> An extra 179 kilometres of electrified track was added to the mainline rail network in Great Britain in 2020-21.<sup>173</sup> The Rail Industry Association highlighted that this is less than half the 448 km of electrification needed each year to reach the 2050 decarbonisation target set in Network Rail’s Traction Decarbonisation Network Strategy.<sup>174</sup>

Many other European countries have electrified a greater proportion of their rail network, including France, Germany, Spain, Italy, Sweden, Norway, Switzerland and the Netherlands.<sup>175</sup> Germany has electrified 61% of its railway, while 99% of the railway in Switzerland is electrified.<sup>176</sup> Germany has consistently delivered around 200km of electrification every year, whereas the UK has experienced peaks of electrification activity followed by very low activity.<sup>177</sup>

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<sup>171</sup> Network Rail, [Traction Decarbonisation Network Strategy: Interim Programme Business Case](#), July 2020, Executive Summary

<sup>172</sup> Department for Transport, [Decarbonising transport: a better, greener Britain](#), July 2021

<sup>173</sup> Office of Rail and Road, [Rail infrastructure and assets: 2020-21](#), October 2021

<sup>174</sup> Rail Industry Association, [The UK is electrifying its railway at less than half the rate needed to decarbonise by 2050](#), October 2021

<sup>175</sup> Eurostat, [Share of electrified lines in total railway network length, by country, 2018](#), May 2020;

<sup>176</sup> Statista, [Percentage of the railway lines in use in Europe in 2019 which were electrified, by country](#), February 2022

<sup>177</sup> Rail Industry Association, [RIA Electrification Cost Challenge](#), March 2019

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