

# WHAT MAKES BRITAIN'S RAILWAYS GREAT?

## Rail Delivery Group

Rail plays an ever more crucial role in Britain, with long-term growth in passengers and freight.

The purpose of the Rail Delivery Group (RDG) is to enable Network Rail and passenger as well as freight operating companies to succeed by delivering better services for their customers. This ultimately benefits taxpayers and the economy.

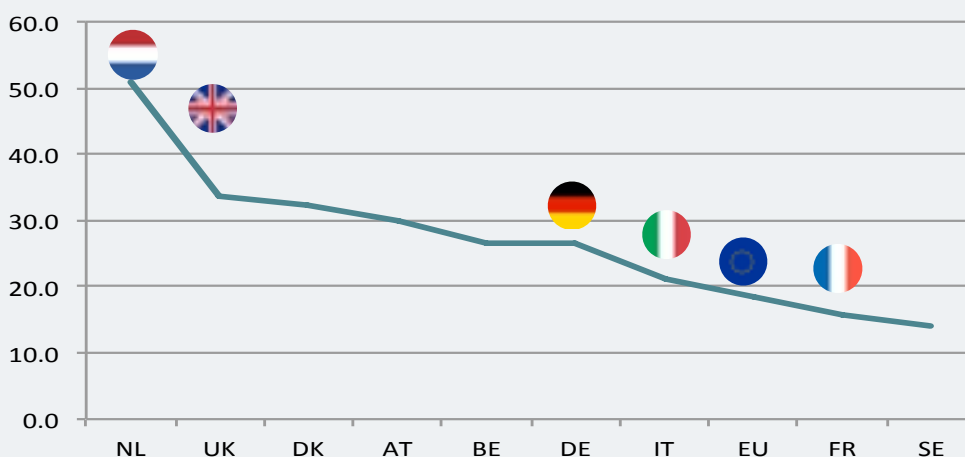
Our work is focused on four transformational portfolios to: enable improvements in today's railway, transform customer experience, inform industry reform to enable excellence, and plan for tomorrow's railway.

This activity is supported by communications and engagement with stakeholders, and improvements in how the RDG is organised and operates.

While RDG works for all its members, it also provides support and gives a voice to freight and passenger operators respectively. We also deliver important national ticketing, information and reservation services for passengers on behalf of our members' companies.

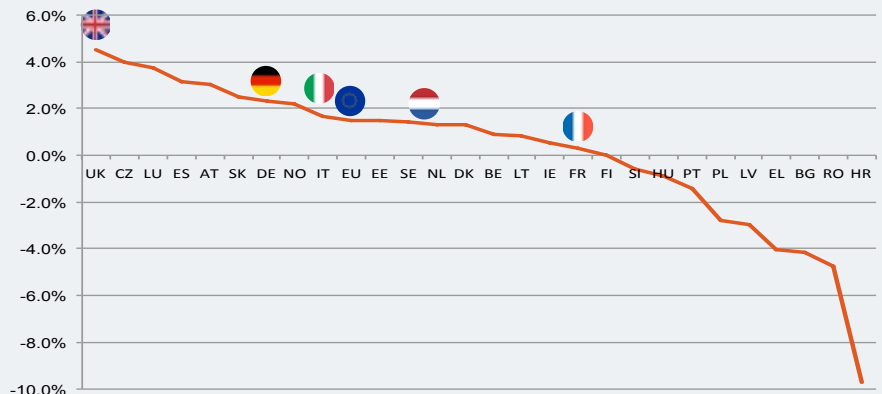
## Rail in Britain has grown...

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 second only to Ireland in terms of accident per million train km between 2010 and 2013 (ERA reported by ORR 2015). There were no passenger fatalities in train accidents during 2015-16, the eighth year in succession that no passengers have died as a result of a train accident. We continue to work hard to improve further on safety culture.



Change in passenger km, 2009-2014 (RMMS 2016)

## ...in a challenging operating environment...

In GB, the network utilisation is about 60% 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.

'000 train km per line km 2014 (RMMS 2016)

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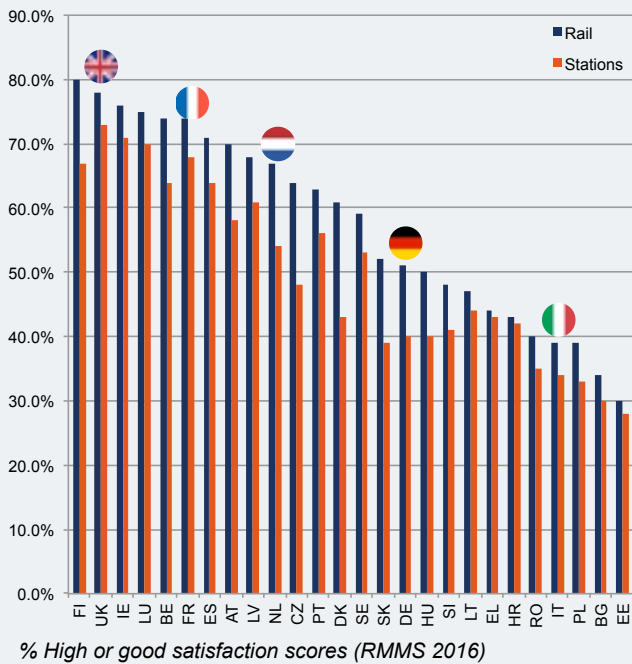
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## ...that delivers for customers

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



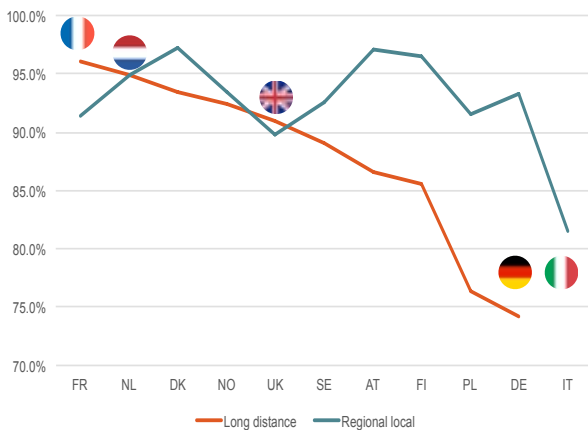
Bi-annual independent research in Britain shows that passengers rated 600 million more journeys as satisfactory or good in 2014/15 than they did in 1999/00 (Transport Focus 2015). In Autumn 2015 83% of passengers were satisfied with their journeys representing an improvement from the previous survey (Transport Focus Autumn 2016).



83% Satisfaction (Transport Focus 2015)

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

### performance



Punctuality % on time (RMMS 2016), not normalised

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).

### central ticketing



The industry has maintained centralised ticketing and information services for the convenience of passengers and ease of travel. Passengers can buy through tickets between any stations on Britain's rail network either directly from operators or independent retailers. Information about timetables, fares and tickets across the whole of the network, regardless of operator, can be found on the National Rail website.

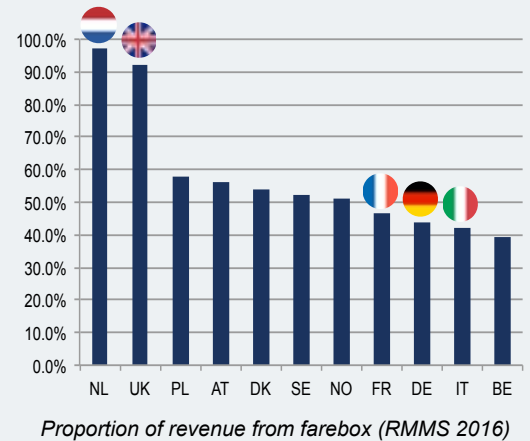
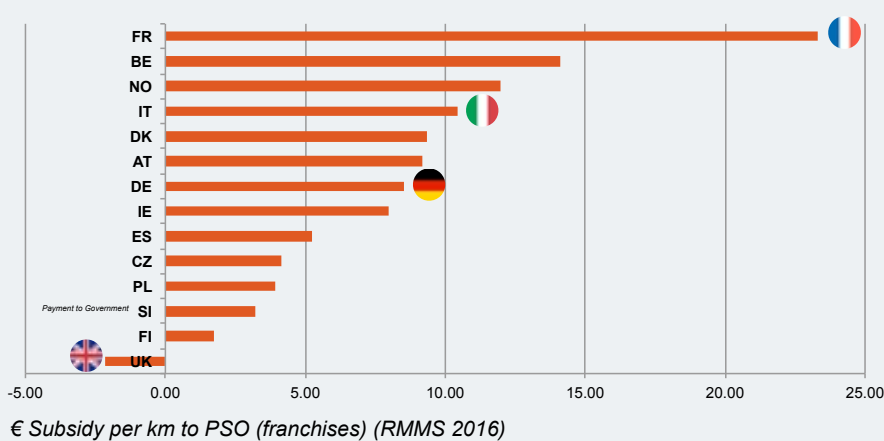
Rail Settlement Plan (RSP) is a division of the Rail Delivery Group and is a company owned by the franchised passenger rail operators and was established to allow operators in the competitive environment to provide a network-wide retail service. It provides a range of common, largely IT-based services to those operators including open access operators and third party providers of information and retail services.

The average price paid per passenger mile on the British railway has increased in real terms from 1997/98 to 2013/14 by 6.7% (KPMG 2015). Fare subsidies are a matter for national governments under the principle of subsidiarity. It is for the government to decide the balance between fare payer and tax payer contribution to the operational cost of running the railway.

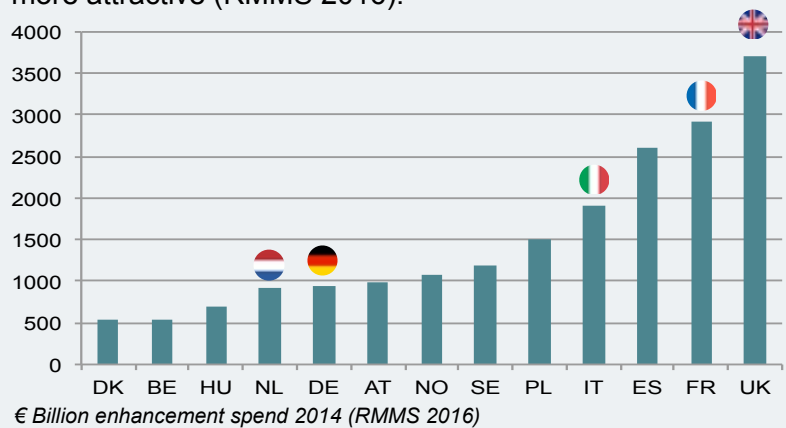
## We have done this and reduced our costs...

The UK has delivered operating costs below the European average, performing better than France (second highest), Belgium, the Netherlands and Austria (SDG 2015). Furthermore, over the last ten years Network Rail has reduced the cost of running the railway by 32% and reduced controllable operating costs by 46% (Network Rail Accounts 2014).

The Commission estimate that there are €11bn of savings to be made in rail sector operating costs across Europe, however the UK is considered to be operating on the efficiency frontier with an efficiency gap of 0%. The most recent data shows that the UK also performs well in terms of train km run per employee with a 6% improvement in this efficiency between 2007 and 2012. This is a competitive improvement when compared to other western European networks (SDG 2015).



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).



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



1.68 billion passengers are carried on the rail network (excluding TfL's services in London) each year in Britain.

The rail sector in Great Britain contributes up to £10.1bn to the UK economy a year (measured in 'gross value added'). The rail sector also pays up to £4bn in tax to the Exchequer each year (Oxera 2015).



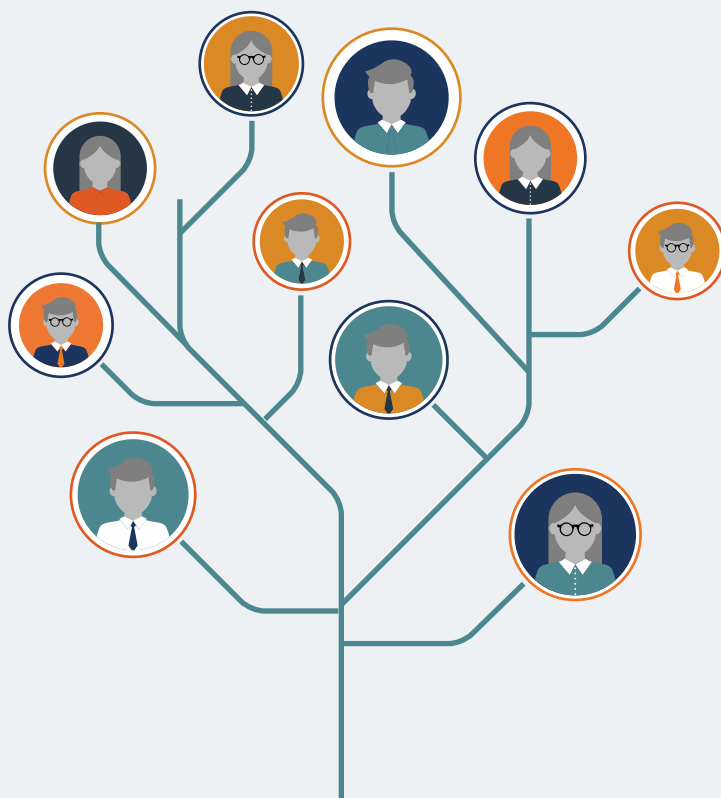
Rail reduces CO2 by up to 7.7 million tonnes per year in the UK. This is valued at £460 million annually. The value of reduced congestion on the roads is £12.9 billion per year (Oxera 2015).

## ...including making the railways a great place to work

More than 216,000 people are employed in the rail industry and supply chain in Great Britain (Oxera 2015).

The sector in Britain 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.

The industry offers high-quality graduate training, apprenticeships and professional training. Furthermore, the sector attracts top talent by offering competitive salaries and excellent benefits to employees.



### Sources

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