House of Commons
Transport Committee

TRANSPORT COMMITTEE:
ANNUAL REPORT 2002

Second Report of Session 2002–03

HC 410
TRANSPORT COMMITTEE

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Transport and its associated public bodies.

Current Membership

Mrs Gwyneth Dunwoody MP (Labour, Crewe & Nantwich) (Chairman)
Tom Brake MP (Liberal Democrat, Carshalton and Wallington)
Mr Gregory Campbell MP (Democratic Unionist, East Londonderry)
Mr Brian H Donohoe MP (Labour, Cunninghame South)
Clive Efford (Labour, Eltham)
Mrs Louise Ellman MP (Labour/Co-operative, Liverpool Riverside)
Ian Lucas MP (Labour, Wrexham)
George Osborne MP (Conservative, Tatton)
Mr George Stevenson MP (Labour, Stoke-on-Trent South)
Mr Graham Stringer MP (Labour, Manchester Blackley)
Mr Robert Syms MP (Conservative, Poole)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/parliamentary_committees/transport_committee.cfm. A list of Reports of the Committee in the present Parliament is at the back of this volume.

Contacts

All correspondence should be addressed to The Clerk of the Committee, Committee Office, 7 Millbank, London SW1P 3JA. The telephone number for general inquiries is: 020 7219 3266; the Committee’s e-mail address is: transcom@parliament.uk.

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1 Chris Grayling MP (Conservative, Epsom and Ewell), was appointed on 23 July 2002 and discharged on 2 December
2 Appointed on 13 January
3 Appointed on 2 December
SECOND REPORT
The Transport Committee has agreed to the following Report:

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TRANSPORT COMMITTEE:
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BACKGROUND

1. The Transport Committee was established on 23 July 2002, as part of the House’s re-organisation of its Select Committees to reflect the division of the former department of Transport, Local Government and the Regions into the Office of the Deputy Prime Minister and the Department for Transport.

2. At the outset, the new Committee contained most members of the former Transport Sub-Committee of the Transport, Local Government and the Regions Committee.\(^1\) This continuity enabled us to continue much of that Committee’s work, and draw on the knowledge gained in previous inquiries.

3. On 14 May 2002 the House asked the Liaison Committee to consider core tasks for select committees. This Report gives a summary of our work over the past months in the context of the tasks identified by the Liaison Committee. The Liaison Committee has asked the Committees to report on the extent to which a systematic structure is in place for meeting the indicative tasks listed, and the response from the Department. The Committee’s approach to each task is indicated in context, but it is too early in our existence to comment separately on the Department’s reactions to our work. Whatever our scepticism about the achievability of the 10 Year Plan for Transport or some particular policies of the Department, the Plan gives a clear context for our work. We are pleased that the Department has acknowledged many of the recommendations made by our predecessor Committee in their Progress Report published in December 2002.\(^2\) In addition, the Department has agreed to use its initiative to provide the Committee staff with documents likely to be of interest to the Committee, and has successfully done so, to date. The Secretary of State and departmental staff have been entirely co-operative when oral evidence has been arranged and we have already taken evidence from the Secretary of State for Transport on three occasions. Much of our work deals with more than one of the core select Committee tasks. The narrative below places inquires in the context of the main task to which they relate; the table attached gives a fuller indication of the tasks addressed in each inquiry.

\(^1\) The membership of the Transport Sub-Committee of the Transport, Local Government and the Regions Committee was:

Mrs Gwyneth Dunwoody (Chairman)
Andrew Bennett Helen Jackson
Mr Gregory Campbell Miss Anne McIntosh
Mr Brian Donohoe Mr Bill O’Brien
Mrs Louise Ellman Dr John Pugh
Chris Grayling Mr George Stevenson

The original membership of the Transport Committee was:

Mrs Gwyneth Dunwoody (Chairman)
Tom Brake Chris Grayling
Mr Gregory Campbell Mrs Helen Jackson
Mr Brian Donohoe Mr George Stevenson
Clive Efford Mr Graham Stringer
Mrs Louise Ellman Mr Robert Symns

since then there have been two changes to membership as noted on page 2 of this Report.

\(^2\) Delivering Better Transport: Progress Report, Department for Transport, December 2002
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IDENTIFICATION OF INQUIRIES RELATING TO THE CORE TASKS

Task 1: To examine policy proposals from the UK Government and the European Commission in Green Papers, White Papers, draft Guidance etc, and to inquire further where the Committee considers it appropriate.

4. We monitor the department’s policy closely. We are conducting an inquiry into Aviation, in the context of the Government’s consultation on airport capacity and the White Paper on Aviation expected later this year. We have also inquired into the transport investment strategy arising from Government funded Multi-Modal Studies of possible transport improvements at key points on the road network, on which we expect to report shortly. This inquiry included evidence from the Highways Agency and the Strategic Rail Authority. We have recently reported on Urban Charging Schemes, after examining the proposals for congestion charging in London and proposals for local authority charging schemes in England and Wales in the context of the wider Government policy on congestion.  

Task 2: To identify and examine areas of emerging policy, or where existing policy is deficient, and make proposals.

5. Many of the inquiries noted above deal with areas where policy may be deficient. In addition, we are continuing the former Transport Sub-Committee’s inquiry into Road and Pathway Maintenance. We have also identified Overcrowding on Public Transport as a key concern to the public, and are conducting a short inquiry. We expect to conduct other such inquiries in future.

Task 7: To monitor the work of the department’s Executive Agencies, NDPBs, regulators and other associated public bodies.

6. The Committee regularly takes evidence from agencies and NDPBs in the course of inquiries into particular policies or subjects. In addition we have set in place a system to monitor Executive Agencies and NDPBs through regular examination of their publications. We have also issued a call for evidence on these bodies and intend to take evidence from them regularly, and report as necessary. The first such evidence session was on the Work of the Strategic Rail Authority, when we took evidence from the SRA Chairman, Richard Bowker.

Task 8: To scrutinise major appointments made by the department.

7. There have been no major appointments which the Committee wished to examine.

Task 9: To examine the implementation of legislation and major policy initiatives.

8. We continue to monitor the investment policy and spending commitments of the Department as set out in its 10 Year Plan for Transport. This, and the review published in December 2002, inform most of our inquiries. The Department and its key agencies, such as the SRA, publish regular reviews of their policies and implementation. The Committee monitors these publications and may ask for further information if necessary. At this stage, there has been no need for a separate inquiry.

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3 First Report of Session 2002-03, Urban Charging Schemes HC 390-I
4 Transport 2010: The 10 Year Plan, published July 2000
EXAMINATION OF LEGISLATION

Task 3: To conduct scrutiny of any published draft bill within the Committee’s responsibilities.

9. The Department has not published any draft legislation in the time under review.

EXAMINATION OF EXPENDITURE

Task 4: To examine specific output from the department expressed in documents or other decisions

10. In addition to our normal work on expenditure, described below, we held an emergency session on an expenditure related issue. On 4 December 2002 the Secretary of State for Transport laid a departmental minute relating to a contingent liability which arose from the *London Underground PPP: Recent Developments*. Unusually, this had been approved by the Treasury, and the time for Parliamentary consideration was limited. A written Ministerial Statement announcing the minute also revealed that transfer of the London Underground to the Mayor of London was to be delayed until it was clear there would be no further legal challenge to the PPP, or until any legal proceedings had been completed. We immediately arranged to take evidence from the Secretary of State on 18 December to explore these matters, and ensure they were on the public record. We took this opportunity to explore the legislative changes which would be needed to protect key public assets if transfer of the Tube to Transport for London was delayed.

11. We were particularly concerned that the Secretary of State curtailed the period for Parliament to consider the contingent liability. As he freely admitted, the House of Commons had not caused any of the extensive delays in the Tube PPP. If the full requirements of *Government Accounting* had been followed, the liability would have been approved by 8 January. Contracts could presumably have been prepared before the time expired, for signature after. If this was impossible, consideration could have been extended to the 19 January, rather than the 12 January. The Tube PPP has been in preparation since 1998 and subject to significant delays already; we cannot see the objection to allowing an extra week for Parliamentary scrutiny.

Task 5: To examine the expenditure plans and out-turn of the department, its agencies and principal NDPBs.

12. The 2001-02 Annual Report of the Department of Transport, Local Government and the Regions contained information about transport plans and outturn. The new Department for Transport required a new Estimate, which was published in November 2002. We held an evidence session on 4 December 2002 to discuss the DTLR Annual Report and the Estimate for the new department with Rachel Lomax, the Permanent Secretary of the Department of Transport and Willy Rickett, the Director General, Strategy Finance and Delivery. We were greatly assisted in this by the helpful explanatory material supplied, very promptly, by the Department itself. We intend to institute a regular cycle of staff scrutiny of the financial documents of the department and its agencies and associated bodies and will, of course, pursue any matters of concern.

13. In spite of the Department’s helpfulness we were very concerned about the short time between the laying of the Estimates, on 27 November, and their approval by the House, on 5 December. Normally, the Treasury provides proofs of the Estimates in advance, but on

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5 Q4 113-115
6 Government Accounting requires that minutes on contingent liabilities should be laid before Parliament “14 days, excluding weekends, after the minute has been laid” (Para 26.4.6)
this occasion they did not reach the Committee until the Estimates themselves had been laid. This truncated period for consideration meant that there was no real opportunity to draw anything in the Estimate to the attention of the House, since although in theory we might have identified issues and agreed an emergency report in the five working days available, there would have been no time for our colleagues to digest it.

14. Standing Order No. 55 recognises that the House needs time to examine the estimates and provides that supplementary Estimates should be presented at least seven clear days before their consideration. Since that provision was made in 1947, the nature of Parliamentary business has changed enormously, and the system of Committee scrutiny has developed. The Government has accepted that “good scrutiny means good government” and that Committees have a key role to play. Developments such as the Prime Minister’s willingness to appear before the Liaison Committee and the Government’s speedy acceptance of the Modernisation Committee’s proposals for more systematic Committee scrutiny demonstrate its sincerity. It would be helpful if the Treasury recognised that the House of Commons has effectively delegated scrutiny of supply to Committees. The Government’s commitment to scrutiny is undermined if Committees are not given adequate time to examine the Estimates before they are voted. In addition, the House’s control of supply is rendered meaningless if Members do not have time to consider the Government’s proposals. There are may be cases when supplementary Estimates have to be approved more quickly than is desirable, but it is worth noting that Standing Orders do not require the Vote on Account to be approved until 6 February.

15. We recommend that the Liaison Committee makes it clear that there should be an adequate interval between the appearance of the main and supplementary Estimates and their approval. This is particularly important when new estimates are presented mid year, but should apply in every case. The Standing Order requirement that the Estimates be presented at least seven clear days before a vote is a minimum and should be considered acceptable only in exceptional circumstances.

EXAMINATION OF PUBLIC SERVICE AGREEMENTS

**Task 6:** To examine the department’s Public Service Agreements, the associated targets and the statistical measurement employed, and report if appropriate.

16. The Committee considers the PSA targets in the course of its wider inquiries, such as those on multi-modal studies and overcrowding on public transport. The Department has already published a review of the 10 Year Plan\(^7\), and the Committee will continue to monitor the plan and its updates.

OBJECTIVE D: TO ASSIST THE HOUSE IN DEBATE AND DISCUSSION.

**Task 10:** To produce Reports which are suitable for debate in the House, including Westminster Hall, or debating Committees.

17. This is not yet applicable, although Members of the Committee participated in the Westminster Hall debate on the Eighth Report of the Select Committee on Transport, Local Government and the Regions on the 10 Year Plan for Transport.\(^8\) In addition, the evidence taken on *London Underground PPP: Recent Developments* was ‘tagged’ on the Order Paper as relevant to the second Reading of the Railways and Transport Safety Bill on 28 January, since that Bill contained amendments to the Greater London Authority Act 1999 relating to the Tube PPP.

\(^7\) Delivering Better Transport: Progress Report, December 2002  
\(^8\) Eighth Report of Session 2001-2, HC 558-I
The Committee deliberated.

Draft Report [Transport Committee: Annual Report 2002], proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 17 read and agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.—(The Chairman.)

Ordered, That the Chairman do make the Report to the House.
REPORTS OF THE TRANSPORT COMMITTEE
IN THE CURRENT PARLIAMENT

Session 2001–02


Session 2002–03


First Report: Urban Charging Schemes (HC 390-I)
