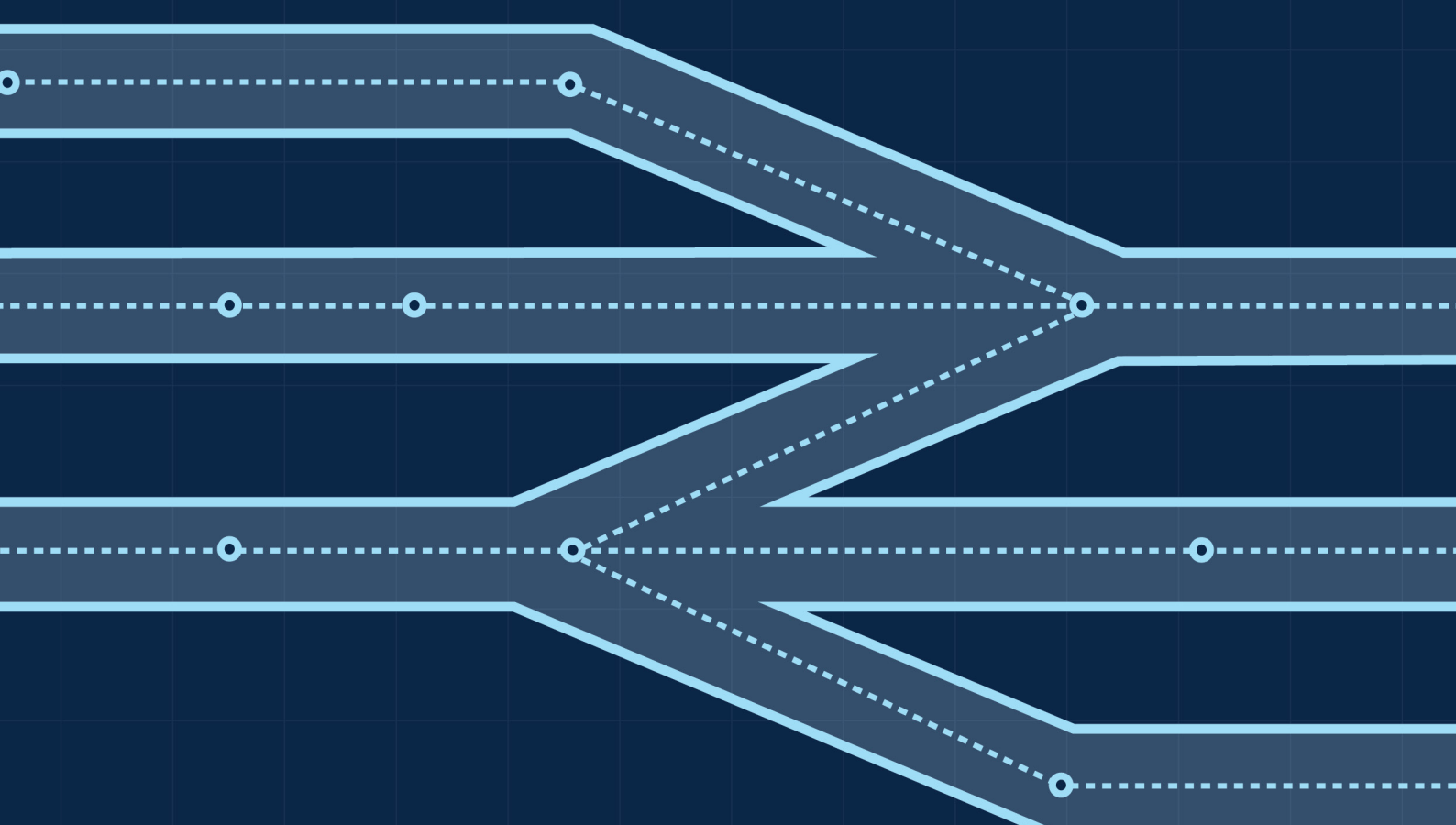




Future
Governance
Forum



SETTING GREAT BRITISH RAILWAYS UP FOR SUCCESS

| Interim findings

June 2026



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About The Future Governance Forum

FGF's mission is to transform the state to renew the nation.

We are more than a traditional, policy-focused think tank: we concentrate on the *how* as much as the *what* of policy design and implementation. We look to advance new approaches to progressive policymaking and delivery, with a focus spanning national, devolved, regional, and local government.

Since launching in November 2023, we have built a reputation based on the combination of smart politics, original thinking and a commitment to practical delivery.

Our approach is rooted in collaboration. With our experience and expertise in politics, public administration and policymaking across the UK, we convene across our networks to make detailed recommendations based on what works.

Drawing on our team's deep expertise and wide-ranging experience, we develop practical, innovative solutions that help those in power turn policy into practice.

About Network Rail

Network Rail owns, operates, maintains and develops the railway infrastructure in England, Scotland and Wales. That's 20,000 miles of track, 30,000 bridges, tunnels and viaducts and the thousands of signals, level crossings and stations. Network Rail manages 20 of the country's largest stations, while all the rest - over 2,500 - are run by the train operating companies.

Its role is to run a safe, reliable and efficient rail network with a vision to deliver a simpler, better, greener railway for customers and communities.

Executive summary

One of the more popular policy moves this Labour government is embarking on is ending the rail franchising model and unifying track and train under a 'single directing mind': Great British Railways (GBR).

This is being accomplished via two pieces of legislation. The first - [the Passenger Railway Services \(Public Ownership\) Act 2024](#) - was passed at speed and has already brought five train operating companies (TOCs) in-house as their franchises expired, joining four that were already being run by the public sector under the previous government. The second - the [Railways Bill](#), currently before parliament - is bigger, more complex and arguably more consequential: it will establish GBR as a new arm's length body of the state.

The case for change is hard to dispute. Today, Britain's railways are fragmented, with no single organisation responsible for coordination across infrastructure, passenger services and freight - making it difficult to integrate timetables, respond to shifting travel patterns, or align investment with broader economic and social goals. Responsibility is dispersed across the Department for Transport (DfT), Network Rail and train operating companies (TOCs) - each with their own priorities and incentives - leading to a lack of joined-up thinking and a blurring of accountability. No one, in other words, is in charge.

Addressing that will be one of the most far-reaching, operationally complex and politically high-stakes endeavours the government will embark on during this parliament. This is not additional to the administration's wider political programme, but central to it: successful reform of the rail system can be at the heart of driving up economic and productivity growth across the country, breaking down barriers to opportunity and renewing an essential public service so that it is fit for the future. It can be a foundational change upon which wider ambitions for industrial policy, decarbonisation, regeneration, and employment and skills policy are all built. Yet so far this ambitious agenda has been somewhat overlooked outside specialist rail circles. That is a missed opportunity, both because of the importance of the overall enterprise, and because the more interest in, scrutiny of and innovative thinking applied to rail reform, the more likely it is to succeed.

And success will not happen automatically. The acts of renationalising train companies and creating GBR will not on their own guarantee a better performing rail network. As Heidi Alexander MP, the Secretary of State for Transport, has acknowledged, public ownership is '[never going to be a silver bullet](#)'. 'We can change the name of the holding company or the livery on the side of the train,' she has said, 'but none of that guarantees a changed experience for the person on the platform'. Indeed, the early evidence on the performance of those services that have been brought back into public hands is [mixed](#). Hard work, tough decision-making and real leadership (both political and organisational) will be required to meet the level of the government's ambition and the public's expectations.

Whether GBR succeeds will depend on getting the institutional foundations right: establishing a clear purpose (not least to know what success looks like, and what it is being measured against), assembling a strong team, setting a positive culture, putting GBR on a sustainable financial footing, aligning incentives across a wide and complex ecosystem of organisations and individuals, and ensuring power and accountability are in the right places.

This briefing paper seeks to inform all those who are following the passage of the Railways Bill as it lays the foundations for the establishment of GBR: MPs and peers of all parties, their teams, and others in the wider policy ecosystem – including those who do not count themselves rail experts. We hope that it can inform debate by raising some of the major questions around GBR and the trade-offs involved in answering them.

In this paper, we set out some of our interim findings – drawing on extensive interviews with former ministers, senior civil servants, industry leaders, regulators, and experts – ahead of publishing a final report in the autumn. Our primary focus is on the strategic and institutional decisions that need to be taken following the Railways Bill's passage and that will shape how GBR is set up in practice. We are not seeking to re-open foundational issues settled in the legislation, and nor do we weigh in on the granular operational decisions relating to how GBR is run. Instead, we seek to outline the key tensions and trade-offs that the Transport Secretary and DfT, HM Treasury (HMT) and GBR's future leadership will need to navigate, and we explore the implications of different choices.

We start by looking at **the process of establishing GBR**: the mechanics involved, the political dynamics at play, the legislative context, and how the government will go about standing up this new institution once the Bill has become law. We then look in more detail at **defining GBR's purpose**: it has been striking that, of the more than 60 experts we have spoken to for this project so far, almost no one thinks GBR has a clearly articulated overarching purpose at the moment. We set out both why this is important and what we think this purpose could be. Finally, we consider some of the major issues that will arise for the government, GBR and its leadership as it is being stood up, grouped in three areas:

1. How should GBR be established as a durable, future-proof institution?

Establishing a strong GBR will depend on getting questions of leadership, governance, workforce, culture and structure right. Bringing multiple existing organisations together into one new public body poses serious integration challenges: there is a real risk that its constituent parts continue to operate in silos, and that the ways of working of Network Rail (the largest of GBR's predecessor organisations) come to dominate by default. But this moment also creates an opportunity for an industry reset: to be more intentional about culture, to harness the goodwill and positivity around the reforms (including among trade unions) and to re-energise what it means to work on Britain's railways, bringing in and developing new generations of talent. These changes need to be made at all levels, but they start at the top: the choice of Chair, CEO and Board will be decisive in determining the institution's overarching direction and setting the right tone.

2. What scrutiny, accountability and regulatory framework should GBR operate in?

A central concern is the risk of unhelpful political ‘micromanagement’ in the day-to-day running of the railways. There will always be pressure for ministerial and departmental involvement; the question is how to allow GBR sufficient autonomy to manage the network in the way it sees best, both operationally and financially, while assuring high levels of safety and performance. Much of this will stem from the strength and resilience of GBR’s internal accountability mechanisms: the stronger they are, the less the system needs to lean on external oversight. Yet the relationships with GBR’s main Whitehall departments - DfT and HMT - will be critical, as will the way the reformed Office for Rail and Road (ORR) and the new Passengers’ Council watchdog set the right incentives for GBR and are then able to provide external assurance that passengers and customers are being served well by the new entity. The system should aim for *better* regulation - rather than simply *more* or *less* - which will serve the new GBR as much as everyone else. Again, the clearer the articulation of the overall purpose, the easier it will be to design that accountability architecture around outcomes rather than a plethora of unhelpful, overly granular metrics.

3. How should GBR interact with regional and devolved rail networks given expanding mayoral and devolved powers?

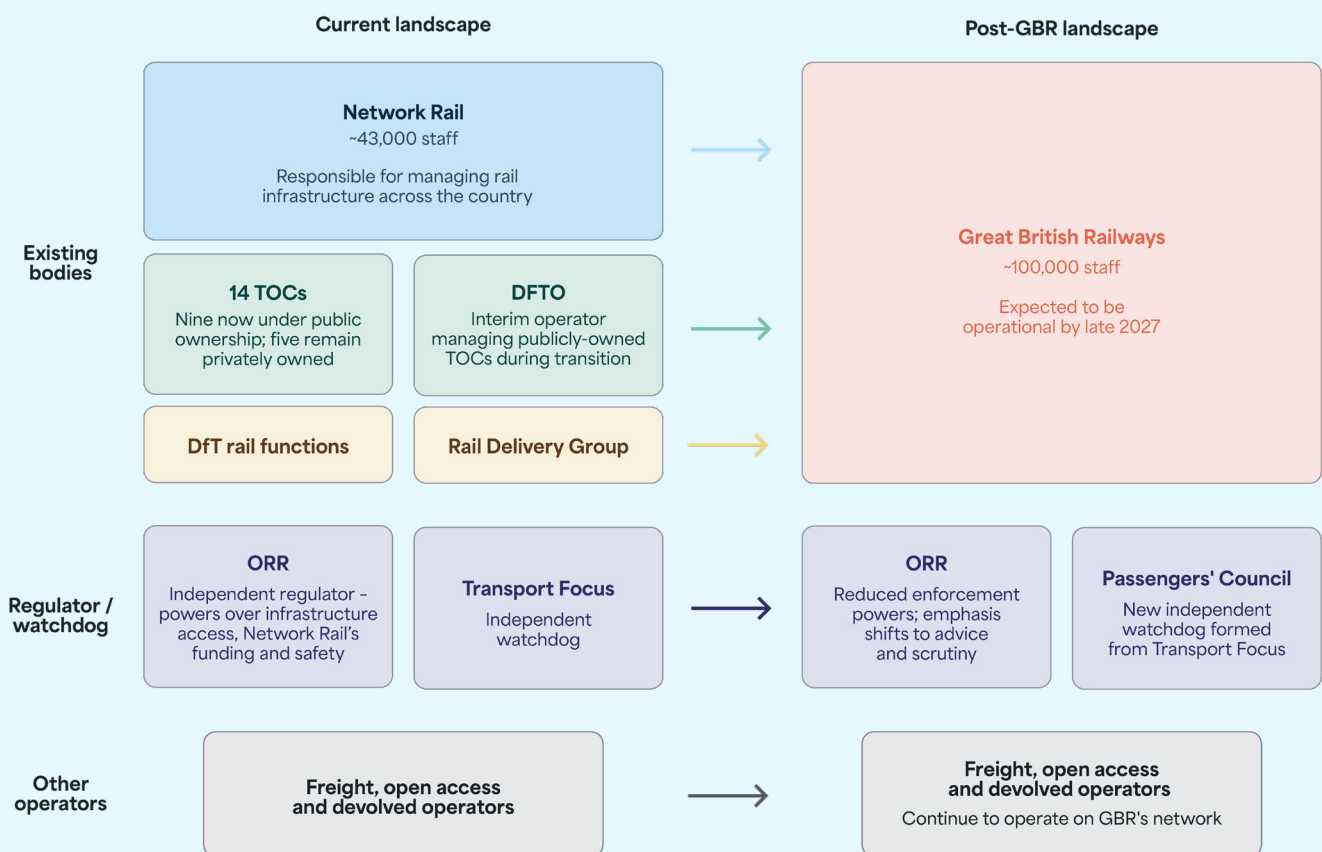
GBR will operate in a devolution landscape that is complex, asymmetric and still evolving, with Scotland and Wales responsible for train services and rail infrastructure to differing degrees, and English mayors gaining new powers under the new English Devolution and Community Empowerment Act, including the right to request full rail devolution in their areas. A genuine partnership approach, with GBR and devolved and mayoral authorities working together towards shared goals, will be essential. But this will depend on clarity over what rail reform means in practice for regions and nations, a shared and agreed evidence base for making informed investment decisions, and rail policy being ‘done with’ not ‘done to’ the nations and regions. And in an increasingly contested political landscape, formal escalation and dispute resolution mechanisms may serve as a more reliable backstop than the informal deal-making that has so far defined rail in the devolution era.

What is happening to Britain’s railways?

1. The scale of the task

The creation of GBR is the biggest change to the railway since British Rail was privatised in the 1990s, and one of the most radical institutional reforms this government is embarking on. Some 17 existing organisations – 14 private train operators, the Department for Transport Operator (or DFTO, the body currently running those train companies which have already been brought back under public control), Network Rail (which manages rail infrastructure across the country), and the Rail Delivery Group (which provides information and services directly to passengers), as well as parts of the DfT – will be brought together into a single organisation responsible for operating, maintaining and improving the railways.

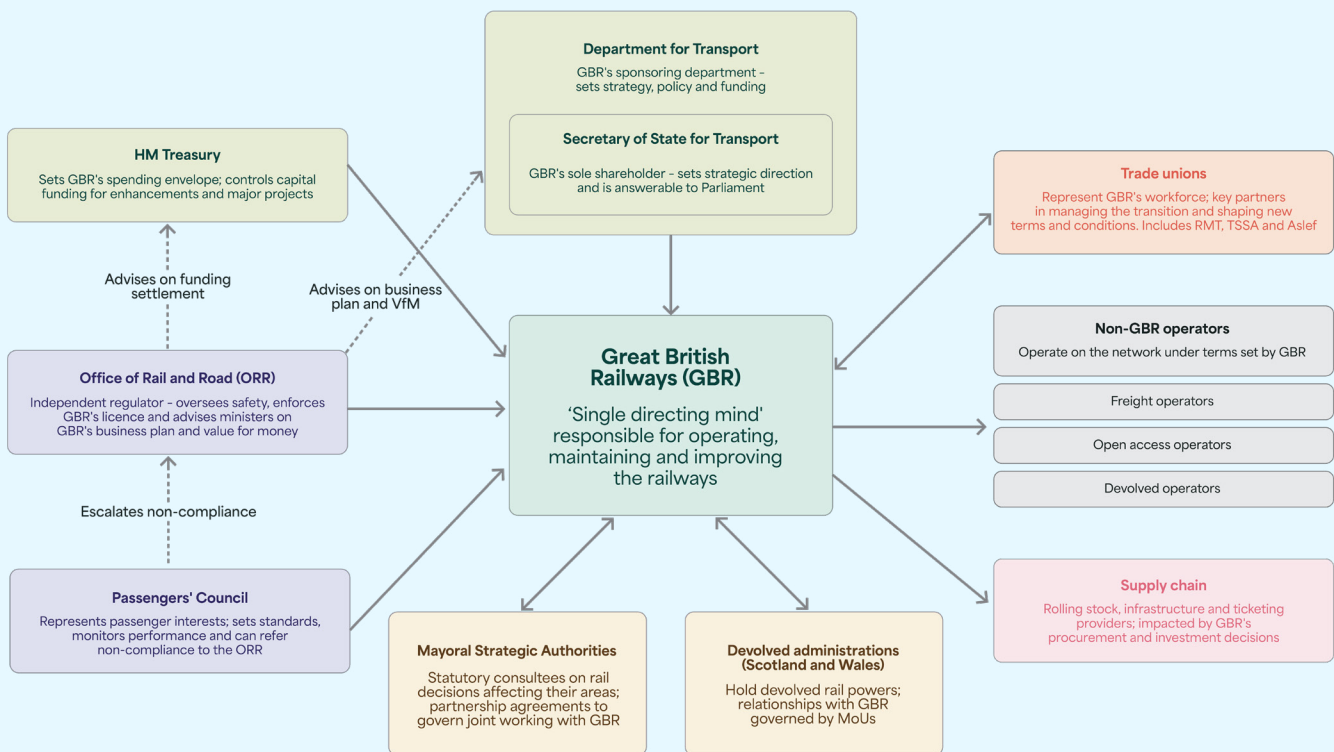
Figure 1: The institutional landscape before and after reform



Once established, GBR will employ almost 100,000 people, making it both the country’s largest arm’s length body and one of the country’s largest single public sector employers, behind only the NHS and the Armed Forces. It will be responsible for managing a budget of around £22 billion (including operational and capital expenditure), in a heavily unionised industry, across a network relied on by millions of people every day and which has a critical role to play in the delivery of the government’s wider economic, environmental and social objectives.

The scale of the task is matched only by its complexity: a jigsaw of predecessor organisations with very different existing cultures; a complex new regulatory landscape and set of relationships for GBR to navigate; and a much more advanced devolution settlement since the days of British Rail, including a growing cadre of English mayors with an increasing say over how transport in their regions is run.

Figure 2: The accountability, governance and stakeholder landscape GBR will operate within - key actors and relationships



2. The political stakes

Politically, too, this is a high-risk undertaking. The government is, in effect, creating a new and highly visible part of the state – one that people will interact with directly on a regular basis, and where they will attribute satisfaction or dissatisfaction back to the government. The state of Britain's railways will be something close to a physical demonstration of the state of the country – and with GBR's livery carried by trains running through nearly every part of the country, the government will be as exposed to failure as it is to success.

The Transport Secretary will be GBR's sole shareholder, answerable to parliament for how it performs. With that responsibility comes political pressure: in years to come he or she will have to justify the scale of taxpayer subsidy going in; will be on the hook for service reliability and fare levels in the eyes of the public; and will be exposed to the potential for operational failures to escalate into political crises.

Yet for all the scale, complexity and political risk, GBR has to some degree managed to pass under the radar. This major transformation has been the subject of intense debate within the rail industry, but has rarely featured in the wider policy and political debate - much less permeated the public consciousness.

3. What is being legislated for - and what isn't?

The Railways Bill will establish GBR as a new arm's length body, significantly change the role of the ORR and create a new Passengers' Council. The Bill has been carried over from the last parliamentary session, and is expected to progress through the House of Lords this autumn and receive Royal Assent by the end of the year. GBR is then predicted to be operational in late 2027.

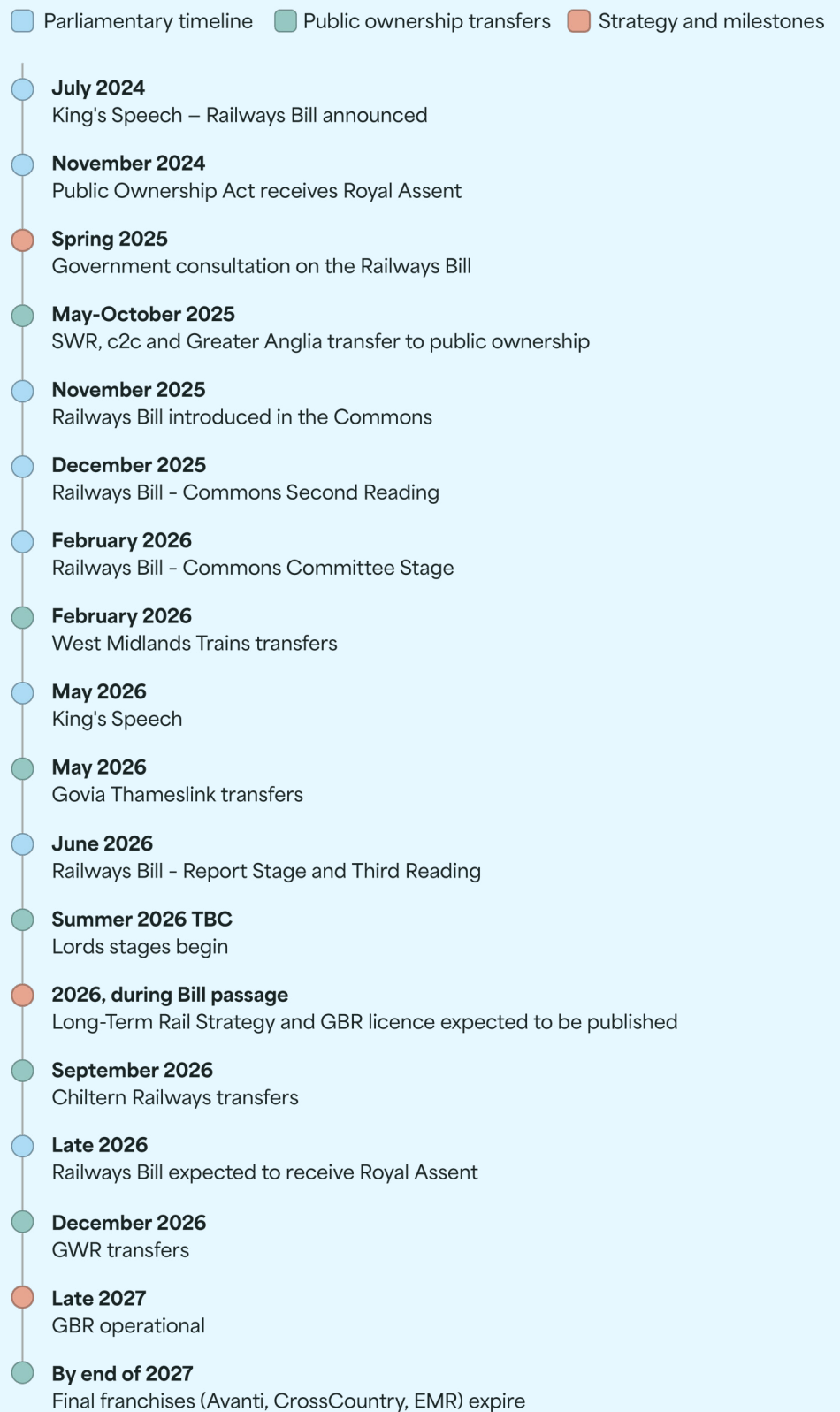
GBR will also be impacted by the recently passed [English Devolution and Community Empowerment Act](#), which gives metro mayors more powers over local transport networks. It creates a formal route through which mayors can request 'full devolution' of local rail services, opening up a legislative path to regional control over local services and assets such as train stations.

The legislation, though, is only part of the story. Much of what will ultimately determine GBR's success sits beyond the Railways Bill itself - for instance, the financial settlement to be agreed once the law has passed, and the quality of relationships GBR builds with national government, devolved leaders and industry. The Campaign for Better Transport estimates that the Railways Bill accounts for only around 30% of what will need to be in place for GBR to function effectively. The rest will come from various strategies, guidance and directions - most of which are yet to emerge, on timetables that currently remain unclear.

The UK government has already published some further information, [including the Secretary of State's letter to the new Chair of DFTO](#) setting out expectations for its role during the transition to GBR, a Memorandum of Understanding (MoU) with the [Welsh](#) government and the framework for an MoU with the [Scottish](#) government.

However, the list of unpublished documents is long, even if the government has recently committed to bring out '[a document this Spring outlining key documents and target dates](#)'. It includes the Long Term Rail Strategy (LTRS), the rolling stock strategy, the final Access and Use Policy, GBR's licence, its first business plan, passenger standards, the Infrastructure Capacity Plan, the charging scheme, the performance scheme, the Code of Practice for ticket retail, and guidance on partnerships with mayoral combined authorities (MCAs). And vital questions still remain - about GBR's operating model and accountability framework; where stakeholders will sit in the new landscape; terms and conditions for workers; and much else besides.

Figure 3: The path to Great British Railways - key milestones, 2024-2027



4. How will the government stand up this new institution?

The transition from the current system to what will eventually become GBR has already begun. Five operators have now transferred into public hands: South Western Railway in May 2025, c2c in July 2025, Greater Anglia in October 2025, West Midlands Trains in February 2026 and Govia Thameslink Railway in May 2026. These four TOCs join a cast of eight that includes four operators that were brought into public control under the DfT Operator of Last Resort, after failures or breaches of their contracts: LNER (May 2018), Northern (March 2020), Southeastern (October 2021), and Transpennine Express (May 2023) - making DFTO responsible for over half of the original franchises. Meanwhile, ScotRail has been run by Scottish ministers since 2022, and Transport for Wales by the Welsh Government since 2021. Integrated teams are now being piloted in a small number of English regions, such as the South Western Integrated Railway (a combination of Network Rail's Wessex Route and South Western Railway) and Network Rail Anglia (a combination of the Anglia Route with Greater Anglia and c2c) as early 'sandboxes' of what full track and train integration under GBR could look like.

This is as much an exercise in change management as organisational design. Careful judgement will be needed about what to port over from existing bodies and where a clean break is required - not least to avoid importing what the Transport Secretary has described as the '[toxic blame culture](#)' that has come to characterise the sector in recent years.

GBR will not be starting with a blank sheet, and nor should we expect all the major questions about the organisation to have been resolved by day one - this is a process of evolution. The challenges facing the semi-privatised railway today will still face the nationalised railway tomorrow, and of course train services will have to continue to run across the country throughout the whole process of transition. How well all of this is managed will fall to GBR's new Board and senior leadership: establishing a coherent organisational culture; building positive relationships with stakeholders across the system; and setting a clear tone in GBR's first weeks and months about what kind of institution it is going to be.

Defining GBR's purpose - from boardroom to platform

1. Why purpose matters

Any institution this large needs a clear sense of what it is for. Is the priority to make train travel more affordable for passengers? To reduce the cost of the railway to the taxpayer, not least in an era of low economic growth and highly constrained public finances? To improve reliability and efficiency? To grow passenger numbers? To integrate trains within the wider transport network? To ensure the network is safe and accessible? To deliver economic growth? To accelerate decarbonisation? It is easy to answer 'all of these', but in reality GBR and its political sponsors will need to prioritise, and the choice of emphasis and hierarchy among that list will have implications for the decisions about how GBR should be set up, how it should be run, and where its early efforts should go.

Identifying - and clearly articulating - an overarching purpose matters operationally. It is what will allow the government and GBR's leadership to make consistent decisions about organisational design, culture and investment priorities, and grapple with the trade-offs that will define GBR's early years. That purpose should be established upfront and infused throughout the organisation - 'from boardroom to platform' - and beyond, helping to align behaviours and culture, giving stakeholders (including investors) the clarity they need to make decisions, and building a sense of shared endeavour. The clearer the purpose, the lower the risk of micromanagement by politicians - a fear we have heard again and again, from a range of stakeholders, throughout this project - because it limits the ambiguity in the system that is likely to lead to a Transport Secretary, now or in future, feeling that they have to get personally involved in contentious issues.

It also matters in broader political and electoral terms. Consider the passenger waiting on the platform today on their morning commute, who finds that all too often their train is delayed or cancelled, and with nowhere to sit on the one that finally turns up. What, exactly, changes for them when the train is in GBR livery? Having a clear answer to that question will be essential if the government is to tell a compelling story to the public about what is happening to the railways, and if it is to sustain and strengthen cross-party support for this new arm of the British state so that it endures for generations to come.

2. What has the government said about purpose so far?

The Railways Bill sets out a broad set of statutory duties for GBR to follow. GBR will be required by law to: have regard to the interests and needs of passengers, including disabled passengers; promote the use of rail freight; deliver social and economic benefits; make best use of the network's capacity; act fairly and transparently; uphold safety standards; and have regard to the strategic direction set by ministers in the forthcoming LTRS. Beyond the legislation, the Transport Secretary has [set out her ambition](#) for a unified railway that puts passengers and customers first and rebuilds trust. She wants a railway that 'strives to become boringly reliable', 'attracting more people, carrying more goods and earning more revenue'.

3. The purpose gap

The government has therefore set out a wide-ranging remit and a series of admirable aspirations for GBR. But it has not yet set out a single overarching purpose - a north star for GBR to follow - nor given much indication of a clear hierarchy among the new organisation's various duties to guide its leadership on how they should be weighed against one another.

When we have asked interviewees for their thoughts as to what GBR's primary purpose should be, views unsurprisingly differ. But it is striking that, of the more than 60 experts we have spoken to for this project so far, **almost no one thinks GBR has a clearly articulated overarching purpose at the moment**. As one interviewee put it, 'where clarity of purpose and prioritisation is missing, a vacuum will open up and be quickly filled by friction and noise'. The Strategic Rail Authority, set up in 2001 and effectively abolished within five years, offers a cautionary tale: one interviewee told us that without clear prioritisation between competing goals at the outset, the organisation 'became paralysed' and slipped into a 'reactive' posture 'from which it never recovered'. Filling this vacuum, at pace, with a clear vision supported by the relevant accompanying detail - and, crucially, the early appointments of the senior GBR leaders who will need to put it into practice - is one of the most vital tasks of the months ahead.

4. A progressive purpose for GBR

Where the government and GBR's leadership ultimately land on the question of GBR's purpose remains to be seen. But we are clear that they need to land somewhere - and do so soon. In the interests of provoking that discussion, and helping to flush out some of the choices and trade-offs involved, we would argue that a compelling purpose for GBR could be as follows:

To run a reliable, safe and high-quality railway that unlocks jobs, housing and opportunity across the country.

GBR must put passengers and freight customers first, delivering a reliable, high-quality service that people can depend on. This is easy to assert but will be challenging to deliver in practice, requiring a major effort to improve the passenger experience - of accessibility, safety, ticket purchase (and refund) operations, comfort, onboard provision of catering and WiFi facilities, not to mention the frequency and punctuality of services - and to substantially drive up the number of people using the railways as well as the amount of freight carried by train (the latter of which will be a statutory target under the new Bill). The reform agenda is a major opportunity to improve all of these outcomes and to enable the movement of more people and goods around the country by train.

But that is not an end in itself. An improved rail network can and should be a tool for achieving wider public policy outcomes - driving growth and productivity, housing delivery, environmental goals and social mobility - and it should be seen and designed in those terms. Some might see these roles as separate, or even in tension. We do not. A well-run service can itself support wider economic and social gains, forming a virtuous circle between the two.

Economically, GBR could be a central tool for closing the productivity gap between London and Britain's 'second cities'. The largest cities in the UK outside the capital such as Birmingham, Manchester and Leeds continue to significantly underperform peer cities such as Los Angeles, Lyon, and Frankfurt, in part because their labour markets are smaller and less well integrated. Better rail connectivity is a big part of the answer: bringing towns and villages closer to the city, better linking workers to city centre jobs, and supporting the agglomeration effects that drive higher productivity and growth in urban centres.

Politically, there is a compelling story about regional growth and opportunity to be told: connecting people to jobs, unlocking housing near new and improved stations, and driving growth outside London. This government has made social mobility and the spreading of opportunity one of its overarching missions, and as one of our interviewees put it, 'access to transport is an issue of social justice'.

The trade-off here is on fares and funding. Prioritising passenger growth and service improvement - and the way in which those contribute to broader public policy objectives - would mean that ticket prices for passengers, and subsidy costs for the taxpayer, are unlikely to come down in the short-to-medium term (though to be frank, the current state of the country's rail infrastructure alone would make significant cost reductions hard to imagine in the short term even if these were to take precedence).

The government should be upfront with the public about this. Ultimately, GBR's long-term success will depend on the willingness of ministers and GBR's leadership to make difficult trade-offs and then, crucially, make the political argument for them: that short-term constraints are the price we should be prepared to pay for a better, more reliable railway. Under the purpose as we have framed it, any future efficiencies generated by GBR should be reinvested into the network and its infrastructure, improving service quality and bringing more people onto the railways. That requires the ability to see today's 'subsidy' in the railways as tomorrow's 'investment': the broader economic and social outcomes should be seen as a major reason why government puts money into the railway in the first place.

This may not be the right purpose, or the right trade-offs, for GBR. In some ways, that is not the point. Whether it is what we have set out here or something else, a single clear purpose needs to be agreed by the Secretary of State and GBR's leadership. From that overall purpose - communicated both within and outside the new organisation - can flow organisational objectives, institutional culture, key appointments and ongoing workforce management, giving GBR and the network writ large the clarity it needs.

1. How should GBR be established as a durable, future-proof institution?

GBR's success will require a strong, positive and distinct culture, set and embodied by the new leadership and diffused throughout an institution organised around clearly articulated and understood long term goals and incentives. There is an opportunity here to create a powerful public body that delivers a great service for passengers while making sensible investment decisions and fostering a strong rail industry. If we get this wrong, we risk ending up with a public monopoly that is risk-averse, self-protective, and paralysed by bureaucracy and industrial action. The legislation allows for a lot of flexibility around the design of GBR, which is appropriate - this is a major organisation that will need to evolve over time - but does also mean that there are urgent decisions that will need to be made before the official 'day one' of GBR's establishment.

1. Leadership and governance

The issue: Getting the right people in place at the top of GBR as it is being set up will be vital to all that follows, and recruitment needs to take place quickly and with clear intentions around delivering the organisation's purpose and setting the right culture. This is particularly true of GBR's first Chair, CEO, and Board. They will be overseeing what is effectively an enormous company merger, with the added scrutiny that comes with running a public service and being responsible for significant sums of public money.

Choices and considerations: Senior executive appointments need to be made quickly and in such a way as to attract the best possible people (which in turn raises questions for DfT and the Cabinet Office about salary levels and which types of appointment will require government approval). If, as we have heard repeatedly, the fear of political micromanagement of GBR is a real risk, then the new CEO and his or her senior leadership team will need the ability, attributes and resilience to accept high levels of personal public responsibility and to be able to speak with authority as to what is happening on the railways, defending major decisions and the trade-offs they involve. The new CEO will need to be supported by an excellent Chair and Board, which will have an essential role to play in setting GBR's overall strategy and tone, in holding the executive to account, and in managing the external environment. There are questions as to how broad the Board's membership should be: its balance of those with rail expertise alongside non-rail people with significant experience of, say, organisational transformation, or finance and investment. There is also a question as to how the Board should interact with stakeholders such as metro mayors and devolved leaders, representatives of freight, open access passenger services and supply chain companies,

and the GBR workforce. Among those we have spoken to there is a broad consensus for not overcomplicating these governance arrangements: having a single Board with clear accountability, but then clearly understood means for that Board to connect to the wider rail ecosystem (such as via 'Board champions' for specific parts of the sector). The make-up of the board can and should evolve over time as the needs of the organisation change and the Transport Secretary and Chair should be clear in recruiting for the specific requirements of the organisation at each stage of its establishment and evolution.

2. Workforce and culture

The issue: Bringing together 17 workforces, each with different contracts, union arrangements and operating cultures into a single organisation of almost 100,000 employees will undoubtedly bring challenges - but it also provides a unique opportunity to set a new industry culture, to take a strategic view across industry workforce planning and reform, and to create more consistent terms and conditions. This inflection point can be a moment to re-energise what it means to have a career in rail, and a chance for management to work in partnership with trade unions and their members, who are largely positive about the creation of GBR.

Choices and considerations: It is widely agreed from those we have spoken to that the new GBR culture must be a clear evolution from that which exists in the industry today. Without a conscious effort to bring that about, there is a real risk that GBR staff continue to operate in their existing silos post-transition, and/or that the culture and ways of working of Network Rail - by far the largest of the organisations being consolidated - come to dominate by default, alienating those who have joined from other organisations and perpetuating current dynamics. The creation of a new workforce under GBR will bring opportunities for productivity gains - be that through economies of scale, through the building of new teams and allocation of responsibilities among them, or through the adoption and diffusion of new technology - but that will also require tough decisions. Navigating this will require real leadership throughout the new organisation; the workforce of the 17 predecessor bodies must be actively involved in the transition to GBR, so they are bought into the process, able to influence it and understand the rationale if or when difficult decisions are taken. For a significant portion of the workforce, their unions present a positive and joined-up way to engage as long as government and GBR provide transparent plans for that. The effective use of incentives and goals for staff members will also be a key part of shaping the culture, and a hallmark of success should be the ability to speak to any member of GBR staff - be they a train driver, an engineer, station staff or in any other role - and get the same clearly understood sense of how they contribute to the overall mission. GBR's leadership will also need to give quick

thought to issues of recruitment, retention and skills development. The rail industry has an ageing demographic, with over a third of rail employees aged over 50 and as many as 70,000 workers set to leave the industry by 2030. Yet getting more people working in this sector should be an attractive proposition at the individual level - a well-paid, long-term and flexible career with the ability to work anywhere in the country, and with clear training and progression pathways - and also at the government level, with its ability to generate skilled jobs, especially in deindustrialised parts of the country, contributing to social mobility and broader labour market policy objectives. The 'reset moment' of creating GBR is an opportune and vital moment to take a whole-system approach to the rail talent pipeline, at both early career and leadership levels (acknowledging that this can also contribute to wider government priorities around the labour market and industrial strategy).

3. Structure and organisation

The issue: One of the central arguments for the creation of GBR is that integrating track and train will allow for increased efficiency, improved data sharing, and a more strategic view of the rail network. How exactly the business units of the new national organisation are structured - be that by geography, type of operation or something else - and the degree of autonomy these units enjoy compared to areas of centralised GBR control will be critical to its success.

Choices and considerations: GBR could establish a strong central body that is prescriptive about ends but not about means, setting a national strategy for its business units to implement. Alternatively, it could develop a more devolved model where business units are responsible for setting their own strategies and managing their financials as long as these are aligned with GBR's wider purpose and priorities. Both options come with trade-offs, with a more central or cohesive model potentially leading to a less innovative or agile organisation, and a more devolved model potentially failing to address recent issues around fragmentation and disparity in service provision. Many we have spoken to suggest that GBR's profit and loss (P&L) accountability should be devolved to the most local level possible and appropriate, to allow for innovation and for local leaders to have real responsibility for the success of their services - but that requires GBR leadership (and ultimately both the Transport Secretary and the Treasury) being comfortable with a degree of risk in the system, and of differing outcomes across different parts of the country. It is important here to note that there will not be a 'big bang' moment where the country switches overnight from the fragmented system to nationwide train and track integration under GBR. This process has already begun in new Integrated Business Units such as South Western and South Eastern - so DfT, Network Rail and others should

put formal arrangements in place to record, learn from, adapt and scale the experiences of these 'mini-GBRs' as the roll-out of the full organisation gets underway.

2. What scrutiny, accountability and regulatory framework should GBR operate in?

Rail is an essential public service as well as a core part of the nation's economic and social infrastructure. That makes effective design of the scrutiny and accountability framework within which it operates challenging as well as vital - and that framework will need to be different for a national, integrated monopoly provider like GBR than that which has existed throughout the privatised era. This must start with identifying the *incentives* that should apply to different actors in the rail sector. Working backwards from those, the government should then determine what can be achieved via setting the right organisational culture and putting in place the right internal processes and structures; what can be set via high level political direction; and what needs to be upheld and assured via statutory requirements and the scrutiny and enforcement of external regulators. This should also not be a standalone exercise: the Labour government has sought to signal a more cross-sectoral approach to regulation, more firmly focused on enabling economic growth, and the changes to the accountability framework for rail will need to fit into that broader context.

The basics of a new accountability architecture are set out in the Railways Bill, but there is still a lot of detail to be filled in and choices to be made. Those choices will determine how agile and innovative GBR can be, where risk will sit in the system, whether there are appropriate mechanisms for preventing the worst from happening (and clear accountability if it does), and ultimately how inclined politicians will feel to intervene when they worry that public policy outcomes are not being met or their own reputations are at risk. We start from the understanding that GBR's internal accountability mechanisms and processes will matter greatly, and that these are where the prime responsibility for delivery, oversight, and transparent public reporting should sit. The stronger these are, the less need for an overreliance on external bodies for assurance around day-to-day operational matters, and the more those external bodies can focus on whether the right outcomes are being delivered. However, a public monopoly of the scale and importance of GBR must be subject to external accountability too. Getting the right framework in place *around* as well as *within* the new institution - be that Whitehall departments or the two reformed regulators envisaged by the Bill - will be critical. Not least because if the right balance can be struck, a strong and effective external scrutiny, accountability and regulatory architecture for GBR can be the best means of freeing the organisation up to focus on what matters and to avoid the political micromanagement which so many in the sector fear.

1. The Transport Secretary and the Department for Transport

The issue: GBR may be the single 'directing mind', but it will remain accountable to DfT and the Transport Secretary. This is only right, given GBR's social and economic importance, the vast sums of public money going into it and its sheer scale. Getting that primary relationship right will be vital to ensure the necessary accountability is in place without becoming a barrier to GBR achieving its objectives.

Choices and considerations: The public always expect ministers to be answerable when things go wrong on the trains, and this was true even when the system was wholly privatised. Running an integrated national network with multiple, sometimes competing duties requires difficult trade-offs - and arguably that is precisely the role of elected politicians. Nevertheless, a major concern around the transition to GBR is the risk of political 'micromanagement' in the day-to-day running of the railways. The Railways Bill envisages a balance being struck in the main via the Transport Secretary setting out headline ends - such as via the LTRS, GBR's Licence, Key Performance Indicators (KPIs) - and then allowing GBR's leadership to determine the means of delivery. Elsewhere the Bill gives the Transport Secretary powers to intervene directly - for instance to revise or change contracts. This may be strategically essential, especially as GBR is being established, but if left too open-ended could leave uncertainty in the system about future use of such powers, potentially dampening investment. When drawing up these various documents and providing guidance on the use of Ministerial powers, the government will need to think how 'micro' it wants to get: the buck will always stop with the politicians, but the key to a successful railway is letting those with operational expertise get on with running it. The government does seem to be thinking in these terms, agreeing with the Transport Select Committee's view that 'any Secretary of State's use of directions should never become a routine step - it is a responsive tool for necessary course correction, to be used proportionally and where there is strong justification'.

2. The Treasury

The issue: HMT will have a major interest - and be a powerful player - in a newly nationalised public organisation in receipt of a considerable amount of public money and one which can play a significant role in both national and regional economic growth.

Choices and considerations: As with DfT, there will be a tension between intense government oversight and GBR's freedom to operate, not least when it comes to GBR having certainty over its funding arrangements and discretion to move budget around. There is considerable concern about the mismatch between the five-year settlements GBR will get for infrastructure operations, maintenance and renewals and the three-year window to be set for passenger

services at each Spending Review. The Treasury should ensure that these two processes reinforce each other, helping to realise the full benefits of integrating track and train - and the ORR's role in advising on such settlements will also be important. Once GBR's spending envelopes are set, the question of its flexibility around spending arises: HMT could allow GBR to keep and reinvest any 'surplus' it makes within a set time period, and/or to move money between capital and operational and train services expenditure.

However, this would require HMT being comfortable with GBR's capacity to deliver in such circumstances, and being assured that the analytical capability was present within GBR - and within ORR, as an external 'checker' - to provide the necessary assurances and accountability.

3. The Office of Road and Rail (ORR)

The issue: The government has determined that GBR will still require an external regulator, even if it is a public body whose sole shareholder is the Secretary of State. The ORR will therefore continue to have an important role in the oversight of Britain's rail network post nationalisation. Yet this role will be considerably changed (some argue much reduced) compared to today, with the emphasis much more on advice and scrutiny than enforcement. How should ORR carry out this new function?

Choices and considerations: Under the new system it will be GBR, not the ORR, that decides on who will have **access** to the network, and on what terms. The ORR's role becomes one of arbitrating appeals where third parties, such as open access operators and freight companies, feel GBR has not followed its own strategy when making access decisions. This is not a straightforward matter: views differ as to whether private companies operating services alongside GBR would drive innovation, or would extract revenue from a public body, and questions arise as to how to ensure the new system is fair to all without inhibiting GBR's ability to optimise the newly nationalised network. Options for addressing this include emphasising that GBR will already be required to act in a fair and non-discriminatory way, including when exercising its new access powers; giving more detail in post-legislative guidance and other statements about how the appeals mechanism will work in practice; or ensuring the criteria for decision-making are effectively framed in the Access and Use Policy (which will be consulted on later this year).

The ORR will also have a role in assessing GBR's **value for money** (looking beyond pure questions of cost), advising the Transport Secretary as to whether GBR's business plan achieves his or her objectives in an efficient way, before it is signed off. Some believe that

with its reduced powers ORR will be 'toothless' in this new system. However, this is not inevitable: it could still prove to be a strong and impactful regulator, acting as a trusted advisor to the Transport Secretary and shining a light on GBR's performance, able to request information and issue notices, and ultimately retaining enforcement powers over the GBR licence. If the ORR deploys those combined elements of its role effectively, then it should incentivise GBR to meet and maintain high standards - not least if it is widely understood within the system that the advice the ORR gives to government could lead to legally binding directions from Ministers themselves.

4. The Passengers' Council

The issue: The government aims to give passengers a greater voice in the reformed rail system, and the new Passengers' Council (or 'passenger watchdog') looks set to be powerful. As the factsheet accompanying the Railways Bill makes clear, 'The government and GBR will have to consult the watchdog when developing their policies, strategies and priorities for the railway - including when GBR is developing its business plan and passenger offer - and GBR must listen to and should act on the watchdog's advice.'

Choices and considerations: The idea of a strong passenger body is broadly welcomed, though there are concerns that it is yet another organisation to throw into an already complicated mix - not least given that GBR's internal governance should be overwhelmingly focused on passenger issues in the first place; that the new Council could be incentivised to make impossibly high demands; and that it may struggle to be genuinely representative of all types of passenger. The Council will have considerable powers: to set mandatory standards for GBR, to demand information from train operators to a set deadline, and to escalate matters to the ORR in the event of non-compliance. There are safeguards built in (new standards must be agreed by Ministers and the ORR must deem that they are 'viable') but getting this right will be central to establishing a rail network that puts passengers first without losing its ability to drive innovation and efficiency. This is a core element of regulation theory: how much can the interest of the customer best be preserved via internal assurance and accountability based on clearly understood outcomes; how much does it require a powerful external body to keep the public body honest; and how much can it be locked in 'upstream' by making it a core duty? And in this case should that duty lie primarily with GBR itself or with the Passengers' Council?

3. How should GBR interact with regional and devolved rail networks given expanding mayoral and devolved powers?

Great Britain's political governance and decision-making structures have been transformed since the days before rail privatisation. So while GBR's considerable new authority will be akin to that of British Rail before it, GBR will be wielding that authority in a complex devolution environment that differs significantly to the early 1990s, with wide variation across and between the regions and nations that will have far-reaching policy and operational implications. This is where the politics of rail reform can really bite: most people will ultimately judge GBR's success by how it feels locally to them.

This backdrop should not be completely novel. By the time GBR is formally established in 2027, significant devolution will have been an operating reality in the UK for nearly 30 years. This has taken different shape in the three nations of Great Britain, each of which has a different set of transport powers and arrangements in place before rail reform begins. The Scottish government has full responsibility for Scotland-only services and some cross-border services, and funds rail infrastructure in Scotland (which is then provided by Network Rail). The Welsh government is responsible for the Wales and Borders rail services, but most Welsh rail infrastructure - except the Core Valley Lines - is funded by Westminster and owned by Network Rail. In England, mayoral rail powers and arrangements vary considerably - with the most established being those in London and Liverpool - and are about to change significantly again with the passing of the English Devolution and Community Empowerment Act and the 'right to request' full rail devolution. Depending on their respective powers, Welsh and Scottish Ministers and English Mayors will also be weighing rail considerations against other modes of transport, and will be weighing transport policy overall against priorities in other areas such as health, economic development, education and the environment.

Despite this history - though perhaps because of the complexity it has given rise to - awareness of how devolved arrangements work across Whitehall and major public bodies remains poor, and this continues to undermine effective policy delivery and financial management. The Railways Bill presents an opportunity, and sets a general direction: giving mayors and strategic authorities some rights to consultation and appeal, and allowing for MoUs to be established with the Scottish and Welsh governments (and in March 2026 the UK Transport Secretary published an [MoU](#) with the Welsh Government and a ['framework for an MoU'](#) with Scottish Ministers). However, many questions remain - not least about what happens when relationships do not work well or break down altogether. A newly integrated national public service which is fundamentally about connecting places will need to be capable of successfully working with devolution.

1. Setting the right parameters for partnership

The issue: The varied expectations about the core purpose of GBR acutely affects devolved nations and mayoral authorities, neither of whom are static themselves. Without greater clarity on what rail reform means in practice for regions and nations, competing expectations could undermine partnership working. While formal strategies, licences and guidance are being developed, ambiguity and some inherited cultures could cause preventable misunderstanding and friction.

Choices and considerations: The UK government faces an early choice here. It could seek to maintain a broad holding position while prioritising the legislative process, arguing that it would be wrong to rush the first set of guiding directions to GBR. Alternatively, Ministers could for instance bring forward key decisions from the forthcoming LTRS, to set a clear direction on place-based and devolution policy issues that are not answered by the Railways Bill or English Devolution Act. Similarly, Ministers could set out in more detail how partnerships with regions and nations may work and establish early projects with the intent of defining those relationships (the Urban Transport Group, working with the railway sector, has already issued a [practitioners' guide](#) which proposes how such partnerships might work). By bringing forward elements of the LTRS, the UK government would allow devolved nations, strategic authorities and industry to collaborate and plan with more certainty. However, Ministers may have concerns about losing time needed to settle agreements across government and with stakeholders. Moreover, stakeholders not included in early announcements will argue that they have been overlooked.

2. A shared evidence base

The issue: The UK government is committed to giving devolved governments and mayors greater influence over transport policy. However, even with effective principles of partnership working between levels of government in place, without an agreed and shared evidence base it will be hard to make informed decisions, to build consensus or to apply the lessons of previous failures and successes.

Choices and considerations: The UK government and GBR could simply maintain the status quo arrangements for assessing cases for investment and policy reforms in support of overall national transport objectives, giving time for the new arrangements to bed in before making any further changes. Alternatively, they could oversee a concerted push to change how the evidence for transport project decision-making is gathered and used - either by developing a dedicated evidence unit within GBR itself, or by establishing a shared evidence function co-created by DfT, GBR, devolved nations and mayoral strategic authorities. The last of these would be the

most ambitious and resource-intensive, but arguably also the most transformational: allowing decisions, including local commissioning, to be connected to an evidence base that is tailored to the post rail reform era (and consistent with the government's broader agenda, as seen in its [reform of HMT's 'Green Book'](#) for overall investment decision-making). Such a jointly owned service could make it easier to identify smarter, and more innovative, solutions that better match local needs - but equally to say no to project proposals that might enjoy local support but which do not have a compelling business case, hence preserving value for money. Such a move would require GBR and DfT to give up an element of flexibility in the decision making process, and unless safeguards were in place could risk becoming overly politicised or 'gamed' in favour of certain places at the expense of others.

3. Prioritisation

The issue: Constrained resources and a long list of duties and demands will force GBR to confront trade offs. It cannot prioritise affordability, reliability, subsidy reduction and network upgrades (among other pressures) all at once. Decisions about how to prioritise across these areas, and between different parts of the country, will help determine who feels the benefits, and where. Equally, devolved governments and mayoral strategic authorities will also need to prioritise, within their transport portfolios (especially as the latter adapt to a new role in the railway system) but also between transport and other policy areas.

Choices and considerations: In a [factsheet accompanying the Railways Bill](#), the government has made clear that long-term economic growth and reducing regional inequality will be two of the five strategic objectives of the LTRS, to be delivered through reduced journey times, home building, integrated local transport and improved connectivity. Yet the LTRS is still to be published, and how those priorities will interact with the other three, and what role devolved and regional administrations will play in determining how these objectives interact with their own ambitions, remains unclear. The UK government could choose to retain central discretion through the LTRS process; it could co-design a prioritisation framework with devolved governments and mayoral strategic authorities; or it could enable a scenario in which place-based business cases are brought forward and assessed against local and national economic priorities. The first of these could lead to the quickest means of demonstrating change to local rail services, though a top-down approach risks unintended consequences if GBR's leadership is seen as too distant from cost and reputational pressures on the ground, and places feel 'done to' rather than 'done with'. A co-design offer which was focused on early shared priorities - and in which partnership working

was obligatory rather than optional - might take longer to get off the ground, but could build buy-in and ultimately generate new and more innovative solutions through a networked approach. It would require GBR to cede some control, but also for maturity from the regional and devolved governments to accept that their favoured projects may ultimately not be deemed a priority. It would also need to be designed carefully to avoid the expected benefits of GBR's consolidation being undermined by a new kind of fragmentation.

4. Politics, disputes and resolution

The issue: In the devolution era, rail has relied on informal deal making rather than deliberate design, and progress depends on forming coalitions of the willing. Many devolved actors cite this as a drag on consistency, impacting on the confidence to invest and share risk. This is only going to be more acute with the move to GBR, which will consolidate more power centrally while operating in an increasingly contested political landscape with growing differences between Westminster, devolved and mayoral administrations. There is a question as to whether this shift will require more formal processes to act as a backstop should relationships not prove strong enough to achieve consensus, or should they break down altogether.

Choices and considerations: In the new environment, the UK government and GBR could choose to rely on existing conventions and potentially escalating matters to ministers when disputes arise. Or they could decide that the reformed rail network requires something more, be that: formal escalation and dispute resolution procedures explicitly connected into wider intergovernmental structures; new accountability structures beyond the statutory appeal process with defined roles for GBR, Ministers and devolved leaders on cross cutting projects; or to require territorial representation on GBR's Board and strengthen the regional role and autonomy of GBR's business units. The process for agreeing new MoUs with Scotland and Wales implies a tendency towards the former: they are not legally binding and so will depend on the quality of relationships on all sides. Some we have spoken to argue that political devolution and a history of centralised decision making mean that where tensions arise they cannot be contained by goodwill alone. Formal dispute mechanisms could offer a degree of consistency and certainty to all sides, but others fear they encourage adversarial dynamics. As a first step, exploring the lessons from existing practice in Scotland and Wales - and also within England, such as Transport for London and Merseyrail - should help inform GBR wide systems and behaviours that make partnership working a reality.

About the authors

Alex Bevan is a Research Fellow at The Future Governance Forum. He is a former Chief of Staff to the First Minister of Wales and has worked as a special adviser across finance and economy departments in the Welsh government.

Dan Corry is Chief Economist of The Future Governance Forum. He was previously Chief Executive of New Philanthropy Capital (NPC) and has served as Head of the No.10 Policy Unit (2007-10), Chair of the Council of Economic Advisers in the Treasury, and a special adviser at the Department for Transport.

Bruno Dent is a Researcher at The Future Governance Forum, having previously worked at the think tank Centre for Cities.

Isabella Lawson is a Research Fellow at The Future Governance Forum and Business Engagement Manager and Policy Advisor at the Railway Industry Association (RIA).

Adam Terry is Deputy Director of The Future Governance Forum. He was previously Head of Policy Development at the Labour Party and Head of Policy in the Shadow Treasury Team.

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