



## BRIEFING PAPER

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# A Quick Guide to the Railways

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## Summary

This paper provides a brief outline of the GB rail industry, including the bodies responsible for delivering services, how new schemes are chosen and financed.

Following privatisation in 1993, British Rail was divided into two main parts: one part being the national rail infrastructure (track, signalling, bridges, tunnels, stations and depots) and the second being the operating companies whose trains run on that network.

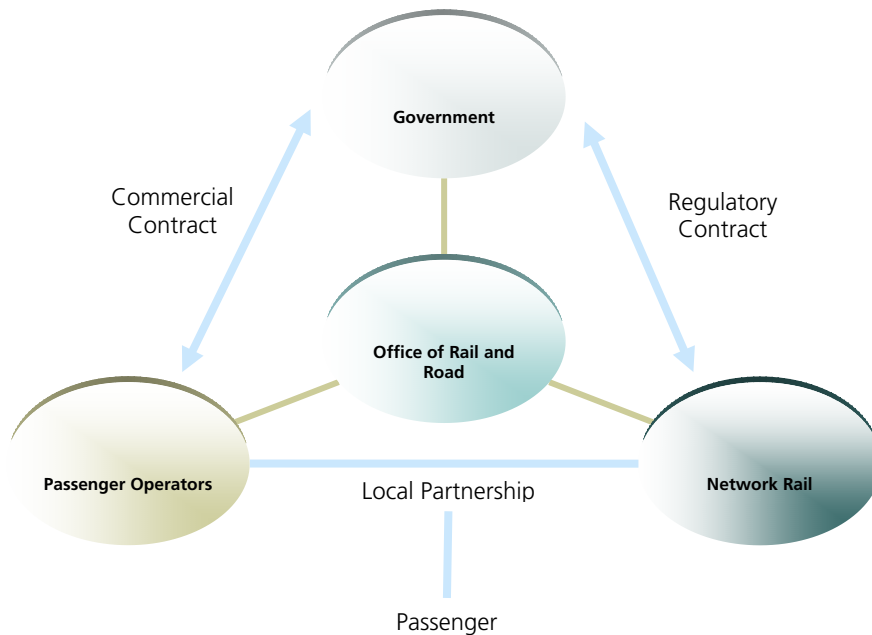
The infrastructure is owned by Network Rail which is regulated by the Office of Rail and Road (ORR). The Department for Transport (DfT) looks after passenger- and train-related matters. Train operating companies (TOCs), both passenger and freight, run the trains. In most cases the actual train is leased from a rolling stock company (ROSCO). Railway stations are owned by the network operator, most being leased to the TOC that is the main user of that station. Network Rail retains the operation of the main passenger terminals.

Information on other rail-related issues can be found on the [Railways Briefings Page](#) of the Parliament website.

# 1. How do the railways work?

Following privatisation in 1993, British Rail was divided into two main parts: one part being the national rail infrastructure (track, signalling, bridges, tunnels, stations and depots) and the second being the operating companies whose trains run on that network.

The overarching governance arrangements for the railways are shown below:<sup>1</sup>



The **Secretary of State for Transport** took over strategic and financial responsibilities for the railways from the [Strategic Rail Authority \(SRA\)](#) under the [Railways Act 2005](#). The Secretary of State is responsible for setting overall rail policy and strategic objectives, letting and managing the rail franchises in England (in some cases jointly with bodies such as Rail North), providing funding and procuring new rolling stock.

The **infrastructure** is owned, maintained and operated by [Network Rail](#), with the exception of the HS1 route through Kent, which is maintained and operated by a private company as part of a concession agreement. Rail infrastructure projects are planned on a five-yearly basis as part of the industry-wide Periodic Review.

Network Rail is **regulated** by the [Office of Rail and Road \(ORR\)](#), which is also the safety regulator.

**Rail services** are run by privately-owned train operating companies (TOCs) and freight operating companies (FOCs). Passenger services are let as multi-year franchises by the DfT except in London and Merseyside where they are let as concession agreements by the relevant local body. There are a limited number of 'open access' operators on the network, who run rail services outside of the franchising process by securing

<sup>1</sup> In July 2015 the NAO produced a more complex diagram for its [Short Guide to Network Rail](#); this is pasted in to the end of this document, after section 14

timetable slots from the regulator. Intra-Scotland and –Wales services are devolved. Northern Ireland has an entirely separate, publicly-owned railway system.

The **trains** (rolling stock) are owned by private rolling stock leasing companies (ROSCOs) and leased to the TOCs.

Railway **stations** are owned by the network operator, most being leased to the TOC that is the main user of that station. Network Rail retains the operation of the main passenger terminals.

There are two **passenger users' groups** which speak for the passenger, undertake research on their views, and can assist with complaints. They are [Transport Focus](#) and [London TravelWatch](#). In November 2018 a new [Rail Ombudsman](#) service was launched.

The [Association of Community Rail Partnerships \(ACorP\)](#) is a federation of over 60 **community rail** partnerships and rail promotion groups, which brings together railway companies, local authorities and the wider community to promote and develop local rail services. They are funded mainly by local authorities and the local train operator.

The [Rail Delivery Group \(RDG\)](#) represents the industry and develops policy on its behalf.

## 2. Funding

The Department for Transport (DfT) pays subsidies to loss-making rail franchises and receives premium payments from profit-making franchises. However, the bulk of rail funding goes on maintaining and upgrading the infrastructure and paying for enhancements and new tracks and stations.

Investment in rail infrastructure is planned and delivered in five-year cycles known as control periods (CP).

Before CP6 (2019–24), the UK Secretary of State and Scottish Ministers separately determined the strategic goals and funding available for operations, renewals and enhancements by issuing a High Level Output Specification (HLOS) (which sets out what the government wishes the railway to achieve) and Statement of Funds Available (SoFA) (which sets out the funds which are likely to be available).

Specific outputs and regulatory measures are then set by the Office of Rail and Road (ORR) through a multi-step, complex process known as the Periodic Review (PR), which involves consultation with Network Rail and wider stakeholders.

Network Rail then produces business and delivery plans describing how it will deliver the agreed physical outputs within the control period. Network Rail also plans for investment in the railways for up to thirty years through its long-term planning process.

The current control period (CP5, 2014–19), in which Network Rail was set the task of implementing a particularly ambitious set of targets in the 2012 HLOS, has been beset with difficulties, resulting in a number of reviews into investment planning, Network Rail's organisational and funding structure, and substantial re-planning of works in CP5, including postponement of an estimated £3.4 billion of renewals until CP6, and cancellation of some enhancement schemes, including significant parts of the large-scale electrification programmes originally planned for the period.

In July 2017, the Secretary of State published [the HLOS](#) for CP6, with [the SoFA](#) following in October 2017. The funding amounts to almost £48 billion for England and Wales, with £34.7 billion coming directly from government grant.

Other than projects deferred from CP5, enhancements have been taken out of the control period and periodic review processes for CP6, with the Secretary of State proposing to use a “pipeline” approach to developing and delivering projects in a three-step “develop, design, deliver” approach, on a “case by case” basis, in line with a Memorandum of Understanding between the DfT and Network Rail, signed in March 2016.<sup>2</sup>

Data on rail industry finance can be found in the [ORR data portal](#), see also HC Library briefing paper [CBP 8130](#).

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<sup>2</sup> These issues are explained in more detail in the Transport Committee's June 2018 report [Rail infrastructure investment](#)

## 3. Train operating companies (TOCs)

Train Operating Companies (TOCs) pay Network Rail (NR) to access track to run services and lease trains from owners, usually Rolling Stock Leasing Companies (ROSCOs). The Office of Rail and Road (ORR) grants licences to TOCs to run passenger rail services. It also monitors and enforces compliance with health and safety law on the railway and considers applications to run 'open access' services to use up available capacity on the rail network.

The [Rail Delivery Group \(RDG\)](#) is an industry body established following the McNulty *Rail Value for Money Study* in 2011. It is legally set up as a company and each franchisee is compelled under their operating licence to become a licensed member and comply with the articles. The articles state that the company's objectives are broadly to be a leadership body and collective voice of the rail industry on cross-industry issues; to develop and issue policies, strategies and plans for the rail industry and promote their adoption by industry participants; and to promote better alignment of interests across the industry with a view to advancing the provision of a safe, efficient, high quality rail service.

There are essentially three sorts of services on the rail network: franchises, concession agreements and open access operators (OAOs).

### 3.1 Franchises

The Department for Transport (DfT) sets overall rail policy and strategic objectives. It lets and manages the 15 passenger rail franchises in England, pays subsidies to loss-making rail franchises and receives premium payments from profit-making franchises. The Department is also the 'operator of last resort' should an operator fail. The franchising authority for the ScotRail and Caledonian Sleeper franchises is the Scottish Government and for the Wales & Borders franchise it is the Welsh Government.

A franchise is the right to run specified services within a specified area for a specified period of time, in return for the right to charge fares and, where appropriate, to receive financial support from the franchising authority. Government subsidy is payable in respect of socially necessary services that might not otherwise be provided. Service standards are monitored throughout the duration of the franchise.

Franchisees earn revenue primarily from fares and subsidy. They generally lease stations from Network Rail (NR) and earn rental income by sub-letting parts of them, for example to retailers.

Franchisees' main costs are the track access charges they pay to NR, the costs of leasing stations and rolling stock and of employing staff. Franchisees may do light maintenance work on rolling stock themselves or contract it out to private companies. Heavy maintenance is normally procured for them by the rolling stock leasing companies according to the contracts between them.

Read more about rail franchising policy in HC Library briefing paper [CBP 6521](#) and on individual franchises in [CBP 1343](#).

The Government says that the aims of its franchising programme are to:

... encourage a flourishing, competitive passenger rail market which secures high-performing, value for money services for passengers and taxpayers whilst driving cost effectiveness. We aim to stimulate innovation in order to advance our vision of a world-class railway that creates opportunity for people and businesses, including by promoting continuous improvements in passenger experience and boosting the efficiency and sustainability of the railway.<sup>3</sup>

Franchisee rights and obligations are specified in a Franchise Agreement between the franchising authority (in practice the Department for Transport) and the TOC. Each franchise is negotiated individually and is a legal document that can only be terminated with the agreement of both parties.

There has been a profusion of **Direct Awards** since 2012. The nature of these awards varies, but what they mean, in effect, is that the Government negotiates directly with the incumbent operator; there is no competition for the award. The former Rail Minister, Simon Burns, explained the process in a May 2013 letter to the then Chair of the Transport Select Committee:

In negotiating and approving each direct award, the Department uses a comparator to assess what is reasonable. For previous direct awards, where the contractual terms remained broadly the same as for the previous contract, the start point has been the preceding contract and the outturn for costs and revenues. The assessment of Value for Money in the Direct Awards that form part of the overall franchising programme is therefore done on an increment/decrement basis against the current provision from the existing operator.

We work with Technical Advisors to build a comparator model based on the current and projected performance of the franchise. The submissions from the incumbent for the Direct Award are then compared to this model and challenged where appropriate to bring them into an affordable and value for money position.<sup>4</sup>

The DfT's guidance gives further information. On the general principles of making Direct Awards, it states:

The direct awards help to manage and sustain a realistic and properly resourced programme of Franchise Competitions and a healthy bidding market for those competitions. In entering into such direct awards, the Department is conscious that the commercial terms have not been tested through a procurement competition. Domestic and European law helps in this by setting out a specific legal framework for "public service contracts" (which encompass rail passenger services) which is intended to ensure that the terms are economically efficient so that the taxpayer (and fare-payer) is not over-paying for services. Should appropriate terms not be achievable, the Department will call upon contingency measures rather than enter into a Direct Award.<sup>5</sup>

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<sup>3</sup> DfT, [Aims of rail franchising and what we expect from our delivery partners](#), 10 May 2016

<sup>4</sup> [Simon Burns letter to Louise Ellman](#), May 2013

<sup>5</sup> DfT, [Rail franchising direct awards process guide](#), 31 October 2014, p1



Over the past six or seven years there have been moves within the rail industry towards better **partnership working between train operators and the infrastructure manager, Network Rail**.<sup>6</sup>

In November 2017, the Government published its strategic vision for rail which contained proposals for 'joining up track and train' in future franchises:

Reforms will build on the best of the public and private sectors, with private sector involvement bringing innovation, investment and competition. Our reforms will ensure that the railway is run by an integrated local team of people with an absolute commitment to meeting the needs of their passengers, while securing the best value for farepayers and taxpayers. Future contracts will:

1. Create one-team working locally, with the right incentives for train operators and Network Rail to co-operate on reliability and high performance.
2. Present a single accountable face of the railway for passengers.
3. Adopt joint branding and identity where appropriate, giving joint teams a shared culture and giving passengers a better sense of who to hold to account.

Joint working between track and train companies will take different forms tailored to each area, including new joint operational teams, short-term task forces to manage improvement, or longer-term contracts and agreements.<sup>7</sup>

## 3.2 Concession agreements

Separately, there are a few rail services that are exempt from the franchising provisions of the [Railways Act 1993](#) and are operated by the private sector on behalf of a public sector body. Most (though not all) of these services are in London and are let as **concession agreements** by Transport for London (TfL). The other notable concession agreement is Merseyrail.<sup>8</sup>

Each service is exempted from the 1993 Act by a specific exemption order.<sup>9</sup> A terms of transfer agreement is made between the DfT and the devolved body taking over responsibility for the let of the rail services on those lines.

## 3.3 Open access

OAOs operate on a commercial basis with no subsidy and are required to apply to the ORR and NR for the necessary access rights to run their proposed service. Fares set by OAOs are not subject to fare regulation.

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<sup>6</sup> For full details see section 3.3 of HC Library briefing paper [CBP 6521](#)

<sup>7</sup> DfT, [Connecting people: a strategic vision for rail](#), Cm 9519, 29 November 2017, paras 1.28-9

<sup>8</sup> the current London Overground concessionaire is Hong Kong's MTR Corporation and Laing Rail; MTR is also the concessionaire for Crossrail; MerseyRail services in Merseyside, let as a concession by MerseyTravel, are run by Serco and Abellio

<sup>9</sup> see, e.g. most recently *Railways (North and East London Lines) Exemption Order 2015* ([SI 2015/237](#)); and *Railways (Crossrail Services) Exemption Order 2015* ([SI 2015/239](#)) [[section 25](#) of the *Crossrail Act 2008* also disapplied the provisions of the 1993 Act with regards to public service operators]

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Of a total of 19 proposals for open access services received by ORR between 2000 and 2014, only four were successful. There are currently four OAOs – First Hull Trains; Grand Central Railway; Heathrow Express and Eurostar – though the focus tends to be on the impact of the former two, which compete directly with long-distance franchises.

## 4. Performance, reliability and default

There are three main measures of performance used across the rail industry, set out below. All data is available from the [Network Rail website](#) (most recent data) and the [ORR Data Portal](#) (detailed data going back several years, by individual TOC and sub-operator level). Some TOCs also produce daily performance reports on their websites (e.g. [GTR](#)).

- The **public performance measure (PPM)** shows the percentage of trains which arrive at their terminating station on time. PPM combines figures for punctuality and reliability into a single performance measure. It is the industry standard measurement of performance (it does not distinguish between extreme lateness and a brief delay). The Government intends to replace PPM with a new measure of train punctuality at station stops (TPSS) for the start of CP6 in April 2019.
- **Right-time performance** measures the percentage of trains arriving at their terminating station early or within 59 seconds of schedule. Network Rail cautions that “the process for gathering data of this accuracy is currently not 100% reliable and the industry is working on improving the quality of this information to make right-time data more reliable”.
- In terms of **Cancellation and significant lateness (CaSL)**, a train is counted as being cancelled if it is cancelled at origin or en route; the originating station is changed; or it is diverted. A train is counted as being *significantly* late if it arrives at its terminating station 30 minutes or more late.

In addition, the annual [National Rail Passenger Survey \(NRPS\)](#) gives a network-wide picture of passengers’ satisfaction with rail travel across 30 separate aspects.

## 5. Passenger rights and complaints

Rail passenger rights and responsibilities when travelling by rail in Great Britain are set out in the [National Rail Conditions of Travel](#) and the individual Passengers' Charters of the train operating companies (TOCs) that run services on the GB rail network.<sup>10</sup> The NRCT is revised on a regular basis, most recently in March 2018.

New EU rules on rail **passenger rights** came into force in December 2009, however UK domestic services are exempt from significant parts of the legislation until December 2019.<sup>11</sup>

[Regulation 1371/2007/EC](#) on rail passenger rights and obligations sets out minimum quality standards that have to be guaranteed to all passengers on all lines. The full regulation does not have to be in force in Member States until December 2024 but certain 'core' provisions came into force in December 2009. The 'core' provisions do not apply to metros such as the London Underground and the Glasgow subway, trams and tramways including the Greater Manchester Metrolink and heritage and tourist infrastructure and vehicles.

There are two stages to **making a complaint** about your rail service: the first is to complain direct to the train operator (TOC) and if their response is unsatisfactory, only then to contact the relevant passenger watchdog.

It should be clear from your ticket, the train and/or signs at the stations you are travelling between, which TOC one is travelling with. Many companies will accept complaints by telephone but for the complainant's own reference, it is usually better to put it in writing. The complainant should make sure to keep a copy of any complaint submitted via a website.

If a passenger is not satisfied with the response received from the TOC, the passenger can take the matter further, to [Transport Focus](#), [London TravelWatch](#) or [The Rail Ombudsman](#).

If a response from the TOC is not received one after *40 working days*, or has received an unsatisfactory response from the TOC, one can contact the Ombudsman to raise the complaint with them.

The Ombudsman will review any complaint and get in contact within three working days to explain how they will progress the case. If a complaint falls outside the scope or eligibility criteria for the Ombudsman, the complaint may be passed to another organisation that may be better placed to deal with it.

Information on the rights of disabled people and Persons of Reduced Mobility (PRMs) can be found in HC Library briefing paper [CBP 601](#).

<sup>10</sup> TOCs are required to publish and abide by the terms of their Passengers' Charters by virtue of Schedule 1.4, Paragraph 4 of the [National Rail Franchise Terms](#)

<sup>11</sup> DfT, [Rail Passengers' Rights and Obligations consultation](#), 14 October 2014, and the [Rail Passengers' Rights and Obligations \(Exemptions\) Regulations 2014 \(SI 2014/2793\)](#)

## 6. Compensation

The question of what rail passengers are entitled to in the event of delays and/or cancellations has come sharply into focus over the past few years due to delays and overcrowding on routes into busy London stations and across the North.

There are two types of industry scheme for compensating passengers for a delay to their journey: traditional Passengers' Charter schemes, based on the arrangements set out in Condition 42 of the [National Rail Conditions of Travel](#) (NRCC); and the newer 'delay/repay' scheme. By 2017/18 only four train companies were not paying delay/repay. Total payments to passengers under all schemes for 2017/18 totalled more than £80 million, of which Virgin West Coast and East Coast and South West Trains accounted for almost £50 million between them.<sup>12</sup>

In terms of the **Passengers' Charter scheme**, under the NRCC passengers may be eligible for compensation if they arrive more than 60 minutes late at their destination (with some train companies, more than 30 minutes late) – although this will depend on whether the cause of delay is within the train company's control. In the case of a single ticket, compensation will be at least 20% of the price of the ticket; for season tickets compensation is provided in the form of an 'automatic' reduction in the price of an annual season ticket at renewal, where relevant performance targets have not been met.

**Delay/repay compensation** generally kicks in at 30 minutes delay. The amount of compensation payable increases with the length of delay – 50% of the relevant ticket (or portion of ticket) at 30 minutes and 100% at 60 minutes. It is a 'no fault' scheme – compensation is payable regardless of the cause of the delay.

Delay/repay kicks in at 15 minutes on four TOCs: Govia Thameslink Railway (GTR), West Midlands Trains, c2c and South Western Railway. Under DR15 passengers are able to claim 25% of the cost of the single fare for delays between 15 and 29 minutes. The existing compensation thresholds apply for delays from 30 minutes with passengers able to apply for compensation through the TOC.<sup>13</sup>

It is the stated policy of the Department for Transport to move all franchised operators to the delay/repay scheme as new franchises are let or opportunities arise within existing franchises (i.e. via a Direct Award).<sup>14</sup>

Special compensation schemes are available for [Northern](#) & [GTR](#) passengers who have been affected by service disruption following the May 2018 timetable problems.

<sup>12</sup> DfT, [Train operating companies: passenger's charter compensation](#), 1 October 2018

<sup>13</sup> DfT press notice, "[Government announces improved compensation scheme for rail passengers](#)", 13 October 2016

<sup>14</sup> *ibid.*, p10 and [HC Deb 30 June 2014, cc364-5W](#)

## 7. Infrastructure: Network Rail

[Network Rail \(NR\)](#) is responsible for the operation, maintenance and improvement of railway infrastructure (i.e. the track, signals, bridges and stations) in England, Scotland and Wales. Its primary customers are the train and freight operating companies who run train services over the network. It was set up in 2002 as a company limited by guarantee, run on commercial lines but without shareholders, reinvesting profits in the railway. On 1 September 2014 the company became an arm's-length body of the Department for Transport.

The company has been under pressure for several years due to engineering overruns and concerns over its governance structure and accountability. In 2014 NR was reclassified as a central government body in the public sector; the main effects of this are that NR's debt (which hit £50 billion in 2018) has moved onto the Government's balance sheet and the Government is able to exert more direct control over pay and strategy.

NR is responsible for the railway infrastructure (i.e. the track, signals, bridges and stations). Its main customers are the train and freight operating companies who run train services over the network. NR's role includes:

- operating the network;
- managing performance;
- directing service recovery;
- setting timetables;
- allocating capacity;
- leading industry planning; and
- maintaining, renewing and developing the network.

## 8. Rolling stock

The bulk of the rolling stock (trains) that run on the railways are owned by three private companies (rolling stock leasing companies, or ROSCOs) – Angel, Eversholt and Porterbrook. These companies lease the rolling stock to the train operating companies (TOCs) who then deploy it on their services. For the most part, the train companies procure the rolling stock directly from the rolling stock companies.

In addition, in recent years the Government has stepped in to procure large rolling stock orders directly from the train manufacturers. Procurements for schemes such as the InterCity Express Programme, Thameslink and Crossrail have seen some controversy due to the award of successive contracts to companies based largely outside of the UK. Governments have been keen to get these companies to invest in UK skills and jobs.

There have been investigations into the rolling stock market over the past 10 years but no radical changes have been made by Government. The current Government's policy, dating back to 2010, is to design franchises that better incentivise rolling stock procurement and innovation. This is also a common theme for the industry, which wants to leverage emerging technology and alternative fuels to revolutionise train travel in the future.

For more information on train procurement and rolling stock policy, see HC Library briefing paper [CBP 3146](#).

## 9. Regulation

The [Office of Rail and Road \(ORR\)](#) is the independent economic and safety regulator for the railway in England, Wales and Scotland. It:

- regulates Network Rail and HS1;
- regulates health and safety standards and compliance across the whole rail industry; and
- oversees competition and consumer rights issues.

ORR is a non-ministerial government department with around 280 staff and a budget of about £30 million each year. Its rail regulatory work is funded by the rail industry.

The ORR's main job is to ensure that the rail network performs smoothly and, where it does not, to remedy any problems and hold those responsible to account. It is responsible for safety regulation, the performance of, access to and investment in the network.

One of ORR's key roles is regulating Network Rail. While the regulator does not have a role in regulating the train and freight operating companies, its decisions regarding Network Rail have a direct effect on train services. The regulator can fine Network Rail for breaches to its network licence, which it has done on a number of occasions since 2002.

ORR is also one of the key players in the five-yearly periodic review process during which it sets Network Rail's outputs and funding for the following review period (see section on funding, above).

For more information on rail regulation, see HC Library briefing paper [CBP 2071](#).



## 10. Fares

About 45% of all rail fares are 'regulated', i.e. annual increases are subject to a 'cap' set by Government. As stated above, regulated fare increases are linked to the RPI figure for July of the previous year (e.g. fares beginning in January 2018 are based on the RPI for July 2017). The inflation link dates back to 1996. There have been calls for the Government to switch to a 'fairer' measure of inflation to set the cap, but they have to date resisted this change, arguing that there is an intrinsic link to rail workers' pay, which would also have to change.<sup>15</sup>

For more information about rail fares and ticketing policy, see HC Library paper [CBP 1904](#).

Unregulated fares can also be subject to a cap under certain circumstances. For example, in 2016 the Competition and Markets Authority (CMA) [capped unregulated fares](#) on three routes which form part of the Northern rail franchise (Leeds to Sheffield, Wakefield to Sheffield and Chester to Manchester). This was related to concerns about a substantial lessening of competition.

The Government of the day can vary the annual regulated fares cap by, for example, setting a cap of RPI plus or minus X%, as it has done in the past. At the moment the cap is RPI +/- zero.

### What are regulated and unregulated fares?

**Regulated** fares fall into two categories, known as 'protected fares' and 'commuter fares':

- *Protected fares* include saver returns, standard returns and weekly season tickets; and
- *Commuter fares* include season tickets to, from and within the London Travelcard zones; standard singles and returns for journeys wholly within the London Travelcard zones; and standard singles and standard returns to any station in the Travelcard zones from a defined London suburban area, roughly 35-50 miles from London.

All other fares are **unregulated** and train companies are free to determine these fares according to market forces. Unregulated fares include things like first class, advance purchase and saver tickets.

The key driver of higher fares over the past decade has been a policy decision by consecutive governments to shift the burden of funding the railways from the taxpayer to the passenger. There is also the inherent cost of running and upgrading the railway. Some argue that there are higher costs associated with the 'fractured' structure of the rail industry in Britain and that a better integrated system (whether in the public or private sector) would bring the overall costs down and allow for fare reductions.

<sup>15</sup> e.g. "[Rail fares rises: Grayling pleads with unions and train firms](#)", *BBC News*, 14 August 2018

## 11. Station funding

There are a number of funds available to station operators (usually the main train company which operates through the station) for improvements of one sort or another.

The main ones are Access for All scheme (AfA), the National Stations Improvement Programme (NSIP), the Station Commercial Project Facility (SCPF) and the New Stations Fund. Other funding may be available from the Local Enterprise Partnership, including growth funding or money made in settlement of a City or Devolution Deal.

The major source of funding for improvements to railway stations to make them more accessible is the '[Access for All](#)' fund, announced by the Labour Government in 2006<sup>16</sup> and supported by all Governments since then. In December 2014 the Coalition Government said that by the end of 2019, more than £520 million would have been spent on delivering step-free routes at more than 215 stations across the country, while a further 1,100 stations would have benefited from smaller-scale improvements.<sup>17</sup> By the end of 2015 Access for All had completed more than 150 step-free routes at rail stations against a target of 125 and more than 1,200 stations received smaller-scale improvements.<sup>18</sup>

The July 2018 *Inclusive Transport Strategy* stated that the Government intended to:

Deliver the 'Access for All' rail accessibility programme to the stations which were deferred in 2015 following Sir Peter Hendy's review of Network Rail's investment programme, with work to start as soon as possible after 1 April 2019;

Seek industry nominations for additional 'Access for All' projects in 2018 and announce the next tranche of stations in April 2019;

Make a proportion of the next tranche of Access for All funding available for a new round of 'Access for All' Mid-Tier funding which will support station accessibility projects requiring between £250,000 and £1m of Government support. Previous projects included additional accessible toilets, platform humps to aid boarding and better customer information systems.<sup>19</sup>

Bids for the CP6 round of funding closed in November 2018.

The [National Stations Improvement Programme \(NSIP\)](#) is a joint scheme between Network Rail and train operating companies to deliver better stations across England and Wales. The scheme began in 2008 with £180 million pledged to improve over 150 medium-sized stations by 2014. A further £70 million was made available by the Coalition Government to assist a further 200+ medium-sized stations. The funding is for things such as passenger information and facilities.

There are separate schemes in Scotland, for more information see the [Scottish Government website](#).

<sup>16</sup> DfT, *Railways for All*, March 2006

<sup>17</sup> DfT press notice, "[Accessibility improvements for more stations after funding boost](#)", 16 December 2014

<sup>18</sup> [HCWPO 13709](#), 4 November 2015

<sup>19</sup> DfT, *The Inclusive Transport Strategy: Achieving Equal Access for Disabled People*, July 2018, para 8.48

The scheme is accompanied by funding from third parties. Over £62 million of third-party funding was raised to help deliver more extensive improvements for passengers between 2009 and 2014. Third parties have raised an additional £52 million for 2014 to 2019.

The [Station Commercial Project Facility \(SCPF\)](#) is intended to enable the funding of projects that improve station environments and the passenger experience, while reducing the cost of the railway to taxpayers. Train companies and local authorities have applied for two rounds of funding, subject to meeting the qualifying project criteria.

The first round, which ran between 2009 and 2014 supported the delivery of 47 projects around the country including new car parks, station redevelopments and ticket gating. The second round, for 2014-19 was announced in March 2016. There were eight successful projects, worth over £16 million.

The [New Stations Fund](#) is intended to help towards the cost of building new stations across England and Wales. The fund, worth £20 million, is distributed through a competition, giving all promoters of new stations meeting the conditions an equal opportunity of securing a funding contribution. The first competition ran in 2013 with funding for five stations. The second round ran between August and November 2016; bidders were required to have available a portion of match funding of the project cost. In July 2017 the Government announced that five new stations would be funded from the scheme, in County Durham, Cheshire, Reading, Ceredigion and Bristol.<sup>20</sup>

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<sup>20</sup> DfT press notice, "[New station boost for passengers thanks to £16 million government investment](#)", 28 July 2017

## 12. Freight

Rail freight companies are open access operators. They have reserved slots in the timetable, which they use only when they need to do so. The five largest Freight Operating Companies (FOCs) in the UK are: [DB Cargo UK](#); [Freightliner](#); [GB Railfreight](#); [Colas Rail](#) and [Direct Rail Services](#).

It has been the aim of successive governments to shift freight from more polluting modes such as road and air to more sustainable ones such as rail, inland waterways and short sea shipping. The rail freight industry is largely in the hands of the private sector, however it has to operate on a rail network owned and operated by Network Rail. The way in which its access to that network and the extent and quality of it are a matter for NR, the regulator and the Government.

There has been a renewed interest in rail freight in recent years as the Government has sought to drive economic growth in the regions with better logistics and more robust and sustainable supply chains as part of its Northern Powerhouse agenda and industrial strategy. The Government published a rail strategy paper in September 2016 setting out how it intends to help the industry move forwards; this followed a detailed network study published by Network Rail earlier in 2016.

For more information on rail freight policy, see HC Library briefing paper [CBP 151](#).

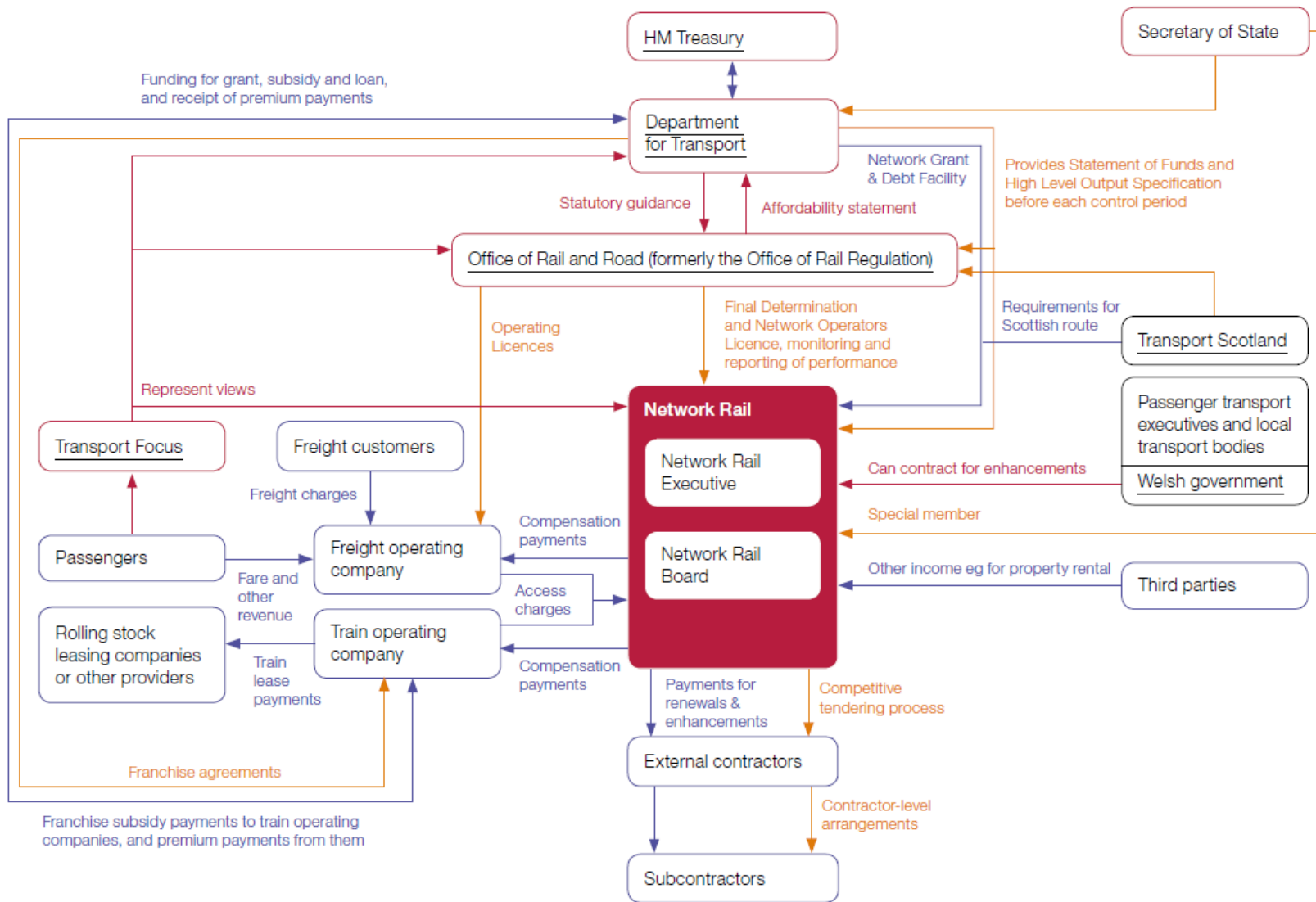
## 13. Community Rail

The Association of Community Rail Partnerships [ACoRP](#) is a federation of over 60 community rail partnerships and rail promotion groups. Community rail partnerships are flexible informal partnerships which bring together railway companies, local authorities and the wider community to promote and develop local rail services. They are funded mainly by local authorities and the local train operator.<sup>21</sup>

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<sup>21</sup> Further information on community rail lines can be found in HC Library briefing paper [CBP 3285](#).

## 22 A Quick Guide to the Railways



→ Influence    → Control    → Payment

Source: National Audit Office analysis

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