

**Open Letter to Richard Goodman,
Director General, Rail Reform and Strategy Group, Department for Transport, UK**

Railways Bill: principles for a fair, investable and growth-focused rail reform

ALLRAIL recognises the Government's ambition to reform Britain's railways. The Railways Bill should be a major opportunity to align rail reform with wider national objectives: economic growth, productivity, fiscal responsibility, better customer outcomes and more efficient use of public funding.

However, for the reform to succeed, the new structure must not simply centralise decision-making inside Great British Railways ("GBR") without adequate safeguards. The current framework risks concentrating responsibility for infrastructure, operations, access, capacity, charging and retailing within one public body. This would create an inherent conflict of interest. GBR would both operate services and decide whether other operators can access the network on which GBR itself operates. ALLRAIL warns that this could leave Britain with one of the most centralised rail structures in Europe and goes against international best practice on rail reform.

We therefore encourage that the Bill is guided by the following principles.

1. GBR must be required to act fairly and in a non-discriminatory manner

The core safeguard should be simple: where GBR exercises statutory functions that materially affect other market participants, it must do so fairly, transparently and without discrimination.

This should apply not only to passenger operators, but also to freight operators, devolved authorities, rolling stock companies, third-party ticket retailers and other non-GBR stakeholders.

A general fairness and non-discrimination principle would not prevent GBR from planning the network. It would simply ensure that GBR's planning and access decisions are made in the interests of passengers, communities and taxpayers, rather than in a way that unduly protects GBR's own services.

2. Access to the network must remain impartial and independently challengeable

Network access is the foundation of competition, investment and innovation in rail. If GBR is to have a central role in access decisions, there must be clear statutory safeguards and meaningful independent oversight.

The current regulatory system can be improved and streamlined, but the principle that an independent regulator should act as the final arbiter where there are competing demands for infrastructure is sound. ALLRAIL contends that strong statutory safeguards are essential.

The ORR appeals process must therefore be meaningful. It should not be reduced to a narrow judicial review-style test, nor should the Secretary of State have excessive control over the appeal framework. The regulator should be able to consider the substance of access decisions, including their impact on competition, passengers, regional growth, investment and efficient infrastructure use.

3. Capacity planning must not become a mechanism for reserving the network for GBR

The Bill's Infrastructure Capacity Plan and GBR's capacity duty must work together in a coherent way. The capacity duty should follow and align with the Infrastructure Capacity Plan, rather than overriding it or becoming a broad mechanism for protecting future GBR services.

Where GBR reserves capacity for its own services, it should be required to explain the specific contemplated use and demonstrate that the capacity will be used within a defined and reasonable period.

This is essential for investor confidence. Operators cannot invest in rolling stock, staff, depots and new services if capacity can be withheld indefinitely for unspecified future GBR use.

4. Charging must be neutral, predictable and based on sound economic principles

Access charging should support efficient use of the network, not become a tool to disadvantage non-GBR operators.

The Bill should preserve the core principle that charges are based on costs directly incurred, properly understood as efficient short-run marginal costs.

It should also retain the existing market-based approach to mark-ups, rather than shifting to an “efficient operator” test that could penalise more efficient operators and create uncertainty.

Predictable and neutral charging is not a technical detail. It is central to private investment, open access growth, freight confidence and the credibility of the new regime.

5. Existing access rights and contracts must be protected

The Bill should not create unnecessary uncertainty for operators, investors and funders by allowing broad government intervention in existing access agreements.

ALLRAIL accepts that technical amendments may be necessary to ensure existing contracts operate within the new structure. However, any such power should be narrow, time-limited and limited to what is necessary for continued legal operability.

This principle matters far beyond current operators. If investors believe that access rights can be rewritten by regulation after investment decisions have been made, future investment in new services, rolling stock and innovation will be harder to attract.

6. GBR must be held to a genuine value-for-money standard

A duty merely to consider costs met from public funds is not enough. GBR should be required to secure value for money from the use of public funds.

The distinction matters. A decision can be administratively efficient while still delivering poor value if it supports the wrong services, blocks better alternatives, or fails to maximise passenger and taxpayer benefit. ALLRAIL therefore proposes a broader value-for-money duty, focused on maximising benefits for passengers, communities and taxpayers.

This would be fully consistent with the Government’s growth and fiscal responsibility agenda. It would also help ensure that GBR does not become a vehicle for higher subsidy without measurable improvement.

7. Retailing must remain impartial and open

Passengers benefit when they can see and buy the full range of available rail options. The Bill must therefore preserve impartial retailing and ensure that GBR does not become a dominant gatekeeper that favours its own services or channels.

Third-party retailers bring innovation, comparison, customer reach and competitive pressure. They should not be squeezed out by a vertically integrated public body controlling both services and retailing. Passengers get best value from the innovation of third-party retailers and from access to all operators' tickets.

A reformed railway should make rail easier to understand, compare and buy, not create new barriers between passengers and the services available to them.

8. Competition should be treated as a public-interest tool, not an inconvenience

Open access and competitive pressure have delivered real benefits for passengers and communities. The Bill should not treat non-GBR operators as residual exceptions to a state-run system. They are part of the growth solution.

Competition brings new investment, lower fares, better services, higher growth for all operators, no risk to taxpayers, improved connectivity and stronger incentives for GBR itself to perform.

The objective should not be fragmentation. It should be a well-governed, integrated passenger experience delivered through fair access and transparent, non-discriminatory rules.

Conclusion

ALLRAIL recognises the Government's political decision to create GBR. Our concern is not with reform itself, but with ensuring that reform produces a railway that is fair, investable, passenger-focused and financially responsible.

The Railways Bill should therefore be strengthened around a small number of clear principles:

1. GBR should act fairly and non-discriminatorily.
2. Network access should remain impartial and independently challengeable.
3. Capacity should not be reserved indefinitely for unspecified future GBR services.
4. Charging should be neutral and predictable.
5. Existing rights should be protected.
6. Public money should be subject to a genuine value-for-money test.

7. Retailing should remain impartial.
8. Open access competition is part of the UK rail growth solution, not an inconvenience.

These safeguards would not undermine the creation of GBR. They would make GBR more credible, more accountable and more likely to succeed.

We would welcome the opportunity to discuss these principles further with DfT as the Bill progresses.