

BY EMAIL

6 July 2026

**Rt Hon Rachel Reeves MP**

Chancellor of the Exchequer  
1 Horse Guards Road  
London  
SW1A 2HQ

**Re: The Railways Bill – Supporting UK Investment and Growth**

Dear Chancellor,

We are writing on behalf of the many UK businesses and organisations we represent which depend on and invest in the railway.

We welcome the Government's commitment to rail investment across major projects including HS2, East West Rail and the Transpennine Route Upgrade, and we support Government plans to bring track and train together under Great British Railways (GBR).

We hope to see GBR established so it is easy to do business with, and attracts long-term investment across the economy. The Treasury will decide the financial framework for rail, and this could either enable or undermine business confidence and whether investors back UK-based businesses and projects.

With public funds constrained, we want to raise two issues as the Bill passes through Parliament:

- Protecting five-year funding periods to ensure stable and efficient use of public funds; and
- Seizing the opportunity to attract private investment in and around the railway, by setting clear direction and principles.

As drafted, the Bill risks unintended consequences for investment in both areas. These can be addressed without undermining the Government's rail policy or public commitment to create a stable and predictable environment for business investment, if specific steps are taken.

**A stable funding framework for the railway (Schedule 2)**

For thirty years, railway infrastructure has been funded through five-year Control Periods. This certainty has helped businesses invest billions in skills, technology and equipment.

As drafted, Schedule 2 would allow a future Secretary of State to withdraw funding from five-year funding periods without notice or oversight. This would undoubtedly weaken business confidence and jeopardise future investment from the UK rail supply chain and their investors.

The Transport Select Committee<sup>1</sup> and the Competition and Markets Authority<sup>2</sup> have both recently highlighted the effects of inconsistent infrastructure investment, including higher long-term costs, lower productivity and job losses. Stable, visible, long-term funding is essential to control costs, support timely delivery, and encourage innovation and investment.

While we have confidence in the current Government's intentions, legislation must endure beyond the lifetime of any one administration. If future governments misuse this power, there could be lasting economic consequences for businesses that depend on and invest in the railway. The Bill should therefore include much stronger safeguards, transparency requirements and independent expert oversight over any funding changes.

### **Attracting private investment**

GBR should be established to attract investment from private and third-party partners, including financiers, ports, freight shippers, airports, local authorities and other rail infrastructure owners. Their investment is integral to an effective and resilient transport system and directly affects passenger and freight journeys.

Under Clause 72, a future Secretary of State could make changes affecting non-GBR infrastructure, facilities and services, including depots, freight terminals, port and airport terminals, and devolved rail networks. This could undermine confidence among those who own and operate these assets and deter much-needed private investment. The Government should amend the clause to clarify the purpose for which the powers may be used.

There is also a huge opportunity to use this moment to set out clear principles for attracting private investment in and around the railway. The Treasury has a crucial role in setting that framework. The creation of GBR could unlock significant inward investment, complement public funding, and support business confidence and growth.

### **Next steps**

In both areas, there are practical steps that would support business confidence. We would welcome the opportunity to discuss our proposals with you and your team.

Yours sincerely,

Darren Caplan, Chief Executive  
**Railway Industry Association**

Jordan Cummins, UK Competitiveness  
Director  
**CBI**

Geraint Evans, Chief Executive Officer  
**UK Major Ports Group**

Ben Fletcher, Chief Executive  
**Logistics UK**

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<sup>1</sup> <https://committees.parliament.uk/publications/51518/documents/285761/default/>

<sup>2</sup> <https://www.gov.uk/cma-cases/civil-engineering-market-study>

Ben Goodwin, Director of Policy and Public Affairs  
**Civil Engineering Contractors Association (CECA)**

Milda Manomaityte, Chief Executive Officer  
**Association for Consultancy and Engineering (ACE)**

Jon Phillips, Chief Executive Officer  
**Global Infrastructure Investor Association**

Ben Plowden, Chief Executive Officer  
**Campaign for Better Transport**

Kate Shoosmith, Director of Policy & Insights  
**British Chambers of Commerce**

Max Sugarman, Chief Executive  
**Intelligent Transport Systems UK**

Baroness Jo Valentine, Chair  
**Heathrow Southern Rail**

