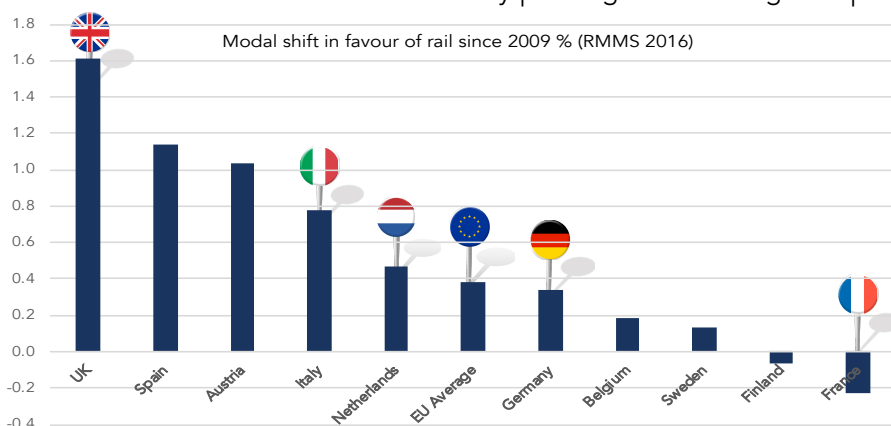


WHAT MAKES BRITAIN'S RAILWAYS GREAT?

Rail in Great Britain has grown...

The rail industry in Great Britain (GB) was liberalised in the mid-1990s, with a separated infrastructure manager (IM), private freight operators, passenger operators running under a franchise system (Public Service Obligation, PSO) and passenger operators accessing the market via open access agreements. In this context, over the past 20 years, the number of passenger journeys have more than doubled. The total distance travelled by passengers has also gone up by 36% (Oxera 2015).

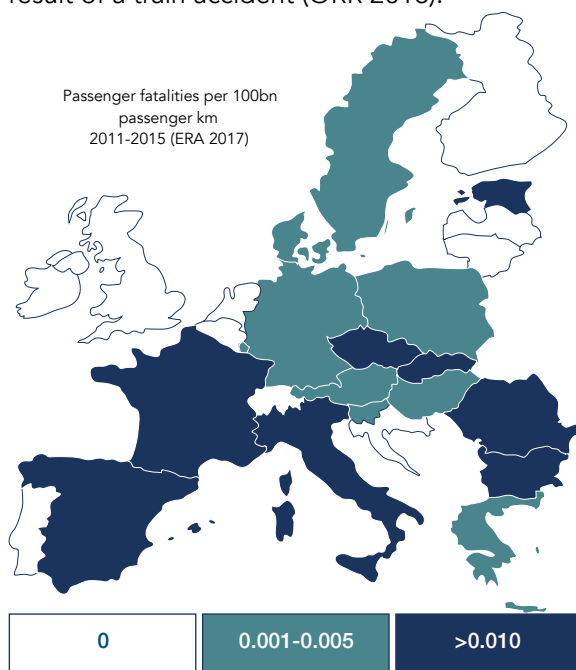
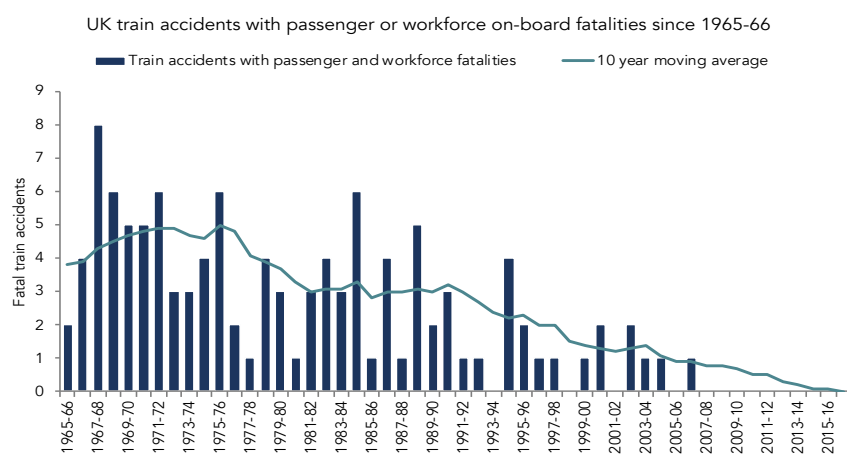
Liberalisation of the freight market in the UK has also been a success. Since 1995, the UK has seen some of the most significant freight growth in Europe with rates recorded of +66% (RMMS 2014). The UK has, together with the Czech Republic, experienced the largest modal shift in favour of passenger rail in Europe since 2009 (RMMS 2016).



...whilst maintaining high safety standards...

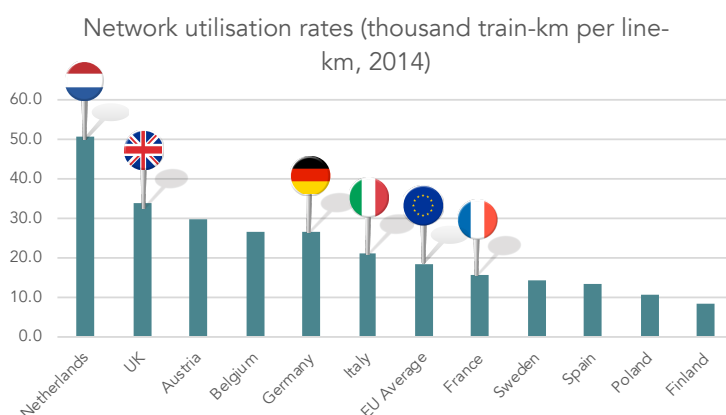
Growth has been accompanied by a strong safety record, there were no passenger fatalities in train accidents during 2016-17, the ninth year in succession that no passengers have died as a result of a train accident (ORR 2016).

The UK had amongst the fewest railway (including workforce) fatalities per million train-km in Europe in 2015, behind Luxembourg and Ireland (ERA 2017). We continue to work hard to improve further on safety culture.



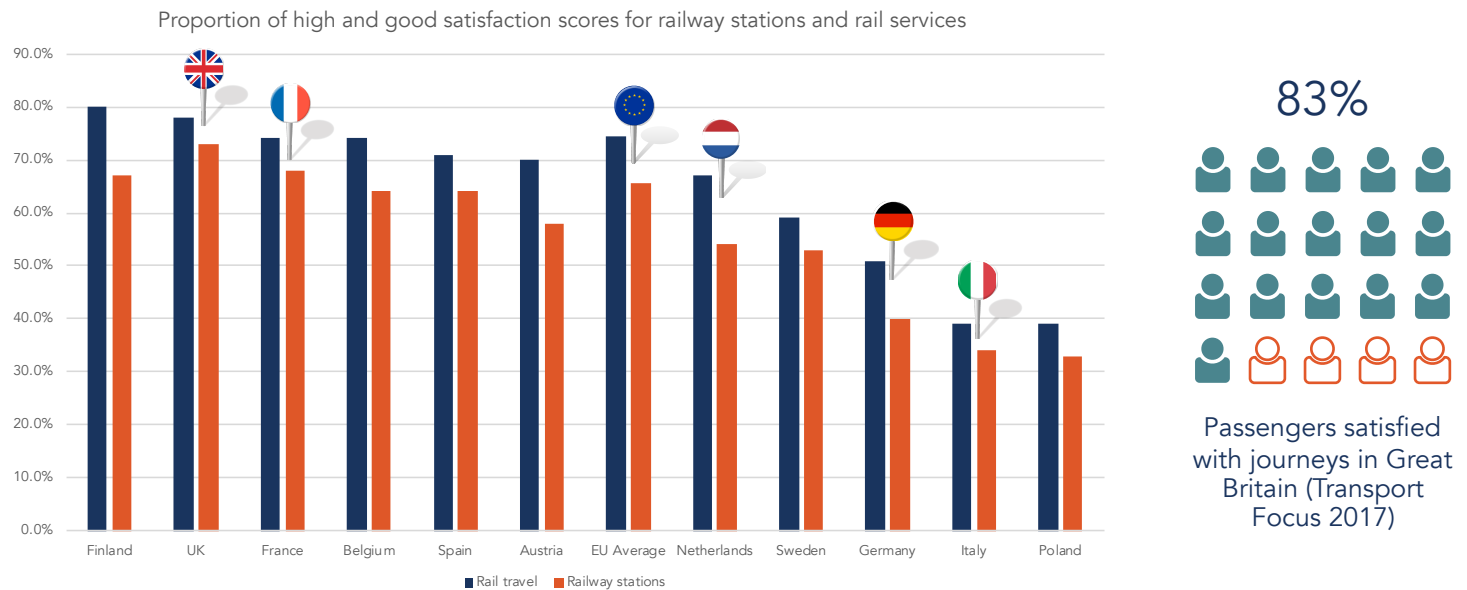
...in a challenging operational environment.

In GB, the network utilisation is about 80% higher than the EU average. The saturation of the network and continued demand increase present a great challenge for the railway sector (RMMS 2016). An increasingly congested network means that individual delays have a greater impact requiring significant long-term investment to address.



We deliver for customers...

The satisfaction of passengers and freight end users is at the heart of the rail industry in Great Britain (GB). In a European comparison, GB comes second after Finland in terms of passenger satisfaction which stood at just below 80% (RMMS 2016).

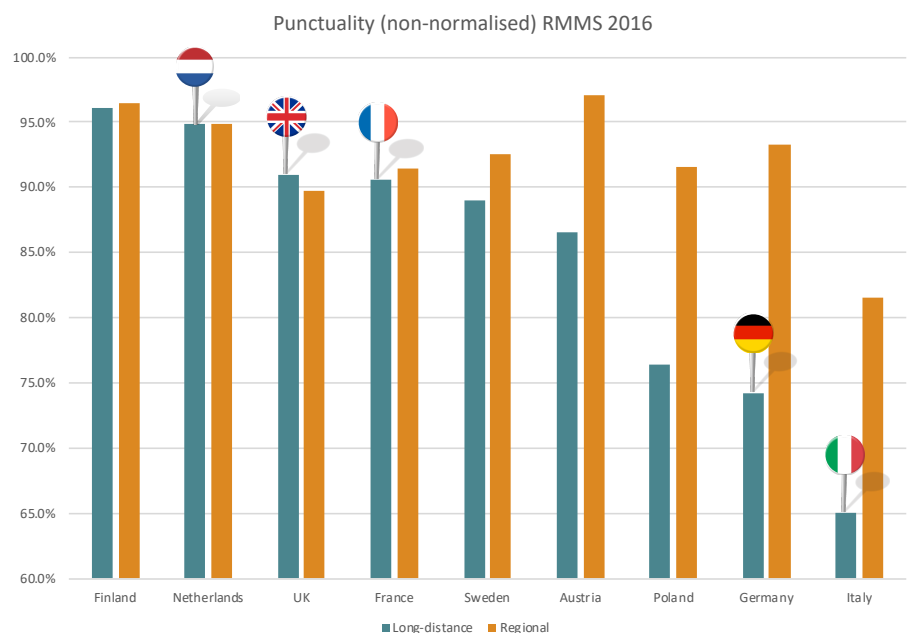


Bi-annual independent research in Britain shows that passengers rated 600 million more journeys as satisfactory or good in 2014/15 than they did in 1999/00 (Transport Focus 2015). In Spring 2017 83% of passengers were satisfied with their journeys representing an improvement from the previous survey (Transport Focus Spring 2017).

Furthermore, customers of rail freight appreciate the choice of operators and logistics providers, and the innovation, competition and improved service quality that liberalisation brings.

GB rail has comparable punctuality performance with other European railways (RMMS 2016). The punctuality measures do not paint a full picture of the density of use of lines, enhancements and the level of maintenance performed on a network.

Even in the context of a more intensively used network than at the time of liberalisation, punctuality of passenger services has improved with over 700 million more passenger journeys arriving as planned in 2014/15 compared with 1997/98 (RDG Annual Report 2015).



...whilst striving to improve.

'In Partnership for Britain's Prosperity' is our single, long-term plan to secure a stronger economy, better customer journeys and more rewarding jobs on the railway.

Our commitments will set Britain's railway on a course to deliver more for customers, communities, the economy and our people.

Find out more at www.britainrunsonrail.co.uk

- 1 **Commitment One:** Strengthen the railway's contribution to the economy, keeping running costs in the black, freeing up taxpayers' money
- 2 **Commitment Two:** Increase customer satisfaction by improving the railway to remain the top-rated major railway in Europe
- 3 **Commitment Three:** Boost local communities through localised decision-making and investment
- 4 **Commitment Four:** Create more jobs, increase diversity and provide our employees with rewarding careers

We have done this whilst keeping running costs in the black...

In 1997/98, government funding was diverted from capital investment into plugging an operating loss equivalent to £2bn. This was money that could otherwise have gone into investing in other crucial public services for families, like healthcare, education and policing.

Now the railway produces a £200m a year operating surplus, thanks to big increases in revenues, boosted by the huge rise in passenger numbers, part stimulated by the commercial activity of operators to encourage rail travel. This allows government to increasingly focus its resources on investment in rail and other public services.

Great Britain (GB) has one of the least subsidised rail networks in Europe and delivers value for customers, taxpayers and the economy. British operators recoup 92% of their revenue from the fare box, compared to only 47% and 44% in France and Germany respectively.

As opposed to Germany, France and the rest of Europe, GB's operators return their takings to the taxpayer. In 2014, British operators returned €2 per train kilometre to the Exchequer under the franchise model.

French and German taxpayers subsidised their operators €23 and €9 per train kilometre respectively over the same period (RMMS 2016).

...making substantial investments...

The UK has responded to growth in the passenger and freight demand by investing more than any other Member State in rail including in major capacity enhancement projects to help reduce crowding and make modal shift more attractive (RMMS 2016). In the next decade GB rail will invest more than £50bn into the sector. At least £11.6bn of this will be from the private sector.

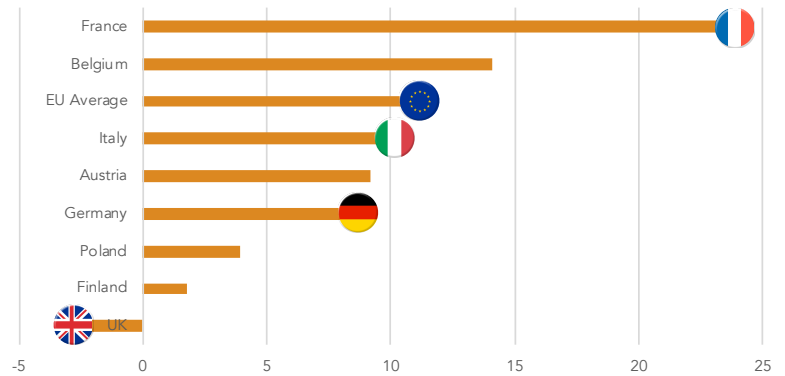
...and making a positive contribution to the economy.

The link between a stronger railway and a stronger economy is clear. The railway delivers economic benefits of up to £31bn per year (Oxera 2015).

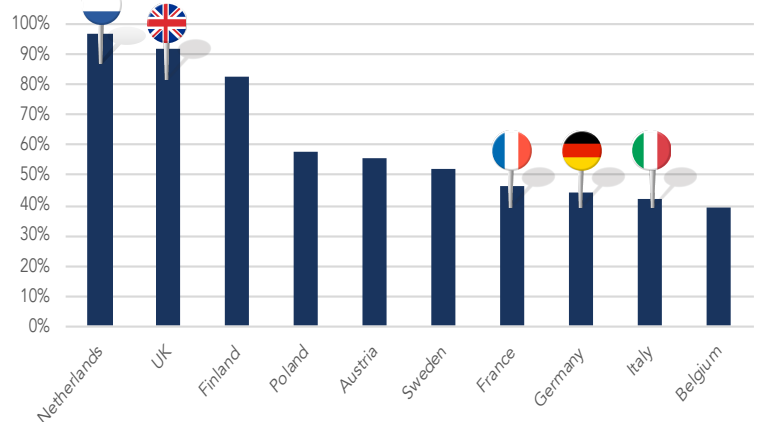
Rail freight is part of the solution to decarbonising our country. The railway helps reduce CO₂ emissions by 7.7m tonnes a year, and each freight train helps to take up to 76 lorries off the roads, improving air quality. It produces up to 10 times less small particulate matter than road haulage (Oxera 2015).

With one in four containers arriving in British ports travelling onwards by rail, the railway plays a crucial role in moving freight, helping to keep our power stations running, our construction sector supplied and our supermarket shelves stocked.

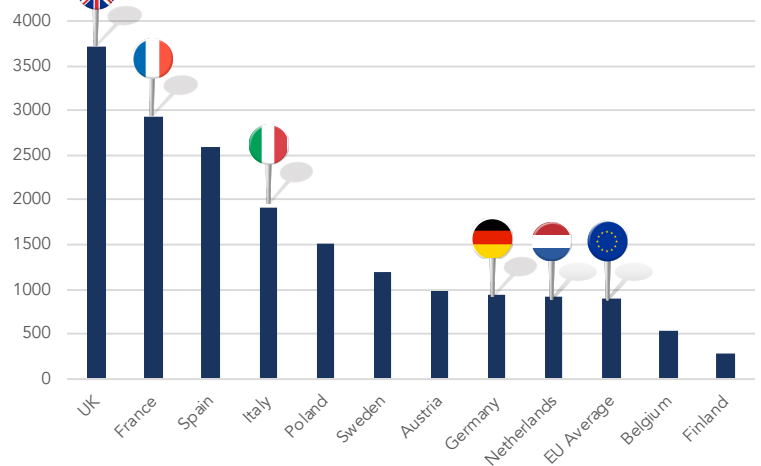
PSO compensation per train Km (€/train-Km, 2014)



Share of revenue from the farebox (%)



Enhancements €bn (RMMS 2016)



We have also made the railway a great place to work.

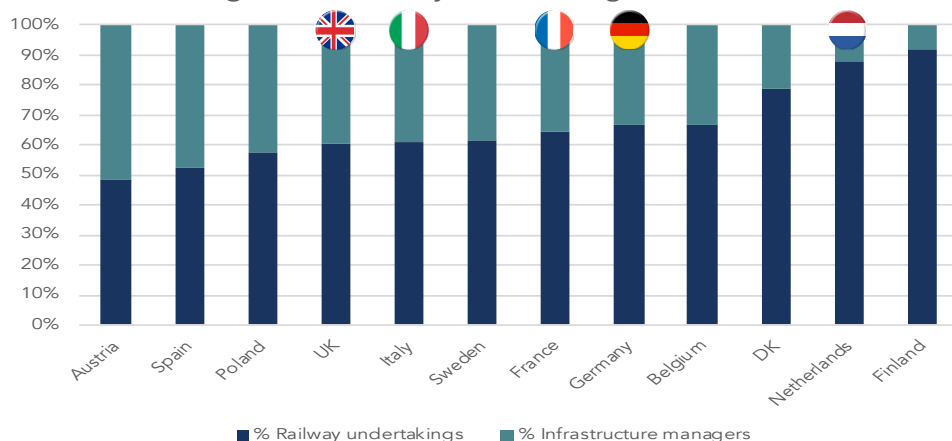
A team is only as strong as its people – and ours are the greatest strength we have. More than 240,000 people are employed in the rail industry and supply chain in Great Britain (GB). There are 102,000 employees in the industry itself, up by 15,000 over six years. In train companies alone, employee numbers have risen by 47% in the past two decades, from 39,721 in 1997/98 to 58,193 in 2016/17.



The sector remains an attractive place to work following liberalisation. The Transfer of Undertakings (Protection of Employment) Regulations (TUPE), legislation implementing EU requirements, the recognition and engagement of unions, and specifications of franchises by funders constrain any so-called “race to the bottom” or “social dumping” whereby new market entrants could under-cut rivals in bids by drastically reducing staff costs. We are proud to offer our team some of the most competitive work benefits in the country.

Job satisfaction starts with job security. With just 3% staff turnover compared with a national average of 13%, ours is among the most stable sectors. Our record in career progression is similarly strong. We are also nurturing the next generation of talent – with 20,000 apprenticeships and investing at least £250m in training our people each year.

Proportion of labour force between infrastructure managers and railway undertakings (RMMS 2016)



On pay, five non-managerial rail sector roles are already in the top 150 average salaries in the UK, not to mention our pensions and benefits packages, including discounted travel. As we create more high-skilled jobs, salaries and benefits promise to rise with them. Spreading opportunities for progress, rewarding merit – right across the country (In Partnership for Britain's Prosperity 2016).

ABOUT RAIL DELIVERY GROUP

The Rail Delivery Group (RDG) brings together passenger train operators, freight train operators, as well as Network Rail; and together with the rail supply industry, the rail industry – a partnership of the public and private sectors - is working with a plan In Partnership for Britain's Prosperity to change, improve and secure prosperity in Britain now and in the future.

RDG provides services to enable its members to succeed in transforming and delivering a successful railway to the benefit of customers, the taxpayer and the UK's economy.

In addition, RDG provides support and gives a voice to passenger and freight operators, as well as delivering important national ticketing, information and reservation services for passengers and staff.



Laura Wright
Head of International Policy
laura.wright@raildeliverygroup.com



Noëlle Besslich
International Policy Manager
noelle.besslich@raildeliverygroup.com



Alex Woodall
International Policy Adviser
alex.woodall@raildeliverygroup.com



@raildeliverygrp



raildeliverygroup.com
britainrunsonrail.co.uk



Britain Runs on Rail

Correct as of Feb 2018. All original sources available on request. Please contact one of the team.