

Realising the Ambitions of Great British Railways



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Introduction

The establishment of Great British Railways (GBR) represents a major opportunity to reshape the UK's rail infrastructure and enhance the management of renewals and upgrades. The Government's vision for GBR is a significant chance to restructure the rail industry for the benefit of passengers and taxpayers alike while supporting long-term national objectives, particularly in terms of decarbonisation and enhancing economic growth and connectivity across the country.

Balfour Beatty, as a leading provider in UK rail infrastructure, is optimistic about the potential reforms that GBR could bring. We support proposals for a stable framework that enables long-term planning and investment. By ensuring efficient upgrades and minimal disruptions, GBR can contribute to a resilient rail system that serves the evolving needs of a growing population and changing transportation demands.

While reform is essential, it must be informed by a deep understanding of the rail industry's current challenges. This is why the expertise of companies like Balfour Beatty, alongside the wider rail supply chain of approximately 100,000 skilled professionals, should be drawn on to its fullest. Currently, the role of the private sector supply chain in the transformation process and transition phase remains largely undefined, yet we believe it must be integrated into the process, providing expert insights on areas for improvement to drive efficiencies and enhance passenger outcomes and ensure that the reforms are as successful as possible. Our recommendation is that a representative of the supply chain, for example, the Railway Industry Association, be appointed to the Shadow Great British Railways board alongside Laura Shoaf, Andrew Haines and others leading on the transition.

The reforms must be executed with a proactive understanding of the ongoing operation of the rail network, with clearly agreed ways of working through the lengthy transition period. This requires meticulous planning and coordination to ensure that changes are made swiftly and without disrupting essential services. Engaging all stakeholders is crucial to maintaining operational continuity while addressing real-time challenges and rolling out the reforms. Introduce a clear framework to handle potential disruptions. This should include straightforward escalation pathways, regular supplier communications, and efficient decision-making processes to manage operational challenges or supplier issues effectively.

As a long-standing partner of Network Rail, Balfour Beatty stands ready to support GBR's evolution with our expertise. A collaborative approach will be key to identifying and addressing potential unintended consequences, ensuring that GBR delivers optimal operations and exceptional service quality for passengers.

Delivering Major Upgrade Work More Efficiently

- There is concern in the sector that the extended transition period will delay the release of work packages, potentially impacting the Tier 2 and onward supply chain. It will be crucial to maintain focus on business-as-usual activities to ensure the railways continue to be maintained and upgraded, while also supporting the resilience of the supply chain.
- With the GBR model and organisational structure still undefined, businesses need adequate lead time to prepare for the changes ahead. This includes setting up teams to manage critical interfaces. To prevent suppliers from being overwhelmed, especially if changes like restructuring Network Rail regions are introduced, it's vital to phase these adjustments sensibly. Retaining current contracts during the early

transition period can also help ensure suppliers have the bandwidth to adapt gradually and deliver effectively.

- Improving the planning and delivery of major infrastructure projects is crucial to realising the ambitions of GBR. Lengthy planning and consenting processes delay infrastructure projects, hindering timely investment. Reducing the complexity and length of these processes could accelerate investment in critical infrastructure, leading to timely project completions and increased investor confidence. This improvement is not only essential for timely delivery but also for maintaining public confidence in the rail system, a vital component of the national transport infrastructure. Balfour Beatty looks forward to engaging with the Planning Reform Bill, which aims to address these issues.

Delivering Maintenance and Renewals More Efficiently

- Strong collaboration with the private sector and involving key supply chain partners in the transformation plans will be critical for unlocking efficiencies and capitalising on private sector entrepreneurial flair and problem-solving. The extensive experience of suppliers and contractors who undertake maintenance and renewals is invaluable in guiding how GBR can operate more effectively. Engaging these stakeholders in decision-making will foster innovation and practical solutions tailored to the unique challenges of the rail industry. For example, when Balfour Beatty undertakes a significant renewal, we take possession of approximately 30 miles of track, presenting an opportunity to perform necessary maintenance simultaneously to maximise the benefits of possession and the workforce already on-site.
- Centralising decision-making within GBR has the potential to streamline processes and enhance coordination, particularly in relation to possessions, which have historically been a source of inefficiency and service disruptions. A coherent approach to scheduling will allow for careful planning of maintenance and renewals with minimal impact on daily services, ultimately enhancing operational efficiency and improving the passenger experience. By ensuring efficient upgrades and minimal disruptions, GBR can contribute to a resilient rail system that meets the evolving needs of a growing population and changing transportation demands. Standardising best practices across the network will further enhance service delivery.

- Innovations such as automated inspections and data analytics offer significant potential for predictive maintenance, enabling operators to address issues before they escalate. By adopting data-driven strategies, GBR can improve decision-making and ensure resources are allocated effectively, ultimately benefiting both passengers and freight users.

Creating an Environment for Private Investment

- Leveraging private investment in rail will remain essential. Now is the time to open discussions with the rail supply chain regarding how to foster private investment in railway infrastructure while ensuring fair returns without burdening the public. Developing a framework that attracts sustained private investment is crucial for the industry's growth and resilience. Balfour Beatty is investing capital in new plant and advanced maintenance machinery, there are other areas where the private sector could also be encouraged to invest. By aligning private-sector interests with public objectives, we can ensure that the railway remains robust and continues to thrive without placing undue financial pressure on taxpayers.
- The transition period provides an opportunity to pilot innovative approaches, such as new operational methods or the use of advanced technologies and materials. Encouraging suppliers to propose solutions that improve system-wide efficiency and drive cost savings will be crucial to unlocking the full potential of Great British Railways.
- Maintaining financial stability for public transport infrastructure schemes is essential for consistent investment and planning. A stable financial framework will enable GBR to plan long-term projects that align with national goals, ensuring that funding is available for necessary upgrades and maintenance. This financial stability will also facilitate the development of innovative solutions and technologies that can transform the rail network. Market uncertainty and frequent changes in government policy create an unstable investment environment, particularly for long-term, high-capital sectors like transport infrastructure. This unpredictability can lead to investor hesitation, with inconsistent policy support causing volatility in investor confidence. Providing businesses with a predictable policy environment will enhance investor confidence, enabling them to make long-term investment decisions without fear of sudden regulatory changes.

- As part of this, the Government should consider a rolling programme for rail electrification as an essential component of achieving the UK's Net Zero obligations. Continuous enhancement spending is the most efficient way to deliver schemes, develop a skilled workforce, and encourage investment in specialist equipment.
- Strong collaboration with subnational authorities will be vital for better identifying long-term infrastructure needs. Local insights and priorities must inform national strategies to ensure that the rail system meets the diverse requirements of communities across the UK. Engaging with combined and local authorities and stakeholders will provide valuable perspectives on regional challenges and opportunities, enabling GBR to tailor its strategies effectively to deliver on customer requirements and underpin economic growth.
- Transparency and open communication will also play a crucial role in building trust between GBR and its supply chain partners. By sharing long-term plans and maintaining a culture of continuous dialogue, GBR can encourage investment in new technologies, leading to increased productivity and better outcomes for all users of the rail network.

Conclusion

In conclusion, while the establishment of GBR offers substantial potential for improvements across the UK rail network, its success hinges on innovation, collaboration and speed. With a concentrated focus on technology, partnerships, and long-term planning, GBR has real potential to future-proof the rail system, making it more efficient, sustainable, and resilient to the challenges of the modern world. By leveraging the strengths of all stakeholders involved, the UK can pave the way for a rail system that meets the needs of both current and future generations.

Balfour Beatty's role in UK rail infrastructure

Balfour Beatty is the UK's largest construction and infrastructure provider and one of the 40 strategic suppliers to the Government. Founded and headquartered in the UK, we are proud to be a British business with 12,500 employees working across the UK (26,000 employees worldwide, largely focussed in the US and Hong Kong) on construction sites and in offices across the country. We finance, develop, build, maintain and operate the critical national infrastructure that we all depend on, and projects at the heart of local communities - such as Hinkley Point C, Sizewell C, the M25 and the Elizabeth Line.

Balfour Beatty is a leading provider in UK rail infrastructure, working at the heart of the rail network. We manage, enhance, and maintain thousands of miles of railways crucial for community connectivity and economic growth. We hold a 40% stake in the Central Rail Systems Alliance (CRSA), a decade-long partnership overseeing track renewals, crossings, and related infrastructure across the London North West, London North East, and East Midland routes. Since 2010, we have been entrusted with London Underground Track Renewals by Transport for London; and, alongside VINCI, our joint venture partner, we are proud to be constructing the complex West Midlands section of HS2 Phase One, as well as HS2's flagship Old Oak Common interchange station in West London.

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