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Road/Railways - Changes in UK railway policy: The Williams-Shapps plan on the new reform of the British railway system and the creation of Great British Railways (GBR)

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【概要：Summary】

The EU's main target in the railway policy of the past decades was the creation of an EU-wide open market with the full liberalisation and the opening of the national railway systems to new competitors. In 1991, Directive 91/440/EEC created the basis for the opening of national railway markets and networks in the EU Member States. The four following EU railway packages paved the way for making national railway systems interoperable and defined the appropriate framework conditions for the development of a single European railway area (SERA). The Directive 2012/34/EU aimed at establishing a single European railway area, by allowing open access operations on railway lines by companies other than those that own the rail infrastructure. It regulates the principles of fair access to the infrastructure and to rail-related services and extended the area further by including cross border transit of freight.

Within this framework of liberalisation process, each Member State has its own agenda and implementation scope also regarding the state-owned national railway companies. Only a few Member States went beyond the minimum requirements for vertical separation of infrastructure and operations. Most national railways remain state-owned companies even if most railway companies were transformed into joint-stock companies with the holding stock companies remaining state owned.

In contrast, the UK's government went much privatised and dissolved the British national railway company British Rail (BR) in its entirety. The UK's railway reform from 1994 to 1997 led to a system of a vertically and horizontally separated railway related companies with one track authority (Railtrack), three rolling stock leasing companies (ROSCOs), 25 passenger train operating companies (TOCs), seven freight train operating units and some 70 ancillary businesses.

However, 25 years after the privatisation of BR, a new UK railway reform has become necessary due to structural insufficiencies of the franchise system. Failings at Network Rail were central to the collapse of the timetable in 2018, which originally triggered the need to again restructure the UK's railway system. The impacts of the COIVD-19 pandemic made a new railway reform even more urgent.

The Williams-Shapps plan for rail (White Paper) of May 2021 analyses the problems of the UK's railway system and recommends several reform steps, including the establishment of a new public body, the Great British Railways (GBR).

GBR will own the UK's railway stations and infrastructure, set timetable and fares and contract with private companies to operate trains. While the operational services of the railway will be run by private companies, this new public body GBR will be responsible and accountable for the railway system planning and operating, and other goals defined in the White Paper and set by Ministers. The main aim will be to defragment the railway system, to improve punctuality and efficiency for passenger transport by rail while supporting the creation of a financially sustainable railway during the UK's recovery from the COVID-19 pandemic and beyond.

【記事：Article】

1. The European railway reform and liberalisation of the railway market

1.1. The opening of the EU's railway networks and services: Directive 91/440/EEC

Until the 1980s, most European railway companies were organised and run by country-wide state-owned public organisations. These national railways were vertically integrated organisations and were subject to state protection and interventions. Depending on the country, private or regional enterprises ran their own trains on their own tracks, or partially also on the national networks.

Usually, the national state-owned railway companies had a monopolistic position in their individual country. However, due to low productivity and efficiency, high labour costs, high liabilities, and massive long-term debts with increasing cost for maintenance and enlargement of the railway infrastructure, several countries considered to privatise their national railway companies. The main objectives were to increase efficiency, reconstruct finances, strengthen competitiveness, and decrease liabilities and long-term debts. In Japan, the privatisation of the Japan National Railways (JNR) in 1987 led to the separation into six vertically integrated regional passenger companies (the JRs), a nationwide freight carrier (JR Freight) and several other railway related businesses.

In the EU, the railway reform process started in the 1990s. In addition to restructuring national railways, the main objective of the EU's railway restructuring was to open the individual EU Member State's national railway network to third parties in order to create a single European railway transport market. Therefore, EU Directive 91/440/EEC includes market-oriented measures like ensuring access to the Member States' railway network for other EU railway companies.

Since the European Court of Justice had already ruled in 1985 that free competition laws also applied to the transport market, the aim was to achieve free competition between all railway companies within the European single market. Therefore, the EU Directive 91/440/EEC aimed at creating a more efficient rail network by allowing more competition. Directive 91/440/EEC, Article 6, 1 points out that "Member States shall take the measures necessary to ensure that the accounts for business relating to the provision of transport services and those for business relating to the management of railway infrastructure are kept separate. Aid paid to one of these two areas of activity may not be transferred to the other." This vertical separation of railway operation services and the management of railway infrastructure implied the separation of accounting for railway operation and infrastructure, as the minimum level of separation. The aim of this separation was to reach financial independence of the railway infrastructure and the operation of railway service, and to allow third party companies to access railway tracks for the operation of trains on the European-wide railway network in a non-discriminatory manner.

However, the Directive 91/440/EEC did not explicitly oblige the national railway companies to be privatised, or to separate the infrastructure and operation service of railways *beyond* accounting. The main aim was rather to "de-monopolise" European railways and to achieve an opening of the railway networks for competition and thereby to "liberalise" the European railway market.

1.2. The four railway packages and the Single European Railway Area (SERA)

Between 2001 and 2016, four "railway packages" of EU legislation were adopted, which all aimed at gradually opening up the EU's railway market to competition. These packages also included the creation of the European Agency for railways and rail regulatory bodies in each EU Member State as well as rail passenger rights.

The **First Railway Package** of 2001 consisted of several Directives, of which Directive 2001/12/EC amending Council Directive 91/440/EEC on the development of the Community's railways, and 2001/14/EC on the allocation of railway infrastructure capacity and the levying of charges, and safety certification were the most relevant. The Directive 2001/12/EC allowed cross border freight operations on a network of tracks, the "Trans European Rail Freight Network", allowing the rail operators to have access to the trans-European network on a non-discriminatory basis (European Commission 2021). Stronger accounting separation principles were introduced as well as the definition of capacity allocation and charging (Directive 2001/12/EC).

The **Second Railway Package** of 2004 aimed at revitalising the railways through the rapid construction of an integrated European railway area, improvement of safety, interoperability and the opening of the rail freight market. It accelerated the liberalization by fully opening the rail freight market for competition as from 1 January 2007. The Second Railway Package also established the European Railway Agency (ERA), situated in Valenciennes (France) (Regulation 881/2004) in 2006. The European Railway Agency gradually aligns technical regulations and establishes common safety objectives for all EU railways. It introduced common procedures for accident investigation and established Safety Authorities in each Member State. The Directive 2004/49/EC of the package, the Railway Safety Directive, harmonised safety principles, while Directive 2004/50/EC harmonised interoperability requirements, particularly for high-speed rail. Directive 2004/51/EC allowed open access for freight services, nationally and internationally, starting in January 2007.

The **Third Railway Package** of 2007, focused on the open access for all international passenger services. Directive 2007/58/EC focused on open access across the EU railways, starting from 1 January 2010, and Regulation 1371/2007 on rail passenger rights. The certification of train crews, the harmonisation of train drivers' licences as of 2009 and of all other drivers were included as of 2011 (Directive 2007/59/EC). The Third Railway Package was expected to stimulate new and improved rail services across Europe.

The EU's railway packages paved the way for making national railway systems interoperable and defining framework conditions for the development of a single European railway area (SERA).

In 2012, the Commission published Directive 2012/34/EU, on establishing a single European Railway Area, consisting in a "Recast" of the First Railway Directive 91/440/EEC and the principles of fair access to the infrastructure and to rail-related services, the financial definition of the Infrastructure Manager (IM), The Directive 2012/34/EU allows open access operations on railway lines by companies other than those that own the rail infrastructure and extended the area further by including cross-border transit of freight.

The **Fourth Railway Package** of 2016 contains a "technical pillar" and "market pillar", aiming at completing the Single European Railway

Area. The overarching goal is to revitalise the rail sector and make it more efficient and competitive vis-à-vis other modes of transport.

The “technical pillar” was adopted in April 2016, including Regulation (EU) 2016/796 on the European Union Agency for Railways and repealing Regulation (EC) No. 881/2004, the Directive (EU) 2016/797 on the interoperability of the rail system within the European Union (Recast of Directive 2008/57/EC) and Directive (EU) 2016/798 on railway safety (Recast of Directive 2004/49/EC). In contrast to the past, when applications for vehicle authorisations and safety certificates had to be made separately in every Member State concerned, now, only one application must be filed through ERA’s One-Stop Shop IT tool (OSS). However, due to the COVID-19 pandemic, the final transposition deadline was extended, giving Member States until 31 October 2020 to complete the process.

The political or market pillar of the Fourth Railway Package was adopted in December 2016 and includes Regulation (EU) 2016/2338 amending Regulation (EU) 1370/2007. Directive 2016/2370/EU amends Directive 2012/34/EU, aiming at completing the Single European Railway Area. The market pillar of the Fourth Railway Package opens up all domestic passenger transport services for competition and thereby completes the liberalisation of the EU’s rail markets.

It sets new common rules on the governance of Railway Undertakings (RUs) and IMs (Infrastructure Managers), infrastructure financing and charging, conditions of access to railway infrastructure and services, the prohibition of access discrimination and the regulatory oversight of the rail market. The issue of financial flows between IMs and RUs in integrated railway companies was addressed and IMs and RUs may not grant loans to each other.

2. The vertical separation structures of selected European railway companies

In the EU, vertical separation of railway operation and infrastructure management has been chosen to liberalise the European railway market because this vertical separation can overcome the problem of the natural monopoly of the national railway companies in the EU Member States. With a separation of railway operations of Railway Undertakings (RU) and an independent infrastructure management (IM), the IM can offer third-party railway operators a discrimination-free access to an established network, thereby allowing the creation of a single European railway market.

The minimum requirement of EU Directive 91/440/EEC was separation of accounts of operations and infrastructure by organizing separate divisions within a single undertaking or the infrastructure is managed by a separate entity. Cross subsidy between operations and infrastructure is forbidden. Accordingly, the Member States had the freedom to choose between an integrated structure with a single holding company for the rail operator and infrastructure manager or a separation of infrastructure managers and operators. Most countries in the EU still have a state-owned infrastructure company, but others have privatised part or all of their service providers or are working towards privatisation (The Williams Rail Review, 2019b). According to Williams Rail Review (2019b), in the EU, three broad types of separation can be individualised. Firstly, full separation, with the infrastructure and the train operations run by separate companies with no common ownership at a holding company level like in the Netherlands, UK and Sweden. According to Williams Rail Review (2019b), the railway companies have been completely vertically separated in Denmark, Finland, Portugal, Sweden and the UK. The second type is a separation of infrastructure and train operations run by separate companies under a common holding company. Thirdly, separation of infrastructure and train operations, but still controlled by the holding company, which has the overall strategy and finances.

In Germany, following German unification, the two former state railways were integrated into Deutsche Bahn (DB). Under the railway reform of 1994, Deutsche Bahn (German Rail) was broken up into the DB Netz for infrastructure and DB AG as the operator, including the successful ICE high-speed network, DB Regio, focused on regional passenger operations whilst DB Schenker looks after freight. To meet EU requirements, DB's infrastructure manager, freight and passenger operations are separate legal entities within the overarching Deutsche Bahn holding company as a stock company, which is owned by the German government with the Federal Transport Ministry.

In France, the French Government owned SNCF holding company has been restructured into functional organisations to separate long distance, regional and infrastructure services. The 2014 SNCF Reform created the new SNCF structure with three separate public service companies with a commercial and industrial focus: the SNCF "EPICs" (Établissement Public Industriel et Commercial), owned by the French State, SNCF Mobilités, which is in charge of operating freight and passenger trains in France. Different departments within SNCF Mobilités operate different services, including long distance TGV and Intercity services, regional services (TER - "Trains Express Regionaux"), and Services specifically in the Paris Region ("Transilien"), as well as Management and renovation of France's 3,000 stations (Gares&Connexions). SNCF's third separate public service company is SNCF Réseau, which is responsible for managing, operating and maintaining the rail network. SNCF, in partnership with Deutsche Bahn (DB), offer high-speed ICE and TGV rail connections between German and French cities. The railway infrastructure held by Réseau Ferré de France (RFF). However, like DB in Germany, French SNCF remains the dominant operator, according to The Williams Rail Review (2019b).

In Italy, Ferrovie dello Stato Italiane is divided into government owned RFI and Trenitalia, with functional separation of track and train. NTV offers competition on high-speed rail.

According to The Williams Rail Review (2019b), in the EU, the vertical separation is a viable way to offer third-party railway operators a discrimination-free access to the railway network within the EU's single market.

3. The British railway reform: The privatisation of British Rail (BR)

While many EU Member States chose an integrated structure in their railway reform, with a single holding company and a separation of IMs and RUs, the UK's government went much further in its efforts to restructure the British national railway company British Rail (BR).

Based on the UK's Railway Act of 1993, the operations of the British Railways Board, under the name British Rail since 1965, were broken up and privatised. The privatisation process took from 1994 until 1997 to complete. According to Preston, Bickel (2020), the reforms of the British national railway system led to a vertically and horizontally separation of BR into around 100 different organisations and privatised by a variety of means. Competition for the market was introduced by franchising passenger services, whilst competition in the market was introduced through open access operations for freight and some passenger services. Exceptions are Eurostar services to the continent via the Channel Tunnel and the Heathrow Express airport service.

In the privatisation process, British Rail as a single entity was dissolved and split up into the infrastructure company Railtrack, privatised through a stock market flotation in 1996, three rolling stock leasing companies (ROSCOs), which leased out the rolling stock to passenger train operating companies (TOCs). ROSCOs own most of the rolling stock and lease it out to the train operating companies. However, since privatisation, new and improved train fleets have been procured using third party finance.

At the time of privatisation, the British Rail the private rolling stock companies (ROSCOs) lease the rolling stock to the 25 passenger train operating companies (TOCs), which were awarded contracts through a new system of rail franchising. The franchising was overseen by the Office of Passenger Rail Franchising (OPRAF). Moreover, the ownership of the rail freight passed to two companies, the English Welsh & Scottish (EWS) and Freightliner. Some 70 ancillary businesses also began to trade as free-standing units on 1 April 1994 (Preston 1999). Infrastructure maintenance and renewal was also placed in separate companies and sold.

Unlike other European countries, where franchising is only applied to subsidised services, in Britain virtually all passenger services are franchised, including commercial ones. The first private passenger TOCs began operating in February 1996, with the franchising completed by March 1997 (Preston 1999). Each of the 25 passenger companies served a specific geographical area and a specific type of service (intercity, London commuter or regional). The company winning the franchise took over this train operating company for the duration of the franchise. Minimum levels of service were required, and some fares (commuter fares and long-distance off-peak fares) were regulated. Franchisees were responsible for providing rolling stock, which they usually leased. The UK's Train Operating Companies (TOCs) reach the highest level of separation between operation and infrastructure railways because they are private railway companies. They show various contractual structures for passenger franchises with differing degrees of different levels of risk transferred to operators, and different lengths of franchising contracts, typically between 7 and 10 years long. There have also been instances where the franchising authority had taken over operations temporarily through an arms' length public sector body whilst a new competition was organised. The franchise operators comprised of a mix of British and international companies, some of which are directly, or indirectly, owned by other national governments. Freight services continue to be delivered by private sector or overseas state-owned companies, according to Williams Rail Review (2019a)

According to Preston Bickel (2020) between 2005 and 2012, the government took back greater control of the rail system and of rail franchising, when the Department for Transport (DfT) took over franchising powers, and many of the strategic functions, largely in order to align the responsibility for funding rail operations with the levers and accountability for decisions.

The Railways Act 2005 reduced the financial jurisdiction of the then Office of Rail Regulation, imposing a limit on its financial powers as determined by the government and requiring the Secretary of State to define specifics in return for the public subsidy provided to the railway industry (the Statement of Funds Available, SoFA) on behalf of the taxpayer. However, the DfT does not franchise and manage all train operators. Responsibility for some train services initially franchised centrally has been passed to local authorities in a small number of cases. The main examples include the transfer of the services that now form "London Overground" to Transport for London (TfL) and the transfer of services in the Liverpool city region to Merseytravel, which has been responsible for the MerseyRail franchise since it was let in 2003. For Scotland and Wales, the governments have been given franchising powers. (Williams Rail Review 2019a).

The framework for franchising in both the 1993 and 2005 Acts remained the same and rested on competitive tendering of rail franchises to private operators.

Over this period from 2005 to 2012, 12 TOCs were re-franchised. Over time, the number of TOCs has reduced from 25 to 18, in an attempt to reduce the number of operators. As of August 2019, there have been 11 re-franchises let. A further six awards were expected by 2022 but in the Queen's speech on 14 October 2019, the British Government announced its intentions to replace franchising with a new commercial model from 2020 onwards. According to Preston, Bickel (2020), franchising does not seem to be a self-learning system as some knowledge got lost with each franchise handover and the same mistakes reoccurred. There has been a growth of the role of foreign ownership. By spring 2019, 14 of the TOCs had some form of foreign control, including operators from France, Germany, Hong Kong, Italy, Japan and the Netherlands, many of them state owned.

Regarding infrastructure, the provision has undergone profound changes in organisation and ownership since the privatisation in the mid-1990s and Railtrack was made owner of the network. On 7 October 2001, Railtrack was placed into Railway Administration with Network Rail (NR). NR was set up as a not-for-dividend private company and brought maintenance activities in-house to reduce the railway's dependence on contractors. In 2014, NR was reclassified as an arms-length public sector body of the DfT (Williams Rail Review 2019a).

Regarding the rail regulator, the Office of Rail and Road (ORR), it was established by the 1993 Act and includes licensing of train operators and infrastructure managers, and oversight of the charges which operators must pay to use the railway.

According to Williams Rail Review (2019a) the result of privatising and separating the railway system in the UK, the BR restructuring and privatisation went far beyond the necessary measures required under the Directive 91/440/EEC. Rather than separating operations and infrastructure only by accounting, as the required minimum under the Directive 91/440/EEC, the result in the UK was a fragmented system of hundreds of private companies that had replaced British Rail.

In fact, the outcome of the cases European Commission vs. Germany and Austria (C-555/10 and C-556/10) underline that even the holding company model adopted for the incumbent national railways in Austria and Germany are in line with the EU law. On 28 February 2013, the European Court of Justice ruled that, on the contrary, the Directive 91/440/EEC allowed the States to integrate the railway operation and infrastructure under the roof of a single holding company. Consequently, there never was a need to fully privatise and dissolve the entire organisational structure of the BR company.

However, according to Preston, Bickel (2020), the UK's railway privatisation was also a success as passenger demand has more than doubled since the introduction of franchising, with an almost 50% increase in passenger train kilometres operated on the network. However, this increase has been stalling in the past years. Therefore, even before the COVID-19 pandemic crisis hit the railway demand, a deterioration of the market became visible.

4. New British Railway reform toward simplifying the railway system

4.1. The need to reform the UK's railway system

Britain's railways improved dramatically since its privatisation in the mid 1990s. Between 1996 and 2000, according to numbers provided by the Association of Train Operating Companies (ATOC), passenger journeys increased by 25% and freight volume carried by 40%. However, the privatisation designers did not foresee any increase. In fact, the increase is rather seen as a product of exogenous factors as well as endogenous. The causes include Britain's worsening road congestion and rapidly rising petrol prices, coupled with economic growth in the London area, where most of the increased passenger demand and usage of railways has occurred.

However, the UK has also seen performance challenges, especially on the intensively used parts of the network. Changes are implemented too slow and come by lengthy and difficult negotiations. Furthermore, most passenger and some freight services were subsidised to make them viable, and the performance was disappointing, even before the pandemic. The passengers' biggest priority for improvement was punctuality, but about half of trains in northern England and a third of trains nationally were late in 2019/20.

According to Williams and Shapps (2021), breaking British Rail into a variety of entities and to privatise the railway was meant to foster competition between them and was supposed to bring greater efficiency and innovation. However, the fragmentation of the network has made it more confusing for passengers, and more difficult and expensive to running trains on time (Williams and Shapps 2021). The UK 's railways are a maze of agreements between hundreds of different parties, drawn up by battalions of lawyers and consultants, including an entire staff dedicated to arguing about who is at fault for each delayed train, according to Williams-Shapps (2021).

These increasing challenges in the operation were manifested in the timetable disruption in May 2018, when failings at Network Rail were a main reason causing the collapse of the timetable.

This caused major disruption to services for passengers, especially in the North of England and in the Southeast.

On 4 June 2018, the Secretary of State for Transport asked ORR, as the independent rail regulator, to undertake an Inquiry headed by ORR Chair, Professor Stephen Glaister CBE. The Inquiry was asked to review the failed introduction of the new 20 May 2018 timetable. The ORR Interim Report, published on 20 September 2018, focused on identifying the factors that contributed to the failure to develop and implement an effective operational timetable. Alongside publication of the Interim Report the Government established the Rail Review, led by Keith Williams, former British Airways chief executive, to lead a major review of rail industry, supported by an expert challenge panel comprising of experts with expertise in rail, freight, business and passenger interest. The task of the Williams Rail Review in September 2018 was to examine the structure of the rail industry and to suggest recommendations to simplify the British railway system, since in the 25 years since the privatisation of British Rail, the ownership structure has become too complex, too confusing for passengers, too expensive to operate and not able to improve, too difficult to lead, and too hard to reform.

This led to the start of the work on the "Great British Railways: Williams-Shapps plan for rail" White Paper, the new government's plan to transforming again the railways in Great Britain.

4.2. The Williams-Shapps plan - White Paper on a new railway reform and the establishment of "Great British Railways"

In May 2021, the British Secretary of State for Transport Grant Shapps in cooperation with Keith Williams, the independent Chair of the Williams Rail Review, published a White Paper entitled "Great British Railways. The Williams-Shapps Plan for Rail", containing a plan to reform the UK's railway system. This White Paper sets out a detailed plan for reforming the railways in Great Britain. The plan was presented to Parliament by the Secretary of State for Transport Grant Shapps.

The aim of the review was to look at the structure of the whole British rail industry, including increasing integration between track and train, regional partnerships and improving value for money for passengers and taxpayers.

The Williams-Shapps plan sees overcomplication and fragmentation as one of the main problems of the current UK 's railway and network. There are around 75 different types of train in passenger services on the UK's network. These organisations have different motives, interests and incentives. However, there is no leader or organisation at local, regional or national level, and no "guiding mind" that has responsibility and accountability for the whole system to work and to bring all together, according to Williams-Shapps (2021). Instead, co-ordination is governed by a costly, inflexible spider's web of often adversarial relationships, penalties and disconnected incentives. Williams-Shapps (2021) point out that Network Rail and the train companies employ almost 400 full-time staff, known as "train delay attributors", to argue with each other about whose fault a delay is and around 40% of delays are disputed. According to Williams-Shapps (2021), this blaming culture developed over time, and is negatively affecting the entire railway system.

Therefore, due to the problems that developed within the system and due to the pandemic, the UK's railway needs to rebuild public transport use after the pandemic. According to Williams-Shapps (2021) rail freight was heavily impacted by the pandemic at first but has recovered rapidly, demonstrating its agility. However, according to Williams-Shapps, commuting and business travel might never be quite the same again.

The railways need to be brought back together, delivering more punctual and reliable services. Therefore, the Williams-Shapps plan recommends to create a single public body, called Great British Railways (GBR), that will run the rail infrastructure and contract with private companies to operate trains. According to Williams and Shapps (2021), Network Rail, the current infrastructure owner, will be absorbed into this new organisation, as will many functions from the Rail Delivery Group and Department for Transport. To be launched in 2023, Great British Railways (GBR) will set timetables and prices, sell tickets in England and manage rail infrastructure. GBR will be made up of five regional divisions, organised in line with Network Rail's Putting Passengers First programme. The five regions are Scotland, North West & Central, Eastern, including the East Coast mainline, Wales & Western and Southern. Budgets and delivery will be held at the local level as well as at the national level, according to Williams-Shapps (2021). Regional divisions will manage concession contracts, stations, infrastructure, manage local and regional budgets, integrate track and train and integrate rail with local transport services.

While the franchises were abolished due to the pandemic in March 2020, for emergency contracts, the future concessions will be modelled on the London system, where operators are paid a management fee with performance incentives or penalties based on aspects such as punctuality and cleanliness. The railways should also be simplified to use, ending the confusing mass of tickets, introducing far more convenient ways to payments by contactless bank card, mobile or online. Trains will be better planned with each other and with other transport services, such as buses and bikes. Affordable "turn up and go" fares and capped season tickets will continue to be protected.

By this re-unification of railway operation and infrastructure, GBR will bring the whole railway system under single, national leadership with a new brand and identity, ending 25 years of fragmentation in the UK's railway system. At the same time, the new railway system will keep the best elements of the private sector that have helped to drive growth in the past decades. It is expected that in most cases Great British

Railways will contract with private companies to operate trains to the timetable and fares it specifies, according to Williams-Shapps (2021).

5. Conclusion

With the pandemic still having detrimental effects on many economic sectors, in case of the UK it opens an unprecedented opportunity to reform the entire railway system in the UK. While the plan to reform the UK railway services and organisational system had already been in planning due to the severe problems with the timetable setting in 2018, the pandemic has even further accelerated the reform of the UK's railway system and opened a window of opportunity. The Williams-Shapps White Paper places the control of rail infrastructure and services under the new public body, Great British Railways, with franchises being replaced by contracts that will incentivise private railway operators to thrive for punctuality and efficiency, as well as for financially sustainable railways that meet the needs of passengers in the post-pandemic time.

Great British Railways will run and plan the network, as well as provide online ticketing, information and compensation for passengers nationwide.

Some parts of government have been resistant to loosening direct control and others to endorsing a publicly run railway. However, the British Prime Minister and the Treasury have eventually backed a version of Williams-Shapps plan, seemingly based on the promise to build the GBR after the model of TfL in London. The creation of this new public body GBR and the integration of all functions under one central public body, plus five regional bodies are expected to end 25 years of fragmentation and overcomplication.

The question if the new structure of GBR would have been approved before Brexit under the EU's vertical separation structure for railways could be answered with "yes", as far as details of GBR's structure have been revealed. The new railway body's simpler, integrated structure would have been possibly approved under the EU law, as the Directive 91/440/EEC never did explicitly oblige the national railway companies to be privatised, or to separate the infrastructure and operation service of railways *beyond* accounting. The GBR is a public sector body to oversee the rail network with private contractors to carry out the railway services put out for tender, therefore allowing competition amongst the railway operators. This is a very similar structure what some EU Member States chose in their own railway reforms, and which was confirmed by the European Court of Justice ruling of 28 February 2013 of being compliant with the law regarding the necessary level of separation between the infrastructure management from railway operation.

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