

## George Bradshaw Address: Election special – opening remarks

Andy Bagnall, Rail Partners chief executive

Good evening and welcome on behalf of Rail Partners and its members to the 2024 George Bradshaw Address – it's great to see so many of you here in person for this event and also watching online.

After the Secretary of State gave his address last year, I was worried how we were going to put on an equally big draw, but with our two keynote speakers this evening, and a general election almost certain this year – I hope you'll agree, we've done just that.

So I am very pleased to welcome Huw Merriman, the Minister of State for Rail & HS2 and Stephen Morgan, the *Shadow* Minister of State. Thank you both for joining us and embracing this election special format.

As Britain heads to the polls in the next 12 months, I suspect for the majority of voters rail policy will not be a top order issue, relative to wider priorities such as the economy or NHS.

But while the railway might not matter for the election, this election *really* matters for the railway. Whoever forms the next government will find rail reform in their in tray and the choices they make will shape the railway for generations to come.

This is an industry that is up for change, *crying out for it even*, but to change for the better we must correctly diagnose the causes of the significant challenges we face in order to prescribe the right solutions.

We have a system that was struggling even before the pandemic – accountabilities had become blurred between government, operators and Network Rail; incentives had become misaligned; many contracts were no longer fit for purpose – franchising had essentially run its course.

This was compounded by the coronavirus lockdowns upending the industry's finances – and revenue has still not recovered.

A less visible impact of the pandemic is that the government put in place emergency structures which were absolutely right for the crisis, but largely remain in place four years on, and are now hindering growth.

While the badges on the trains remain the same – under the surface, passenger operators are now effectively in the public sector and subject to a level of micromanagement by government not seen even under British Rail.

That's before I mention the longest period of industrial action in the industry's history, partly driven by the financial challenge. This impacted not only *passengers*, but also, the Network Rail disputes last year severely undermined *freight operators'* ability to deliver for their customers against fierce competition with road haulage.

If we carry on like this, despite the evidence showing that demand will grow with the right reforms, we will put a generation of people off travelling by rail risking a permanently smaller railway. *We must avoid that outcome.*

Now, it would be wrong for me not to address the elephants in the room – there is one standing behind each of you, Stephen and Huw.

Huw, I'll start with yours – although actually I do want to first publicly acknowledge your personal advocacy for the industry through what has been a challenging time. We're grateful for that.

However, the government correctly identified the need for 'root and branch' reform of the railways 5 years and 4 transport secretaries ago; Keith Williams Plan for Rail (which had broad support) was published nearly 3 years ago; and 1 year ago the Transport Secretary stood where I stand now and promised new impetus for delivery. While the draft Bill published today is a useful step forward and will kick off an important process of debate, without the actual legislation to create Great British Railways, the central tenets of the Plan for Rail are ultimately in the sidings.

So, I hope what we will hear tonight is a commitment to hit the ground running if the government is re-elected and deliver against the Plan for Rail in the very first session.

Stephen, I don't think your elephant will come as a surprise – it's a big one! While we agree with almost all of the *outcomes* the Labour party wants to achieve for the railway – we don't agree that a public monopoly is the best way to fix the industry. To distil all the challenges we face down to a single issue of contract 'ownership' is to misread the causes of the railway's problems.

In fact I would go as far as to say that government *over*-involvement which we see on the railway at present, is undoubtedly a major contributing factor to poorer outcomes and a stunted recovery. What matters is what works and we would encourage you if Labour is elected, to follow the evidence of our own experience here in Britain, and also the increasing evidence in Europe, where EU countries

seek to emulate many of the customer benefits delivered by competition over the last two decades here at home. At the least, I hope you will invite the private sector to formally make its case before making final decisions.

Rail Partners set out our own 5 point plan to create a thriving railway in our manifesto for rail – there are copies on your seats.

We believe it is possible to get the best of both worlds to deliver for passengers and freight customers – a new *public* body to oversee the railways so customers know who is in charge, but harnessing the innovation and investment of *private* sector operators to attract customers, grow revenue to balance the books, and free up money for other national priorities. We also need a stable environment for freight operators, to enable them to grow and help decarbonise supply chains.

So, what I hope we will hear from both Huw and Stephen is a clear vision for the future based on sound analysis. The railway is an essential enabler for the country's wider economic growth, for its ambitions to reach net zero, for inward investment into the regions – but it won't deliver this potential if the next few years bring either further delay or unnecessary upheaval. Whoever wins the next election needs to follow the evidence and get on with reform.

I hope you enjoy this evening and I'll now hand back to Tamara to introduce our first speaker.

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